

**BILL ANALYSIS AND FISCAL IMPACT REPORT**  
**Taxation and Revenue Department**

**February 27, 2025**

**Bill:** HB-508

**Sponsor:** Representative Randall T. Pettigrew

**Short Title:** Rule Change Public Comment Period

**Description:** The bill creates a new definition to the State Rules Act of “substantial change” and provides that an agency making a substantial change to a proposed rule provide an additional 21-day public comment period on the changes made to the proposed rule. An agency that makes a substantial change to a proposed rule shall provide to the public and publish in the New Mexico register a notice of additional public comment period and specify a 21-day public comment period after publication in the New Mexico register.

**Effective Date:** Not specified; 90 days following adjournment (June 20, 2025).

**Taxation and Revenue Department Analyst:** Lucinda Sydow

Estimated Revenue Impact*					R or NR**	Fund(s) Affected
FY2025	FY2026	FY2027	FY2028	FY2029		
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\* In thousands of dollars. Parentheses ( ) indicate a revenue loss. \*\* Recurring (R) or Non-Recurring (NR).

**Methodology for Estimated Revenue Impact:** The proposed changes in rulemaking process do not affect any revenue sources directly.

**Policy Issues:** This bill will streamline the regulatory process. Under current law, if an agency makes a change to a proposed rule, which is a rule provided to the public for comment and review prior to its adoption, the agency must re-start the rulemaking process, which can add a considerable amount of delay. Avoiding such delay may make an agency less likely to change its proposed rule because of a public comment it received. The bill should encourage agency responsiveness to public comment by reducing such delay and allow a reduction in the time it takes to get a proposed rule from start to finish because the process does not have to start over again when a change is needed.

**Technical Issues: [Section 1]:** Although “substantial change” is defined in the proposed subsection H, on page 4, it is still very open to interpretation and could allow each agency to decide if the change is substantive enough to require this additional comment period. However, a broad interpretation of the language to apply to any non-technical change would support the objective of the State Rules Act to encourage transparency and public involvement in the rulemaking process.

**Administrative & Compliance Impact:** The implementation cost of this bill would be minimal. Tax & Rev on average has two to three public hearings a year for new regulations (rules). Tax & Rev will be able to absorb the changes under current staff workload and will adjust the processes to account for an evaluation of proposed rules under the definition of “substantial change”. The bill may reduce administrative costs by making it easier and less time-consuming to make changes to a proposed rule.

**Related Bills:** Relates to HB-358