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FISCAL IMPACT REPORT

SPONSOR	<u>Sanchez/Pettigrew</u>	LAST UPDATED	<u>3/12/2025</u>
		ORIGINAL DATE	<u>02/12/2025</u>
		BILL	<u>House Bill</u>
SHORT TITLE	<u>Engineer Licensure</u>	NUMBER	<u>323/aHFI#1</u>
		ANALYST	<u>Montano</u>

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT*

(dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
	No fiscal impact	No fiscal impact	No fiscal impact			

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency Analysis Received From

Board of Licensure for Professional Engineers and Professional Surveyors (BLPEPS)

Agency Analysis was Solicited but Not Received From

Regulation and Licensing Department (RLD)

SUMMARY

Synopsis of HFI#1 Amendment to House Bill 323

The House Floor #1 amendment to House Bill 323 (HB323) exempts rural electric distribution cooperatives from the provisions of the bill.

Synopsis of House Bill 323

House Bill 323 revises exemptions under the Engineering and Surveying Practice Act to clarify when business-employed engineers must be licensed. The bill modifies the conditions under which an engineer employed by a business entity is exempt from licensure requirements by expanding the definition of where unlicensed engineers may perform work.

Under current law, engineers employed by a business entity are exempt from state engineering licensure requirements so long as they only perform engineering work related to their employer's operations and do not offer services to the public. Previously, this exemption was limited to work within the legal boundaries of property that the business entity owns, leases, or lawfully operates. HB323 expands this exemption to also include work on properties where the business entity or an affiliated business entity has an easement or right-of-way, meaning unlicensed engineers may now perform work beyond property the business directly owns or leases.

Additionally, the bill reinforces that any engineering work performed on public works projects, or within off-premises easements, constitutes services to the public and remains subject to full licensure requirements under the Engineering and Surveying Practice Act. This ensures that any engineering work that impacts public infrastructure or government projects must still be performed by licensed engineers.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns if enacted, or June 20, 2025.

FISCAL IMPLICATIONS

The Board of Licensure for Professional Engineers and Professional Surveyors (BLPEPS) expects no fiscal impact with the enactment of HB232.

SIGNIFICANT ISSUES

BLPEPS notes:

In 2021, the Board received a letter from the National Transportation Safety Board (NTSB) urging the State of New Mexico to act on the safety recommendation cited in their letter. This, as well as public input for several preceding years, led to a change in Board Rules in 2022 and, in 2023, the board updated the Engineering and Surveying Practice Act with language to the industrial exemption. The change, which is considered a best practice for protection of the public, allows that the practice of engineering without a license is limited to the legal boundaries of the property owned, leased or lawfully operated by the business entity or affiliated business entity that employs the engineer. If at any time the engineer provides services outside the boundaries of the property, including in public easements, the engineer must be licensed and is subject to the Engineering and Surveying Practice Act. Notably, the 2022 and 2023 changes stopped short of the full NTSB recommendation that all projects involving the practices of engineering and natural gas, regardless of location or ownership, be completed under the direction of a professional engineer.

ADMINISTRATIVE IMPLICATIONS

BLPEPS notes:

Prior to the language adopted in 2022, the board received periodic inquiries from the public as to where the practice of engineering without a license was permitted. Many of these questions were focused on practice within areas where there was significant public interaction such as along and crossing roads and highways and on private residences. These concerns focused acutely on utilities and easements and where the responsibility lies for engineering errors in these areas. HB323 would reverse the clarity provided to the public in the changes of 2022 and 2023.

OTHER SUBSTANTIVE ISSUES

BLPEPS notes:

National model law for professional engineers does not contemplate an exemption such as that currently afforded in the New Mexico act, let alone what is proposed in HB323.

Several surrounding states do have industrial exemptions, but not all states. Texas, for example, has very explicit industrial sectors and conditions that allow for exemption, but not as broad as that already provided to industry in New Mexico.

NM/hj/rl