

LFC Requester:

Jeannae Leger

**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 2/12/25

Check all that apply:

Bill Number: HB0358Original  Correction Amendment  Substitute Sponsor: Randall T. Pettigrew

Agency Name

and Code

Dept. of Workforce Solutions-631

Number:

Person Writing

Analysis:

Sarita Nair

Short

Interim Admin. Rules

Email

Title:

Oversight CommitteePhone: 505-263-3187 :Evan.Sanchez@dws.nm.gov**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
0	0		

(Parenthesis ( ) indicate expenditure decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
0	0	0		

(Parenthesis ( ) indicate revenue decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	0	0	0			

(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: House Bill 358 (HB 358) would create the Interim Administrative Rule Oversight Committee (IAROC or “Committee”). This legislative body would review executive agency rulemaking during the interim legislative period. Composition would be twelve appointed members, equally split between the majority and minority floor leaders of the New Mexico House and Senate. The chairmanship would alternate annually between the chambers and political parties.

Under HB 358, the Committee has the authority to (1) review proposed executive agency rules and their fiscal impacts at least two weeks before public hearings (except during the legislative session); (2) make recommendations to agencies regarding rulemaking and potential statutory clarifications; (3) direct committee staff to analyze the necessity, fiscal impact, and legal implications of proposed rules; (4) request fiscal impact statements from agencies, even when the estimated cost of implementation is below \$1 million; and (5) endorse legislation to amend or repeal statutory authority for rulemaking if necessary.

HB 258 also amends the State Rules Act by requiring all notices of proposed rulemaking to contain a fiscal impact statement (FIS) if the estimated cost of implementation exceeds \$1 million. The FIS is supposed to assess financial burden on state agencies, local governments, and businesses, as well as compliance with federal mandates. Two million dollars is appropriated from the general fund to the Legislative Council Service for costs associated with committee activity, with unexpended funds reverting to the GF at the close of fiscal year 2026. The bill itself is to take effect July 1, 2025.

#### **FISCAL IMPLICATIONS**

The bill will create burdens and delays for the Department of Workforce Solutions, which will vary considerably based on the number of rules the Department makes in a year.

#### **SIGNIFICANT ISSUES**

HB 358 presents significant constitutional issues by introducing legislative intervention into the executive branch’s rulemaking process, potentially violating the separation of powers as outlined in Article III, Section 1 of the New Mexico Constitution:

The powers of the government of this state are divided into three distinct departments, the legislative, executive and judicial, and no person or collection of persons charged with the exercise of powers properly belonging to one of these departments, shall exercise any powers properly belonging to either of the others, except as in this constitution otherwise expressly directed or permitted.”

N.M. Const. Art. III, § 1.

The New Mexico Constitution does not authorize legislative intervention in executive rulemaking beyond traditional statutory authority. HB 358's interim, ongoing review process could result in protracted inter-branch disputes and potential litigation, requiring court resolution. HB 358 does not require IAROC members, staff, or appointees to possess or engage subject matter expertise germane to executive rulemaking when reviewing proposed rules.

Further, mandating legislative oversight of administrative rules effectively shifts legal sufficiency review from the judiciary to the legislature, a role that has traditionally been the domain of courts, not lawmakers. This bill blurs the constitutional lines between legislative authority, executive function, and judicial review.

Additionally, HB 358's rigid monthly review process could impede agencies' ability to implement legislative mandates in a timely and flexible manner, reducing government responsiveness to urgent or rapidly evolving circumstances. The bill also fails to allocate funding to help executive agencies comply with its new requirements, adding an unfunded mandate that could strain agency resources.

## **PERFORMANCE IMPLICATIONS**

The bill would create considerably delays in implementation of programs, especially those that require rulemaking to initiate spending of non-recurring funds.

## **ADMINISTRATIVE IMPLICATIONS**

The bill would create considerably delays in implementation of programs, especially those that require rulemaking to initiate spending of non-recurring funds.

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

## **TECHNICAL ISSUES**

## **OTHER SUBSTANTIVE ISSUES**

## **ALTERNATIVES**

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

## **AMENDMENTS**