

LFC Requester:	Jeanne Leger
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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: 02/12/25 *Check all that apply:*
Bill Number: HB 358 Original Correction
 Amendment Substitute

Sponsor: Randal Pettigrew **Agency Name and Code Number:** Department of Veterans' Services 67000
Short Title: Interim Admin. Rules Oversight Committee **Person Writing:** Danelle Lucero
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
N/A	N/A	N/A	N/A

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

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

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:

Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE: Relating to Legislative affairs; Creating the Interim Administrative Rule Oversight Committee; requiring legislative review of executive agency proposed rules; amending the State Rules Act's 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.

BILL SUMMARY - HB358 Interim Administrative Rule Oversight Committee Bill Key Points:

1. Creation of Committee:

- The bill creates the Interim Administrative Rule Oversight Committee.
- The committee consists of 12 members appointed as follows:
 - 3 members appointed by the majority floor leader of the House of Representatives.
 - 3 members appointed by the minority floor leader of the House of Representatives.
 - 3 members appointed by the majority floor leader of the Senate.
 - 3 members appointed by the minority floor leader of the Senate.

2. Leadership:

- The position of chair alternates between the House and the Senate and the two political parties having the most members each year.
- At no time should both chair and vice-chair positions be held by members of the same political party.

3. Terms and Vacancies:

- Members serve two-year terms, expiring on the first day of each odd-numbered year's regular session.
- Terms end when a member ceases to be a member of the legislature.
- Members can be removed by their appointing authority, and vacancies are filled by the same authority that made the original appointments.

4. Meetings:

- The committee must meet at least once a month during the interim period.

5. Legislative Review:

- The committee is responsible for reviewing the proposed executive agency rules.

6. Fiscal Impact Statement:

- The bill requires a fiscal impact statement to be included in the notice of proposed rulemaking if the estimated cost of implementing the proposed rule exceeds one million dollars (\$1,000,000).

7. Appropriation:

- The bill includes a provision for appropriation.

This bill aims to increase legislative oversight of executive agency rules and ensure transparency in the fiscal impact of proposed rules.

Synopsis: HB 358 **Interim Administrative Rule Oversight Committee Bill**

- **Purpose:** Establishes a committee to review executive agency proposed rules and requires a fiscal impact statement for costly rules.
- **Committee Composition:** 12 members, appointed by House and Senate majority and minority leaders.
- **Leadership:** Alternates between the House and Senate, and between the two largest political parties.
- **Terms:** Two-year terms, removable by appointing authorities, with vacancies filled by the same authority.
- **Meetings:** At least once a month during the interim period.
- **Fiscal Impact:** Requires a fiscal impact statement for proposed rules costing over \$1,000,000.

This bill aims to enhance legislative oversight and ensure transparency in the fiscal impact of proposed rules.

FISCAL IMPLICATIONS Unnecessary costs in workload for administrative duties in compliance with this bill.

Note: major assumptions underlying fiscal impact should be documented.

Note: if additional operating budget impact is estimated, assumptions and calculations should be reported in this section.

SIGNIFICANT ISSUES - Unintended Consequences: This bill introduces additional layers of oversight and administration that are redundant to existing legislative bodies within the House and Senate, as well as the Executive branch. Additionally, current internal review procedures act as a safeguard against abuse of executive power. The process of notice and comment rulemaking is sufficiently stringent.

PERFORMANCE IMPLICATIONS - Opportunity Costs: The time and resources spent on reviewing proposed rules could divert attention from other legislative priorities. This could delay the implementation of other important projects or initiatives.

ADMINISTRATIVE IMPLICATIONS - Establishing and maintaining the committee will result in increased administrative costs, additional time commitments for personnel, and greater utilization of facilities and resources. This would also slow down the rule-making process, as agencies would need to ensure compliance with the new requirements.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP - NONE

TECHNICAL ISSUES - NA

OTHER SUBSTANTIVE ISSUES - \$2,000,000 dollars that will be utilized for this committee, would be better utilized servicing our constituents.

ALTERNATIVES - NONE

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL-Status quo

AMENDMENTS- N/A