

LFC Requester: _____

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION
WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO
AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov
(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: February 12, 2025 *Check all that apply:*
Bill Number: HB 358 Original Correction
Amendment Substitute

Sponsor: Representative Randall Pettigrew **Agency Name and Code** Tourism 418
Short Title: INTERIM ADMIN. RULES **Number:** _____
OVERSIGHT COMMITTEE **Person Writing** Novela Salazar, GC
Phone: 5054907185 **Email** novela.salazar@td.nm.

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
NFI	NFI	NFI	NFI

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
NFI	NFI	NFI	NFI	NFI

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	NFI	NFI	NFI	NFI	NFI	NFI

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: House Bill 358 appropriates \$2 million from general fund to the Legislative Council Service (LCS) to create the the Interim Administrative Rule Oversight Committee. The committee will review executive agency-proposed rules and submit recommendations to the agency, the governor's office, and the state department of justice during public comment period.

The committee will consist of 12 members with equal appointments by the majority and minority floor leaders of both the House and Senate. Members will serve two-year terms, and the chair position will alternate between the two legislative chambers and political parties each year.

Section 2 of HB 358 provides for duties and powers of the committee that include reviewing rules proposed by an executive agency (except when the legislature is in session), committee staff analysis, and any fiscal impacts before public rule hearings. The committee will make recommendations on proposed rules, including recommend changes to authorizing statutes of those proposed rules. Section 3 requires LCS to hire no more than four committee staff members.

Section 4 of the bill requires committee staff to conduct written analyses considering statutory authority, necessity of the proposed rule, fiscal impact, and legal implications and compliance with state and federal law. Recommendations from the committee will be submitted to the agency, governor, and state department of justice, during the public comment period.

HB 358 also amends the State Rules Act adding a new section to Section 14-4-5.2 NMSA 1978 related to public notice of proposed rulemaking. In addition to the other notice requirements, agencies must include a fiscal impact statement if the agency estimates that the implementation cost of a proposed rule will be greater than \$1 million. The new section would also require the fiscal impact statement include whether the rule amounts to a mandate on counties and municipalities and, if so, whether that mandate is funded or unfunded.

FISCAL IMPLICATIONS

Note: major assumptions underlying fiscal impact should be documented.

Note: if additional operating budget impact is estimated, assumptions and calculations should be reported in this section.

SIGNIFICANT ISSUES

Agencies could face additional delays before implementing new rules if required to revise proposals based on committee feedback. Agencies will have to analyze and justify cost implications for businesses, municipalities, and other stakeholders. Additionally, while it is only

required to provide a fiscal impact statement if the cost of implementation exceeds \$1 million, the committee may also request fiscal impact statements for lower-cost rules.

It should be noted that the New Mexico Tourism Department (NMTD) has successfully operated and carried out the duties of the department and its divisions without the necessity to establish procedural rules and regulations. See NMSA § 9-15A-9. However, as sufficient growth continues in the department and within its program, adoption of reasonable regulations may be forthcoming; particularly in connection with the Tourism Commission and New Mexico Clean and Beautiful Advisory Committee (NMCBAC). Tourism Commission and NMCBAC members are often members of the industry and unfamiliar with procedural laws. NMTD would be tasked with establishing rules and regulations for their operations and ensuring compliance for adoption.

PERFORMANCE IMPLICATIONS

The agency will need to prepare detailed analyses, legal justifications, and ensure compliance with stricter notice requirements. This may affect the implementation of policies and regulatory changes.

ADMINISTRATIVE IMPLICATIONS

None.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None.

TECHNICAL ISSUES

None.

OTHER SUBSTANTIVE ISSUES

It is unclear whether the committee will only review proposed new rules or review proposed changes to existing rules also.

ALTERNATIVES

None.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status Quo.

AMENDMENTS

None.