

<b>LFC Requester:</b>	<b>Jeannae Leger</b>
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**AGENCY BILL ANALYSIS - 2025 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO**

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*(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:** 2/12/2025 *Check all that apply:*  
**Bill Number:** HB 358 Original  Correction   
 Amendment  Substitute

**Sponsor:** Randall T. Pettigrew **Agency Name and Code:** NM Commission for Deaf and Hard of Hearing 604  
**Short Title:** Interim Admin. Rules Oversight Committee **Number:** \_\_\_\_\_  
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**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
	\$2,000,000	Recurring	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
<b>Total</b>						

(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: Relating to Legislative Affairs; creating the Interim Administrative Rules Oversight Committee; amending the state rules acts notice of proposed rulemaking to include a fiscal impact statement if the estimated cost of implementing a proposed rule is greater than one million dollars (\$1,000,000); making an appropriation. The committee will consist of legislative appointed members of two-year terms from both the house and the senate. They will will meet no less than one time per month during the interim to review rules proposed by an executive agency.

#### **FISCAL IMPLICATIONS**

An initial appropriation of two million dollars (2,000,000) from the general fund is to be appropriated in fiscal year 2026 to cover the costs to the legislative council service for expenditures. Any of the unexpended or unencumbered balance is to be reverted back into the general fund. While not explicitly stated in the bill there appears to be an expectation that there will be a reoccurring funding need for the interim committee to continue to operate. The committee will meet no less than once a month to review rules proposed by an executive agency, during which time the legislative council service shall hire no more than four staff members for the committee. The committee will only meet in the interim of the fiscal year to review the proposed rules. It is unclear what continued additional operations cost will be as well what the continued appropriation will need to be, however it as I stated indicates a recurring fund will be needed to at minimum cover the costs of the four FTEs.

When a proposed rule is estimated to cost the agency greater than one million dollars (\$1,000,000) a Notice of Proposed Rulemaking Hearings will be conducted as this is written by the executive agency. In order to assess if a rule will cost more than one million dollars (\$1,000,000) a fiscal impact statement is required from the executive agency. Should an agency's statement show an impact of more than one million dollars (\$1,000,000) this will impact said agency/s funding since they will be required to fund the hearing in its entirety which will also include accessibility tools such as captioning and interpreting, allow comments to be made by the public either in person or online on the proposed rulemaking as well. This will require at minimum the agency being able to host an accessible hearing, post the notice for the hearing, post the rule itself, post the justification tied to the proposed rule, post technical information citations. Any agency may be required to set aside additional funding and request funding for their operating budgets in order to conduct the hearings.

**SIGNIFICANT ISSUES** The creation of the interim administrative rule oversight committee and the notice of proposed rulemaking hearings is not all that dissimilar to the process conducted by the Federal Government, with one possible exception. There are several federal agencies that handle the review within the agency via appointed members this would be more like the current process for state Commissions for example. For example, the Federal Communications Commission establishes rules by a process known as "notice and comment" rulemaking. The FCC provides public notice to the public and follows the rules under the authority given to it by

Congress via statute. The commissioners are appointed and considered the leadership of the FCC. If a rule is approved by the FCC a process known as the Congressional Review Act is submitted to Congress and should there be a disagreement on the rule, Congress can begin to overturn the rule. It appears that this act is attempting to establish a similar process, but it is unclear it is needed. In the case of the FCC a rule under the federal process can be determined by the agency but oversight is afforded to Congress, however in the case of this proposal the rule must first be approved by the committee in the event the rule has a cost of more than one million dollars (\$1,000,000) before it can be enacted.

It is unclear if the legislative body's involvement will create a possible increase in the time it will take to enact a rule. It is also unclear if the current rule structures which allow currently an appointed commission of an executive agency to establish rules for agency will no longer be in effect and said commission will no longer have the authority to approve rules in their current roles. If the legislative body already has oversight authority on the rules being established by these agencies it would appear to add an additional layer of approval to a process that is placed by this interim committee. If the legislative body does not already have oversight over the rulemaking process, then this bill would move the rulemaking process closer to the federal process with the exception remaining that the agency commissioners would have the right to enact the rule and have it reviewed. This bill puts the authority of the approval in the hands of the legislative body.

**PERFORMANCE IMPLICATIONS** It is unclear how much additional time will be required to enact rules, and they may need to be made to comply with a statutory mandate, identification of a problem, or petition for rulemaking from the public.

**ADMINISTRATIVE IMPLICATIONS** There will need to be clarification with regards to the process in which an agency collaborates with the legislative body in the steps to approve a rule. In doing so the potential budgets between both groups will need to increase to effectively process the rules.

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

**TECHNICAL ISSUES**

**OTHER SUBSTANTIVE ISSUES**

**ALTERNATIVES**

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

**AMENDMENTS**