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FISCAL IMPACT REPORT

BILL NUMBER: House Bill 12

SHORT TITLE: Physical Therapy Licensure Compact

SPONSOR: Thomson

LAST UPDATE: _____ **ORIGINAL DATE:** 1/20/2026 **ANALYST:** Hanika-Ortiz

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
RLD/Physical Therapy Board	No fiscal impact	\$75.0	Indeterminate but minimal	\$75.0	Nonrecurring	Other state funds
Total	No fiscal impact	Indeterminate but minimal	Indeterminate but minimal	Indeterminate but minimal	Recurring	Other state funds

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Relates to House Bills 10, 11, 13, 14, 31, 32, 33, 44, 45, and 50

Sources of Information

LFC Files

Because of the short timeframe between the introduction of this bill and its first hearing, LFC has yet to receive analysis from state, education, or judicial agencies. This analysis could be updated if that analysis is received.

SUMMARY

Synopsis of House Bill 12

House Bill 12 (HB12) enters New Mexico into the Physical Therapy Licensure Compact (PT compact) to “facilitate interstate practice of physical therapy with the goal of improving public access to physical therapy services.” The PT compact states it “preserves the regulatory authority of states to protect public health and safety through the current system of state licensure.” The bill offers definitions for the PT compact, including “home state” to mean the licensee’s state of residence, “member state” to mean a state that has enacted the PT compact, and “remote state” as a member state other than the home state, where one seeks additional licensure.

The bill also details criteria a state must implement to participate in the PT compact, including (1) participation in the data system, (2) having a mechanism for receiving and investigating complaints about a licensee, (3) notifying the commission of any adverse action regarding a licensee, (4) implementing a criminal history background check system, (5) complying with rules of the PT compact and its commission, (6) utilizing a national examination as requirement for licensure, and (7) requiring continuing education as a condition for license renewal.

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Further, the bill amends Section 61-12D-10 NMSA 1978 of the Physical Therapy Act to allow the board to conduct state and federal background checks, as required under the PT compact. The language in this section says the board shall not disseminate this information across state lines.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns, which is May 20, 2026.

FISCAL IMPLICATIONS

States may charge a fee to access PT compact privileges. Some states have been slow to join the PT compact because of the fear of losing revenue from licensing fees. However, the Federation of State Boards of Physical Therapy reports that data from existing states in the PT compact suggests that licensee numbers have remained stable in those states, and states have been able to integrate compact processes without additional staff.

RLD will incur costs to update and integrate its NM Plus licensing system with the compact's data system in order to share licensing and disciplinary information. LFC scores this additional expense in the operating budget impact table above. RLD and the board will need to update administrative rules, which will likely not require additional resources. The board will also incur out-of-state travel expenses for its PT compact commission delegates to attend and participate in annual meetings.

The commission is permitted to recover operational costs with an annual assessment for states.

SIGNIFICANT ISSUES

The PT compact is an agreement between states to allow physical therapists to practice across state lines without the need for separate licenses. Currently, 37 states have enacted the compact. Of those, a majority are actively issuing and accepting compact privileges to eligible licensees.

The PT compact provides for a coordinated database and reporting system containing licensure, adverse action, and investigative information on all licensed individuals in member states. The PT compact also has a process to handle determinations if a member state has defaulted in the performance of its obligations or responsibilities under the PT compact or promulgated rules.

PERFORMANCE IMPLICATIONS

To participate under the compact, this bill cannot be materially altered.

ADMINISTRATIVE IMPLICATIONS

An administrative rulemaking process, including a public hearing and required publication of notices and proposed rules, would also be required. RLD may need to help absorb these costs.

Administrative staff that support the board would require training on how to report and obtain licensing and disciplinary action information using the compact's shared data system.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

In addition to HB12, the Legislature is also considering other workforce compacts:

- House Bill 10 Physician Assistant Interstate Compact
- House Bill 11 Audiology and Speech-Language Pathology Compact
- House Bill 13 Occupational Therapy Licensure Compact
- House Bill 14 Dentist and Dental Hygienist Compact
- House Bill 31 EMS Personnel Licensure Interstate Compact
- House Bill 32 Counseling Licensure Compact
- House Bill 33 Psychology Interjurisdictional Compact
- House Bill 44 Dentist and Dental Hygienist Compact
- House Bill 45 Physician Assistant Licensure Compact
- House Bill 50 Social Work Licensure Interstate Compact

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