

LFC Requester:

Jeannae Leger

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

[AgencyAnalysis.nmlegis.gov](https://www.nmlegis.gov/AgencyAnalysis) 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: 2/13/2025

Check all that apply:

Bill Number: HB 358Original Correction Amendment Substitute Sponsor: Rep. Randall T. PettigrewAgency Name
and Code

Office of the State Engineer

Number:

550

Person Writing

Analysis:

Nat ChakeresShort Title: Interim Admin. Rules Oversight

505-231-

Nathaniel.chakeres@o

CommitteePhone: 4459Email: se.nm.gov**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
NFI	\$2,000	Not specified (standing committee so would be recurring)	General

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
NFI	NFI	NFI	N/A	N/A

(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	N/A	N/A
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(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: N/A

Duplicates/Relates to Appropriation in the General Appropriation Act: N/A

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

Section 1: Creates the Interim Administrative Rule Oversight Committee and details composition and terms of members.

Section 2: Details duties and powers of the Committee, including reviewing rules proposed by executive agencies two weeks prior to public hearing on rule, making recommendations on the rules to the agencies, recommending changes to authorizing statutes, and directing work of Committee staff.

Section 3: Authorizes hiring of no more than four staff members.

Section 4: Requires the Legislative Council Service to distribute each notice of proposed rulemaking to staff and Committee members and directs staff to develop a written analysis of the proposed rule, permits Committee to request Fiscal Impact Statement from agency, requires staff to provide Committee with analysis and rule at least ten days prior to Committee review of rule, and requires Committee to review rule and provide recommendations to agency within comment period of the proposed rule. The requirements of Section 4 do not apply to emergency rules, as provided for in the State Rules Act.

Section 5: Amends Section 14-4-5.2 of the State Rules Act to require a Fiscal Impact Statement from the agency if the cost of implementing the rule is estimated to exceed one million dollars.

Section 6: Creates a new Section 14-4-5.9 of the State Rules Act setting forth the requirements of the Fiscal Impact Statement to be submitted by the agency.

Section 7: Appropriates two million dollars from the general fund to establish and staff the Committee for fiscal year 2026.

Section 8: Establishes the effective date of the act as July 1, 2025.

FISCAL IMPLICATIONS

No significant fiscal implications to the OSE.

SIGNIFICANT ISSUES

The State Rules Act already comprehensively regulates how executive agencies make rules, and authorizing statutes often contain more specific directions on what rules must or may be adopted.

It is not clear what goals would be achieved by the adoption of this bill.

PERFORMANCE IMPLICATIONS

None

ADMINISTRATIVE IMPLICATIONS

The bill would add additional requirements to executive agency rulemaking, potentially increasing the time required for the rulemaking process.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

The State Rules Act already requires providing the proposed rule to the NM legislative council service (amendment made in 2017), and addresses the statutory adherence of proposed rules and notice requirements. Nothing in current law prevents legislative committees, or individual legislators, from commenting on proposed executive agency rules. Further, the Small Business Regulatory Relief Act at NMSA 1978, Section 14-4A-1 to -5, already requires agencies to submit proposed rules that may have an effect on small businesses to the Small Business Regulatory Advisory Commission for review and determination whether such proposed rules are fair, effective, and not overly burdensome.

TECHNICAL ISSUES

It is unclear whether the \$1,000,000 threshold for a fiscal impact statement is on an annual basis or over the expected life of the rule.

OTHER SUBSTANTIVE ISSUES

None

ALTERNATIVES

None

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Executive agencies will continue to follow the rulemaking procedures of the State Rules Act, their authorizing statutes, and their approved hearing rules, with the associated notice and comment requirements.

AMENDMENTS

None