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**AGENCY BILL ANALYSIS - 2026 REGULAR SESSION**

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**SECTION I: GENERAL INFORMATION**

*{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*

**Date Prepared:** 1/22/2026 *Check all that apply:*  
**Bill Number:** HB 12 Original  Correction   
Amendment  Substitute

**Sponsor:** Elizabeth Thomson **Agency Name and Code Number:** Regulation & Licensing Dept. (RLD), 420  
**Short Title:** Physical Therapy Licensure Compact **Person Writing:** Jen Rodriguez  
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**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
N/A	N/A	N/A	N/A

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
N/A	Unknown*	Unknown*	Recurring	Physical Therapy Fund

(Parenthesis ( ) indicate revenue decreases)

\* See Note 1 in Fiscal Implications for a discussion of the possible impact on revenue.

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

	<b>FY26</b>	<b>FY27</b>	<b>FY28</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>Total</b>	+ Unknown**	70.0	0.0	70.0	Nonrecurring	Physical Therapy Fund
<b>Total</b>	Unknown**	8.0 + **Unknown	68.0 + **Unknown	86.0 + **Unknown	Recurring	Physical Therapy Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

\*\*There could be an impact on operating budget due to an “annual assessment” and fees for “adverse actions in other states” that may be imposed on states as members of the Compact. See Note 3 and Note 5 in the “Fiscal Implications” section below.

Duplicates/Conflicts with/Companion to/Relates to:

**SECTION III: NARRATIVE**

**BILL SUMMARY**

Synopsis: House Bill 12 (HB 12)

House Bill 12 enacts the Physical Therapy Licensure Compact (PT Compact) in New Mexico to allow licensed physical therapists and physical therapist assistants to practice across participating states through a compact privilege without requiring a license in each state. The PT Compact seeks to facilitate the interstate practice of physical therapy, improving access to services while maintaining state authority to regulate practice and protect public health and safety.

The PT Compact establishes uniform standards for state participation, including the following:

1. Participate fully in the PT Compact data system (compact data system);
2. Have a mechanism in place for receiving and investigating complaints and disciplining licensees as necessary;
3. Notify the PT Compact Commission (PT Commission) of any adverse actions against a licensee or compact privilege holder;
4. Fully implement the background check requirement;
5. Comply with the rules of the commission;
6. Require a national examination; and
7. Have a continuing competence requirement for license renewal.

Additionally, licensees from member states must meet the following requirements to receive a compact privilege:

1. Hold an unencumbered license in a member state;
2. Comply with the remote state’s regulatory authority in the state where they want to practice;
3. Have no adverse action against any license or compact privilege within the last two (2) years;

4. Meet the jurisprudence requirements of the remote state;
5. Notify the commission that they are seeking a compact privilege to practice; and
6. Report any adverse action in a non-member state to the PT Commission.

Additionally, if a licensee has their PT Compact privilege removed in any member state, it is removed from all remote states until the licensee meets the requirements for reinstatement. Licensees practicing under the PT Compact are subject to the laws and regulatory authority of the remote state, and states may take adverse action against a compact privilege to protect the public. Special provisions allow active-duty military personnel and their spouses to designate a flexible home state to support mobility.

The PT Compact establishes procedures for investigations, adverse actions, joint investigations between member states, information sharing, and the use of alternative programs in lieu of discipline, with safeguards to prevent practice in other states without authorization.

The PT Commission is created, a joint public agency composed of one delegate from each member state, with authority to adopt rules, manage finances, administer the compact, and enforce compliance. The PT Commission includes an executive board, requires public meetings, details transparent rulemaking procedures, establishes funding mechanisms, immunity protections, and audit requirements. The PT Commission outlines oversight, dispute resolution, enforcement, default, and termination processes. The PT Compact also creates the compact system, a centralized database to share licensure and disciplinary information among member states.

The PT Compact became effective when it was enacted by ten (10) states. Member states may withdraw from the PT Compact by repealing the legislation with at least six (6) months' notice. It also permits amendments to the PT Compact with unanimous enactment by member states.

Finally, HB 12 amends New Mexico's Physical Therapy Act to authorize state and federal criminal history background checks for applicants, aligning state law with the PT Compact's requirements.

The effective date of HB 12 would be May 20, 2026.

## **FISCAL IMPLICATIONS**

NOTE 1: Licensees who wish to practice under a PT Compact privilege must pay a forty-five dollar (\$45) administrative fee plus state fees to the remote state where they wish to obtain a compact privilege. Member states may set the fee amount. Currently, the fee for a physical therapist license in New Mexico is two hundred and fifty dollars (\$250) for an initial application, and one hundred and sixty dollars (\$160) for biennial license renewal. The fee for physical therapist assistants is two hundred dollars (\$200) for an initial application, and one hundred and twenty dollars (\$120) for biennial license renewal.

It is not possible at this time to predict if the PT Compact will bring in more licensees to New Mexico and thereby increase fee revenue, or if the cost of obtaining compact privileges will be significantly less than the cost of obtaining full licensure in New Mexico, thus encouraging some licensees to forego obtaining full licensure in New Mexico and reducing New Mexico's license fee revenue. An amendment to Section 61-12D-7 of the Physical Therapy Act (Act) will be necessary for the Physical Therapy Board (Board) to promulgate rules that allow the Board to charge for compact privileges. (See Amendments below.)

NOTE 2:

It is not clear what information technology (IT) requirements will be required of participating states to use the compact system. It is anticipated that the system will connect with participating states through an application programming interface (API). Such a system would require the Board and the Regulation and Licensing Department (RLD) to incur some costs to integrate the PT Compact's data system API into the RLD's NM Plus online licensing system and to pay for the ongoing costs of the MuleSoft software to translate the data. The RLD has some experience in integrating APIs into its current system as it has already done so for other licensed professionals. As a result, there is an idea of what costs it can reasonably expect to incur in integrating API systems into the RLD's NM Plus system. While these costs can fluctuate based on various factors, the RLD anticipates a one-time cost for implementation of approximately seventy thousand dollars (\$70,000) for two (2) APIs.

In addition, when utilizing the API process, the RLD's NM Plus electronic licensing system requires the use of MuleSoft, a Salesforce-based software, to process and translate the data that is received from an API. Multiple factors go into the costs involved with utilizing the MuleSoft software, but RLD estimates a recurring cost of utilizing the MuleSoft program to be approximately sixty thousand dollars (\$60,000) for two (2) API's.

An administrative rulemaking process, including a public hearing and all required publication of notices and proposed rules, would be required to update and amend current administrative rules issued pursuant to the Act if HB 12 is enacted. The RLD believes it can absorb the costs associated with the rulemaking processes for this bill within existing resources.

NOTE 3: The Board "may" be required to pay an annual assessment based on a formula to be determined by the compact commission. Currently, the commission is not assessing annual fees to be paid by the participating state boards, but this could change should the administrative fees collected from practitioners fail to meet the financial obligations of the commission. The RLD is unable to determine at this time what the dollar amount of that annual assessment would be, or if it will actually be imposed in any given fiscal year.

NOTE 4: If HB 12 is enacted, the Board may incur out-of-state travel expenses for its commission delegate member to attend annual meetings. Per the PT Compact By-Laws, travel and expense reimbursements are subject to pre-approval and the availability of budgeted funds for the PT Commission. It is unclear whether the travel costs will be covered by the PT Commission, the attending delegates, or the Board itself. However, there is a possibility that expenses for the delegate's attendance will need to be covered. If the Board is responsible for these costs, the potential expenses—such as airfare, hotel, meals, ride share/taxi, etc.—are unknown at this time but are estimated to cost two thousand dollars (\$2,000) per day, with an estimated four (4) days of travel and attendance each year. Therefore, the RLD anticipates a resulting expense of eight thousand dollars (\$8,000) per year in FY27 and future years.

NOTE 5: With respect to Section 6 of the bill, "Adverse Actions," the issuing state would incur expenses related to taking adverse action against a practitioner's compact privilege within a member state. The issuing state is responsible for paying any witness fees, travel expenses, mileage and other fees required by the service statutes of the state in which the witnesses or evidence are located. Potential expenses that may be incurred by the RLD on behalf of the Board under this provision cannot be reasonably estimated at this time.

## **SIGNIFICANT ISSUES**

The Physical Therapy Board (Board) has indicated strong support for HB 12. The Board has indicated that HB 12 has the potential to have a great impact on the profession and the public of New Mexico. Per the last workforce data produced by the state, physical therapy presents with a nearly equal workforce deficit as nursing based on professional-to-resident ratio.

## **PERFORMANCE IMPLICATIONS**

### **ADMINISTRATIVE IMPLICATIONS**

Enactment of this bill would require the Board to initiate rulemaking to adopt rules in accordance with the requirements, procedures and bylaws of the PT Compact. Administrative rulemaking in New Mexico must follow the requirements of the State Rules Act, which can be anticipated to take a minimum of one hundred and twenty (120) days from the time an authority begins to develop rule language, provide public notice of proposed rules, allow for public review and comment, conduct a public rule hearing, comply with the requirements for final adoption of rules, and complete the required publication of the rules before such rules take legal effect. Among other rules that will have to be amended or created to meet the requirements of the PT Compact, the Board must adopt rules for applicants to submit to federal background checks based on fingerprints.

Federal Background Checks and Fingerprinting will require a contract. This would be an addition to RLD's existing contract for these services for other boards.

In addition, administrative staff at the RLD providing support to the Board will require training on how to report and obtain licensing and disciplinary action information with compact system.

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

## **TECHNICAL ISSUES**

### **OTHER SUBSTANTIVE ISSUES**

To date, forty (40) states have adopted the PT Compact, including every state bordering New Mexico. Thirty-seven (37) states are currently issuing PT Compact privileges. Licensees who wish to practice under the PT Compact privilege must pay a compact-specific administrative fee in the remote state where they want to practice; currently the fee is forty-five dollars (\$45). The state compact privilege fee varies from state to state with some charging no fee and some charging as much as two hundred and fifty dollars (\$250).

## **ALTERNATIVES**

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

Licensure in New Mexico for Physical Therapists will continue to be a barrier to access to physical therapy services for individuals in New Mexico needing these services. Non-participation in the Compact will keep New Mexico at a competitive disadvantage regarding recruitment of Physical Therapy providers to our state.

## **AMENDMENTS**

An amendment is needed to allow the Board to charge state-specific fees for a PT Compact privilege endorsement for existing licensed physical therapists and physical therapist assistants, a

Compact Privilege Physical Therapist, and a Compact Privilege Physical Therapist Assistant in Section 61-12D-7 of the Act.

To ensure the necessary amendments and additions to administrative rules are in place, the RLD's NM Plus electronic licensing system is updated, and the API's created and implemented to allow the NM Plus system to exchange information with the PT Compact data system by the time HB 12 takes effect, the RLD is requesting that the effective date be changed to January 1, 2027.