

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

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

**[AgencyAnalysis.nmlegis.gov](http://AgencyAnalysis.nmlegis.gov) and email to [billanalysis@dfa.nm.gov](mailto: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:** 2.13.25 *Check all that apply:*  
**Bill Number:** HB 358 Original  Correction   
 Amendment  Substitute

**Sponsor:** Pettigrew **Agency Name and Code:** OSA 308  
**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		
	\$2,000.0	Recurring	General Fund

(Parenthesis ( ) indicate expenditure decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
	\$2,000.0	\$2,000.0	Recurring	General Fund - LCS

(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:

HB 358 creates the Administrative Rule Oversight Committee (Committee) to review executive agency rules and make recommendations to the proposing agency, and changes to the authorizing statutes. HB 358 appropriates \$2.0 million to Legislative Council Service for the Committee.

#### **FISCAL IMPLICATIONS**

#### **SIGNIFICANT ISSUES**

The committee membership will be twelve members: six from the House of Representatives and six from the Senate. Membership will be appointed by the majority floor leaders and minority floor leaders of each chamber – each chamber selecting three, with the position of chair alternates annually between chambers. HB 358 provides for the removal of members and filling of vacancies and requires monthly meetings.

Under HB 358, the Committee will:

- review proposed executive agency rulemakings, and review committee staff analyses of and fiscal impacts of the proposed rules two weeks prior to the rule's public hearing;
- the Committee will make recommendations on the rules to the proposing agency.
- recommend changes to authorizing statutes of a rule to clarify legislative intent;
- provide direction to committee staff; and
- endorse legislation to amend or repeal a statute authorizing an agency to promulgate rules.

HB 358 provides procedures for conducting rule reviews, including legal implications on existing state and federal laws.

HB 358 creates Committee staff as no more than four.

HB 358 mandates the preparation of an estimate of the implementation cost for the proposed rule, and if the cost is estimated to exceed \$1 million, also requires a fiscal impact statement. The committee may also request a fiscal impact statement even if the estimated cost is under \$1 million.

#### **PERFORMANCE IMPLICATIONS**

## **ADMINISTRATIVE IMPLICATIONS**

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

## **TECHNICAL ISSUES**

## **OTHER SUBSTANTIVE ISSUES**

According to the Mercatus Center at George Mason University, 40 states have legislative review processes where the legislature or a legislative committee reviews administrative rules (<https://www.mercatus.org/research/working-papers/50-state-review-regulatory-procedures>).

This can include the power to approve, reject, or modify proposed rules. New Mexico is one of the ten states without this function. Generally, legislative reviews of administrative rules are necessary to ensure proper separations of powers, and that legislative intent is maintained when implementing state law – in essence this government function prevents a conflict between administrative rule and statute. In New Mexico, the only remedy when an Executive branch agency's rules exceed the authority granted in state law is by challenging the agency's rule through the judicial process and the courts.

## **ALTERNATIVES**

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

## **AMENDMENTS**