

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: 1/14/2026 **Check all that apply:**
Bill Number: HB 32 Original Correction
 Amendment Substitute

Sponsor: Rep. Marian Matthews
Short Title: Counseling Licensure Compact

Agency Name and Code Number: Regulation & Licensing Dept. (RLD), 420
Person Writing Jen Rodriguez
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SECTION II: FISCAL IMPACT**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
<u>N/A</u>	<u>Unknown*</u>	<u>Unknown*</u>	Recurring	Counseling and Therapy Practice 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)

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	Unknown ⁺ **	70.0	0.0	70.0	Nonrecurring	Counseling and Therapy Practice Fund
	Unknown**	8.0 + **Unknown	68.0 + **Unknown	76.0 + **Unknown	Recurring	Counseling and Therapy Practice 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.

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: House Bill 32 (HB 32)

HB 32 would enter the state of New Mexico into the Counseling Licensure Compact (Compact). The purpose of the Compact as described in the bill is to “facilitate interstate practice of licensed professional counselors with the goal of improving public access to professional counseling services.” The Compact allows the member states to preserve regulatory authority and to protect public health and safety through implementation of its licensure procedures. The Compact establishes flexibility for counseling licensees in member states to obtain compact privileges for licensure in other member states. The Compact only applies to one type of counseling license in New Mexico, professional clinical mental health counselor (LPCC). There are currently 2,730 active LPCC licensees in New Mexico.

To date, thirty-nine (39) states have adopted the Counseling Licensure Compact, including every state bordering New Mexico, except Texas. However, only three (3) states are currently issuing privileges, Arizona, Minnesota and Ohio.

The Compact purports to achieve the following objectives:

- (1) increase public access to professional counseling services;
- (2) enhance the states’ ability to protect public health and safety;
- (3) encourage cooperation of member states in regulating multistate practice for licensed professional counselors;
- (4) support spouses of relocating military members;
- (5) enhance the exchange of licensure, investigative and disciplinary information between member states;
- (6) allow for the use of telehealth technology to facilitate increased access to professional counseling services;
- (7) support the uniformity of professional counseling licensure requirements throughout the states to promote public safety and public health benefits;

(8) invest all member states with the authority to hold a licensed professional counselor accountable for meeting all state practice laws in the state in which the client is located at the time care is rendered through the mutual recognition of member state licenses;

(9) eliminate the necessity for licenses in multiple states; and

(10) provide opportunities for interstate practice by licensed professional who meet the uniform licensure requirements.

The Compact includes a host of definitions including “home state” which is the licensee’s primary state of residence; “member state” which is a state that has enacted the Compact; “remote state” which is a member state, other than the home state, where the licensee is seeking to practice; and “counseling compact commission” which is the national administrative body whose membership consists of all state that have enacted the compact. Importantly, the Compact defines “privilege to practice” as a legal authorization, *equivalent to a license*, permitting counseling services in a remote state.

Commission:

The Counseling Compact Commission (Commission) will carry out the intent of the Compact, and each member state shall have one (1) delegate selected by the member state’s licensing board, which in New Mexico will be the Counseling and Therapy Practices Board (Board). The delegate must be a current member of the licensing board who is a licensed professional counselor or public member, or an administrator of the licensing board.

The powers and duties of the Commission include the following:

- (1) establish the fiscal year of the commission;
- (2) establish bylaws;
- (3) maintain the Commission’s financial records in accordance with its bylaws;
- (4) meet and take actions consistent with provisions of the Compact and the bylaws;
- (5) promulgate rules, which shall be binding to the extent and in the manner provided for in the Compact;
- (6) bring and prosecute legal proceedings or actions in the name of the Commission;
- (7) purchase and maintain insurance bonds;
- (8) borrow, accept, or contract for services of personnel;
- (9) hire employees, elect or appoint officers, fix compensation, define duties, and grant such individuals appropriate authority to carry out the purposes of the compact and to establish the commission’s personnel policies and programs relating to conflicts of interest, qualifications of personnel and other related personnel matters;
- (10) accept any and all appropriate donations and grants of money, equipment, supplies, materials, and services, provided that there is no appearance of impropriety or conflict of interest;
- (11) lease, purchase and accept appropriate gifts and donations of any property (real, personal or mixed);
- (12) sell, convey, mortgage, pledge, lease, exchange, abandon or otherwise dispose of any property (real, personal or mixed);
- (13) establish a budget and make expenditures;
- (14) borrow money;
- (15) appoint committees;
- (16) provide and receiving information in cooperation with law enforcement agencies;
- (17) establish and elect an executive committee; and
- (18) perform all other functions necessary to achieve the purposes of the Compact.

The Executive Committee of the Commission, consisting of eleven (11) members, is vested with the following duties and responsibilities:

(1) recommend changes to the Commission regarding rules or bylaws, changes to the Compact legislation and changes to fees paid by member states, such as annual dues and any Commission fees charged to licensees for the privilege to practice;

(2) ensure Compact administration services are appropriately provided;

(3) prepare and recommend the budget;

(4) maintain financial records on behalf of the Commission;

(5) monitor Compact compliance of member states and provide reports to the Commission; and

(6) establish additional committees as necessary and perform additional duties as provided in the rules or bylaws.

The Commission will adopt rules necessary to implement the Compact. Rules can be rejected by a majority of member state legislatures within four (4) years. Rulemaking requires advance public notice, publication, and opportunity for public comment.

Commission and Executive Committee meetings will be open to the public and notice will be provided. Closed sessions will be permitted for deliberations on certain sensitive matters (e.g., litigation, personnel issues, investigations). Legal counsel for the Commission must certify closed meetings. Detailed minutes will be drafted for every meeting and available to the public.

The Commission will finance its operations through state assessments, license privilege fees, grants, and donations. Member states may be assessed annually using a formula set by rule, but there is not currently a fee assessed. An annual independent audit of the Commission is required.

The Compact indemnifies the Commission. Commission members and staff have qualified immunity from civil liability for actions within scope of duties, except for willful or wanton misconduct.

Compact Data System (CDS)

The Compact establishes a coordinated database for licensure, adverse actions, and investigations. Member states must submit standardized data regarding each licensee, including licensure status, disciplinary actions, application denials, investigations. Investigative data is restricted to member states and member states may restrict public disclosure of certain data. Expunged information will be removed from the system.

Member State Responsibilities:

To participate in the Compact, each member state must:

(1) currently license and regulate professional counselors;

(2) require licensees to pass a national recognized examination by the Compact commission;

(3) require licensees to have a master's degree in counseling with sixty (60) semester hours or ninety (90) quarter-hours, or sixty (60) semester-hours or ninety (90) quarter-hours of graduate course work in specified areas;

(4) require licensees to complete a supervised postgraduate professional experience as defined by the commission; and

(5) have a mechanism in place for receiving and investigating complaints about licensees.

The New Mexico Board's current statutes and rules would meet all of the requirements above except for the sixty (60) semester-hour education requirement. Currently, it only requires forty-eight (48) semester-hours for graduate degrees. This would require a change to the Counseling and Therapy Practices Act (Act), Section 61-9A-10 (B) and a change to the Board's rules.

To be a member state under the Compact, the state shall:

- (1) participate fully in the Commission's data system;
- (2) notify the Commission of any adverse action or availability of any investigative information regarding a licensee;
- (3) implement procedures that consider the criminal history records of applicants for an initial privilege to practice, including the submission of fingerprints or other biometric-based information for the purpose of obtaining an applicant's criminal history record information;
- (4) comply with the rules of the Commission;
- (5) require an applicant to obtain or retain a license in the home state and meet the home state's qualifications for licensure, as well as all other applicable state laws;
- (6) grant the privilege to practice to a licensee holding a valid unencumbered license in another member state in accordance with the terms of the Compact and rules; and
- (7) provide for the attendance of the state's commissioner to the Compact Commission meetings.

Meeting these requirements would necessitate a change to the New Mexico Licensing and Therapy Practice Act to require background checks. The Board would also need to change its rules to comply with the Compact.

Compact Privilege Licensee Requirements:

For a licensee to exercise the compact privilege, the licensee shall:

- (1) hold a license in the home state;
- (2) have a valid United States social security number or national practitioner identifier;
- (3) be eligible for privilege to practice in any member state;
- (4) have not had any encumbrance or restriction against any license or privilege to practice within the last two years;
- (5) notify the commission that the licensee is seeking privilege to practice within a remote state;
- (6) pay any applicable fees, including any state fee, for the privilege to practice;
- (7) meet any continuing competence or education requirements established by the home state;
- (8) meet any jurisprudence requirements established by the remote state in which a licensee is seeking a privilege to practice; and
- (9) report to the commission any adverse action, encumbrance, or restriction on license taken by any nonmember state within thirty (30) days from the date the action is taken. The privilege to practice is valid until expiration date of the home state license.

Adverse Actions:

A remote state has the power to take adverse action against a licensed professional counselor's privilege to practice within that member state. A remote state has the authority, in accordance with state law, to issue subpoenas for hearings and investigations that require witness testimony and the production of evidence. Additionally, the home state has the sole power to take adverse action against a licensed professional counselor's license issued by the home state. The home state shall give the same priority and effect to reported conduct received from a member state as it would if the conduct had occurred in the home state.

Member states may conduct joint investigations of licensed professional counselors and must share

investigative and compliance materials. If a counselor's home state takes adverse disciplinary action, the counselor's privilege to practice in all other member states is suspended until the issue is resolved, and this suspension must be stated in the disciplinary order. Member states must promptly report adverse actions to the compact's data system, which then notifies the home state. The compact does not prevent states from using alternative programs instead of disciplinary action.

Compact Enforcement:

The Commission may enforce compliance through legal action. State governments must enforce the Compact. Member state courts must recognize the Compact and its rules. The Commission has standing in legal proceedings involving the Compact. If a member state fails to meet Compact requirements, the Commission may declare it in default and provide notice and technical assistance. States failing to cure default may be terminated by majority vote of the member states of the Compact, but all other remedies must first be exhausted. Terminated states are still liable for any obligations that remain. Defaulting states may appeal to federal court but will be liable for attorneys' fees if the Commission prevails. The Commission will facilitate dispute resolution between member states and provide rules for mediation and binding resolution where appropriate.

Withdrawal:

Member states may withdraw from the Compact by enacting a statute repealing Compact as long as the statute takes effect not less than six (6) months after the enactment and withdrawal does not affect ongoing investigative and adverse action reporting requirements.

The effective date of HB 32 would be May 20, 2026.

FISCAL IMPLICATIONS

NOTE 1: The Compact requires states to implement a thirty dollar (\$30) administrative fee to receive the practice privilege. That fee must be paid to the Commission. The Compact also allows member states to charge a licensing fee for the practice privilege. Of the three (3) states that currently have the privilege, the licensing fee varies widely with Arizona charging two hundred and fifty dollars (\$250) plus the Compact administration fee, to Ohio which only charges twenty-five dollars (\$25) plus the Compact administration fee. Currently, the fee for an LPCC license in New Mexico is two hundred and twenty dollars (\$220) plus a seventy-five dollar (\$75) application fee.

It is not possible at this time to predict if the Compact will bring in more licensees to New Mexico and thereby increase fee revenue, or if the cost of obtaining Compact privileges in another state where a counselor may be licensed 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 61-9A-24 of the Act will be necessary for the Board to be able to charge fees for Compact privileges. (See Amendments below.)

NOTE 2:

As the Compact is not yet fully operational, it is unclear what IT requirements will be required of participating states. The Compact currently is in the process of building out its data system infrastructure, and 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 Compact's 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 APIs.

In addition, when utilizing the API process, NM Plus 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 \$60,000 for two API's. However, because the Compact is not yet fully operational, it is unknown how many API's will be required in the system.

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 32 is enacted. The RLD believes it can absorb the costs associated with the rulemaking processes for this bill within existing resources.

NOTE 3: The New Mexico Counseling and Therapy Practice Board (Board) "may" be required to pay an annual assessment based on a formula to be determined by the Counseling Compact Commission. Currently, the commission is not assessing an annual fee to be paid by the State Board, but this could change should the administrative fees collected 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 32 is enacted, the Board may incur out-of-state travel expenses for its compact commission delegate members to attend annual meetings. Per the Compact By-Laws, travel and expense reimbursements are subject to pre-approval and the availability of budgeted funds for the commission. It is unclear whether the travel costs will be covered by the 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 \$2,000 per day for the delegate, 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 8 of the bill, "Adverse Actions," the issuing state would incur expenses related to taking adverse action against a counselor's privilege to practice 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 Board has indicated strong support for the bill. The Board believes it will improve access to patient care by: (1) making the state more attractive to current counselors residing outside of New Mexico with plans to relocate to the state; and (2) increasing access to telehealth services for underserved and rural areas of the state. See the letter of support attached, passed unanimously by

the Board in 2024.

