

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: 2/17/2025 *Check all that apply:*
Bill Number: House Bill 258 Original Correction
 Amendment Substitute

Sponsor: Randall T. Pettigrew **Agency Name** Economic Development
Short Title: Creation of interim administrative rule oversight committee **and Code** Department
Number: 41900 **Person Writing** Rita C. Veleta
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
	2,000.0	Nonrecurring	General fund

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(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						

(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 creates the Interim Administrative Rule Oversight Committee to review executive agency proposed rules, make recommendations on rules to the proposing agency, and recommend changes to the authorizing statutes of a rule. The bill also amends the State Rules Act to require a fiscal impact statement for proposed rules with implementation costs exceeding \$1 million and appropriates \$2 million for committee staffing and operations.

FISCAL IMPLICATIONS

The bill appropriates \$2 million from the general fund for fiscal year 2026 to staff the interim committee and cover related costs. Any unspent funds will revert to the general fund. This requirement for fiscal impact statements could add administrative costs for state agencies, including the Economic Development Department (EDD), if new rules with significant financial implications are proposed.

SIGNIFICANT ISSUES

The bill introduces additional oversight of executive rulemaking, which may slow the rule adoption process. State agencies, including EDD, may need to prepare more detailed fiscal impact statements for relevant rules, potentially requiring staff training or additional resources.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

EDD may need to designate personnel to respond to the committee's requests for information, potentially requiring interdepartmental coordination and additional workload.

State agencies might need to develop new internal processes to track and prepare fiscal impact statements that align with the bill's requirements.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

The bill complements existing provisions of the State Rules Act and adds new reporting and procedural requirements.

The Small Business Regulatory Advisory Committee (SBRAC) is administratively attached to the Economic Development Department (14-4A-1 through 14-4A-6 NMSA 1978). The committee is composed of nine public members, who are current or former business owners, including five appointed by the governor, two appointed by the Speaker of the House of Representatives, and two appointed by the Senate Pro tempore. The mandate of SBRAC is tasked with reviewing proposed rules of state agencies for their effect on small businesses and providing feedback.

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS