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FISCAL IMPACT REPORT

BILL NUMBER: HJCS/House Bill 13/aSHPAC

SHORT TITLE: Occupational Therapy Licensure Compact

SPONSOR: House Judiciary Committee

LAST ORIGINAL
UPDATE: 2/17/2025 **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/ Board of Examiners for Occupational Therapy Total	No fiscal impact	Up to \$70.0	Indeterminate but minimal	Up to \$70.0	Nonrecurring	Other state funds
	No fiscal impact	Up to \$40.0	Up to \$40.0	Up to \$80.0	Recurring	Other state funds

Parentheses () indicate expenditure decreases.
 *Amounts reflect most recent analysis of this legislation.

Relates to House Bills 10, 11, 12, 14, 31, 32, 33, 44, 45, 50

Sources of Information

LFC Files

Agency or Agencies Providing Analysis
 Regulation and Licensing Department
 Health Care Authority

SUMMARY

Synopsis of SHPAC Amendment to HJC Substitute for House Bill 13

The Senate Health and Public Affairs Committee amendment to House Judiciary Committee substitute for House Bill 13 requires the state to conduct FBI fingerprint-based background checks and use the results for licensing purposes, explains who by job title on the commission receives immunity and indemnification coverage, applies limits of liability under state law for similar public actors, adds a federal court of New Mexico to venue options for commission actions, and gives the Attorney General standing to address a commission’s rule or decision.

Synopsis of HJC Committee Substitute for House Bill 13

The House Judiciary Committee Substitute for House Bill 13 (HB13/HJCS) enters New Mexico into the Occupational Therapy Licensure Interstate Compact (OT compact) to facilitate the practice of occupational therapy across state lines while preserving the state’s regulatory authority. Section 2 defines terms, among them “compact privilege”, which is authorization

granted by a remote state to an OT or OT assistant to practice under that state’s laws. “Telehealth” is the use of technology to deliver OT services for assessment and intervention.

Section 3 lays out requirements for state participation in the OT Compact, including using the commission’s data system, notifying the commission of adverse actions regarding a licensee, having procedures to obtain biometric-based information to obtain an applicant’s criminal history record, using a recognized exam for licensure, and requiring a continuing education requirement for renewal. The OT compact does not affect the issuance of a single-state license.

Section 4 includes requirements for licensees seeking compact privileges, including agreeing to a background check and paying fees. The section also requires an OT assistant practicing in a remote state to be supervised by an OT with an OT compact privilege in that remote state. Section 5 explains that home state licenses, which allow for privileges in remote states, to be held in one member state at a time, and provides guidance for moving between states. Section 6 requires active-duty military personnel to designate a home state where the individual holds a current license in good standing and provides guidance for changing one’s home state. Section 7 sets forth criteria and authority with which home and remote states may impose adverse actions against a licensee. Section 8 recognizes the multi-state commission, allows for one delegate from each member state to serve on it, and outlines duties of the commission. Section 9 addresses qualified immunity and defense of the commission provided an act is not malicious or illegal.

The remaining sections address requirements for a data system that include using a unique identifier when submitting data to the compact, the substitute adds that all data is to be treated as confidential (Section 10); commission rulemaking (Section 11); adds standing to the commission to participate in judicial or administrative proceedings affecting its purpose and intent (Section 12); includes procedures for withdrawing from the compact (Section 13); and addresses construction/severability (Section 14). In Section 15 the substitute adds that the compact provides another path to licensure and does not change the effect of the Occupational Therapy Act (Section 15); and in Section 16 discusses the binding effect of commission and other laws.

HB13/HJCS also adds New Mexico specific provisions in Sections 17 through 21 that amend the Occupational Therapy Act to prohibit employers from requiring PT compact licensure as a condition for employment, establishes reporting requirements for delegates representing New Mexico on the commission, requires the board to publicly post certain information and reports, allows the board to participate in joint investigations with other members states, and proposes forms and procedures for submitting fingerprints to conduct criminal history background reports.

Finally, HB13/HJCS provides for contingent repeal if a rule or decision of the commission changes the scope of practice or definition of “unprofessional conduct” in state law.

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

The OT Compact is expected to increase the number of licensed practitioners in New Mexico. States may charge an administrative fee for allowing a licensee with OT compact privileges to practice in their state. Costs that the board may incur include possible fee assessments for member states that may be determined later by the commission to help cover its annual expenses.

The Regulation and Licensing Department (RLD) reports there will be a one-time cost of \$70 thousand to interface with the compact's data infrastructure and recurring costs of \$40 thousand for software to translate data. There will also be costs tied to rulemaking and recurring expenses for facilitating licenses, serving on the commission, and taking adverse action against a licensee.

SIGNIFICANT ISSUES

The OT compact allows licensed OTs and OT assistants to practice in any state that participates in the OT compact. This means these practitioners would no longer need a license in each state where they want to obtain practicing privileges. This bill will positively impact veterans by providing means to have more licensed professionals to provide specialized services to veterans.

PERFORMANCE IMPLICATIONS

The OT Compact is similar to all the other workforce compacts being considered this legislative session in that they preserve state authority over scope of practice and disciplinary proceedings.

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.

The administrative staff that support the board will require training on how to report and obtain licensing and disciplinary action information using the OT Compact's shared data system.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

In addition to HB13, 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 12 Physical Therapy 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

OTHER SUBSTANTIVE ISSUES

OTs work with children with developmental delays and adults with conditions that make daily activities more difficult. There are now 32 states in the OT compact. Compact privileges are not automatic; each state must complete technical onboarding with the compact's data system.