

<b>LFC Requester:</b>
-----------------------

<b>Joseph Simon</b>
---------------------

**NMDOT NO IMPACT STATEMENT  
2025 REGULAR SESSION**

*{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}*

**SECTION I: GENERAL INFORMATION**

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

*Check all that apply:*

**Original**  **Amendment** \_\_\_\_\_  
**Correction** \_\_\_\_\_ **Substitute** \_\_\_\_\_

**Date Prepared:** 2/10/2025

**Bill No.** HB 119

**Sponsor:** Kathleen Cates

**Agency/ Code:** NMDOT - 805 - OGC

**Short Title** Contract Adjustments Under  
Procurement Code

**Person Writing Analysis:** Sunderjeet Kaur

**Phone:** 505-500-9683 **Email:** Sunderjeet.kaur@dot.nm.gov

**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Not applicable.

**REVENUE (dollars in thousands)**

Not applicable.

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

Not applicable.

**SECTION III: NARRATIVE**

**BILL SUMMARY**

HB 119 Section 1 amends the Procurement Code to address state agency contract adjustments when said contracts provide for contractors to employ persons whose benefits and compensation are subject to adjustment due to changes in state statutes. Within 45 days of said adjustments, contractors may request amendment to the terms of the applicable contract, and the state agency must respond to the request in writing.

HB 119 Sections 2 and 3 apply to state agencies reimbursement rate adjustments for medicaid and medicare health care providers. This includes requesting federal centers for medicare and medicaid services to amend medicare and medicaid reimbursement rates to accommodate any increase to the medicare and medicaid health care providers expenses due to statutory adjustments in employee compensation and benefits.

## **NO IMPACT STATEMENT**

HB 119 has no substantive administrative or direct fiscal impact on NMDOT.

HB 119 Section 1 amends NMSA 1978, Section 13-1-1 et seq. to require state agencies to consider timely requested amendments to the terms of an existing contract that are to accommodate an increase to the contractor's expenses due to statutory adjustments in employee compensation and benefits. Section 1 does not mandate the amendment to existing contracts. As such, there is no direct impact.

The number and cost of present and future agreements with the NMDOT where contractors employ persons to which HB 119 would apply is currently unknown. Whether there would be an indirect effect based on the number of contractors impacted by HB 119, and the possible expense associated with amending effected contracts, is equally unknown.

HB 119 Sections 2 and 3 are limited in application to state agencies responsible for providing payment to medicaid and medicare providers and would have no impact on NMDOT.

Because the bill has been determined to have no fiscal, operational, administrative or other impact on the NMDOT, the following categories are not applicable:

**FISCAL IMPLICATIONS**

**SIGNIFICANT ISSUES**

**PERFORMANCE IMPLICATIONS**

**ADMINISTRATIVE IMPLICATIONS**

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

**TECHNICAL ISSUES**

**OTHER SUBSTANTIVE ISSUES**

**ALTERNATIVES**

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

**AMENDMENTS**