

LFC Requester: _____

**AGENCY BILL ANALYSIS
2025 REGULAR SESSION**

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 x **Amendment**
Correction **Substitute**

Date 2/24/25
Bill No: HB 563

Sponsor: Reps Henry and Montoya
Short Title: Prohibiting Codes that Require EV Charging Infrastructure

Agency Name and Code EMNRD - 521
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

HB 563 would add a new section to the Construction Industries Licensing Act that requires the division to establish standards for the installation of individual electric vehicle (EV) supply equipment (the equipment for plug-in power transfer for a device, fitting, power outlet or apparatus installed for the purpose of charging a vehicle, i.e. EV charging stations). HB 563 would prohibit the adoption of any standards or rules that require a specific minimum number of required EV charging spaces or EV capable spaces in a parking lot or parking structure; prohibit any standards or rules that require EV charging spaces in a residential construction project, parking lot or parking structure; and prohibit rules that require a person to install infrastructure for EV charging station equipment in a residential or commercial construction project.

FISCAL IMPLICATIONS

No fiscal implications for EMNRD.

SIGNIFICANT ISSUES

In January 2024, the New Mexico Construction Industries Commission voted to adopt the 2021 International Energy Conservation Code (IECC) Commercial Energy Conservation Code and the 2021 IECC Residential Energy Conservation Code. The adoption of new building codes took effect on July 30, 2024, and requires the integration of EV-ready infrastructure in all new commercial and residential construction projects. These updates also enforce energy efficiency standards for contractors, promoting energy savings and providing financial benefits to New Mexicans.

This decision followed Governor Lujan Grisham's 2024 State of the State address, in which she requested the Legislature's approval of a \$55 million allocation to expand New Mexico's electric vehicle charging network. Currently, because many New Mexicans lack the ability to charge their vehicles at home, in apartment complexes, or while shopping, they are not free to choose which type of vehicle they'd like to own and use. However, with the implementation of these updated codes and an expanded charging infrastructure, the state is preparing for the growing demand for electric vehicles and expanding consumer choice.

At the announcement of the new codes, Clay Bailey, Superintendent of the New Mexico Regulation and Licensing Department, expressed, "Through close collaboration with constituents and industry experts, the Construction Industries Division will implement codes that promote energy-efficient home construction and support electric vehicle adoption. I'm pleased that the Commission responded to public support and voted to adopt energy codes that align New Mexico with other leading states in energy conservation."¹

The new codes now apply to all new construction projects. Key updates include:

2021 New Mexico Commercial Energy Conservation Code (14.7.9 NMAC): Mandates electric vehicle-ready infrastructure in commercial facilities, including apartment complexes and retail centers.

2021 New Mexico Residential Energy Conservation Code (14.6.6 NMAC): Requires new homes to include electrical outlets, to be ready for any future electric vehicle charging. It also revises insulation standards to improve heating and cooling efficiency, bringing homes closer to zero energy use.

Additionally, the 2024 New Mexico Legislature passed a Clean Car and Charging Unit Tax Credit, administered through EMNRD, which provides a credit of up to \$25,000 for DC Fast charging units and \$400 for residential charging units. These state incentives can be stacked with incentives provided for installing EV infrastructure from New Mexican investor-owned utilities.

Electric vehicles (EVs) now represent 9% of the automotive market nationwide, with the oldest EVs on the road being over 10 years old. New Mexicans are adopting EVs, and EV charging infrastructure for public and multi-family parking supports the state's goals for decarbonizing transportation.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

HB 563 conflicts with existing Construction Industries Division (CID) standards. In 2024, the CID adopted new standards that went into effect in July 2024, mandating the inclusion of electric vehicle-ready (EV) infrastructure and EV-ready parking spaces in new residential and commercial developments. Removing the CID's authority to establish these regulations would create confusion among professionals in the construction industry, who have already been informed of the new EV charging requirements. Furthermore, imposing such a limitation on the CID would raise legal concerns regarding the validity of an existing code, particularly if the code was adopted during a period when the Commission had the legal authority to implement such decisions.

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

There will be no consequences of not enacting the bill because the CID will continue with the existing standards that have been adopted by the Construction Industries Commission and have publicized to the construction industry throughout the state. By continuing to require EV charging in new developments, New Mexico aligns the building codes with the stated goal of reducing greenhouse gas emission from the transportation sector by making it easier to drive an EV.

AMENDMENTS

ⁱ <https://www.rld.nm.gov/2024/01/25/construction-industries-commission-votes-to-adopt-new-energy-efficient-building-codes-that-support-electric-vehicle-infrastructure/#:~:text=Requiring%20that%20commercial%20facilities%2C%20including,or%20close%20to%20zero%20energy.>