However, the Board has also expressed concerns that the additional education requirement (see Conflict below) may lead to fewer licensees in New Mexico as some current licensees and possibly other future applicants will not be able to meet the new requirements. Further, the fingerprinting requirement may cause some qualified candidates to avoid licensure in New Mexico as concerns about citizenship and immigration status are of heightened for many at this time.

The RLD estimates developing and implementing the numerous administrative rule provisions that would be necessitated by HB 32 as well as the upgrades to the NM Plus licensing database, along with the implementation of mandated Compact Data System (CDS), will require several months to accomplish. The RLD believes consideration should be given to delaying the effective date of HB 32 to January 1, 2027. (See also Amendments, below.)

PERFORMANCE IMPLICATIONS

Please see issues and comments provided in the “Significant Issues” above.

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 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 Compact, the Board must adopt rules for applicants to submit to federal background checks based on fingerprints.

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 the Compact’s CDS.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Without passing this legislation, the state of New Mexico may be seen as being less competitive, as many states in the surrounding area have joined the compact. Additionally, there will likely be economic repercussions due to lack of healthcare providers and continued lack of mental health care accessibility in underserved and rural areas if the bill is not enacted.

AMENDMENTS

An amendment is needed to change the education requirements and add background checks for Section 61-9A-11(B), Professional clinical mental health counselor, requirements for Licensure,

of the Act to the following:

B. holds a master's or doctoral degree in a counseling or counseling-related field, as defined by rule, from an accredited institution. The applicant shall have a master's degree and a total of no less than [forty-eight] sixty graduate semester hours or seventy-two quarter hours in the mental health clinical core curriculum;

To implement the additional requirements of a background check for LPCC applicants, a new section should be added to the Act. The new section can mirror the language of Section 61-9-11.2, Criminal Background Checks, of the Professional Psychologist Act.

An amendment is needed to provide fees for a Compact Privilege Endorsement for existing LPCC's, a Compact Privilege LPCC, and the Compact Commission Administrative Fee in Section 61-9A-24 of the Act

To ensure that there are rules in place by the time HB 33 takes effect, CLIS is implemented, and NM-Plus is updated, RLD is requesting that the effective date be changed to January 1, 2027.

Subject: Letter of Support for New Mexico Counseling Compact

I am writing on behalf of the New Mexico Counseling and Therapy Practice Board to express our wholehearted support for the New Mexico Counseling Association's (NMCA) efforts to join with 30 states as a part of the Counseling Compact.

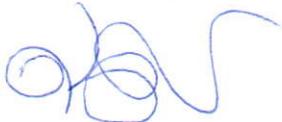
The NM Counseling & Therapy Practice Board has consistently demonstrated a commitment to the highest standards of professional practice, ethical conduct, and the well-being of individuals seeking counseling services in our state and those who provide them. By becoming a participant in the Counseling Compact, New Mexico will further enhance its ability to collaborate with counseling organizations across state lines and promote the exchange of valuable knowledge and resources.

We believe that the Counseling Compact will not only facilitate the mobility of counselors to attend to the diverse needs of New Mexicans but will also foster a stronger network of professionals dedicated to improving mental health services nationwide. As a member of the compact, New Mexico will contribute to the establishment of uniform standards and reciprocity, ensuring that counselors can seamlessly serve clients in various states while upholding the profession's integrity. Additionally, embracing the compact is a step forward that will hopefully get the ball rolling for other mental health professionals in the state.

The New Mexico Counseling and Therapy Practice Board recognizes the importance of collaboration in advancing the field of counseling, and we are confident that New Mexico's involvement in the Counseling Compact will significantly contribute to the achievement of these shared goals.

Thank you for considering our letter of support, and we look forward to witnessing the positive impact of the Counseling Compact in our state.

Sincerely,



Kourtney T. Vaillancourt, PhD, LMFT, LADAC
Chair
New Mexico Counseling and Therapy Practice Board