

AGENCY BILL ANALYSIS - 2026 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO
AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov
(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

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

Date Prepared: February 6, 2026 **Check all that apply:**
Bill Number: HB 230 **Original** **Correction**
Amendment **Substitute**

Sponsor: <u>Randall T. Pettigrew, Jimmy G. Mason, and John Block</u> Short Title: <u>Interim Admin Rules Oversight Committee</u>	Agency Name and Code Number: <u>State Ethics Commission 410</u> Person Writing <u>Grace Su</u> Phone: <u>505-859-9625</u> Email <u>Grace.Su@sec.nm.gov</u>
---	--

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
	\$2,000	Nonrecurring	General Fund

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

Section 1 of this bill creates the Interim Administrative Rule Oversight Committee (“Committee”) as a permanent joint interim committee of the legislature, which will be composed of twelve appointed members. Each member’s appointment term will be two years, unless removed earlier by the member’s appointing authority. The committee will meet at least once per month during the interim.

Section 2 of this bill creates a new section of Chapter 2 NMSA 1978 which delineates the duties and powers of the Committee.

Section 3 of this bill gives the legislative council service authority to hire no more than four staff members for the Committee.

Section 4 of this bill creates another new section of Chapter 2 NMSA 1978 that establishes the rule review procedures for the Committee. These procedures include the provision of a notice of proposed rulemaking to the staff and members of the Committee, a written analysis of the proposed rule and the corresponding rule at least ten days before the committee meeting where the proposed rule will be reviewed, a review of the proposed rule and approved recommendations to the proposing agency by the Committee, and a written approval by the Committee concerning the approved recommendations to the proposing agency, the attorney general, and the governor. The staff of the Committee and its staff may also request a fiscal impact statement from the agency proposing a rule. These requirements are not applicable to emergency rules as provided pursuant to the State Rules Act.

Section 5 of this bill amends NMSA 1978 Section 14-4-5.2 to require notices of proposed rulemaking to include estimates of the costs of implementing the proposed rules.

Section 6 of this bill creates a new section of the State Rules Act, Section 14-4-5.9 NMSA 1978, which lists the requirements for an agency’s fiscal impact statement and grants the Committee and its staff the authority to request a fiscal impact statement from an agency proposing a rule even if the fiscal impact of the rule is less than one million dollars.

Section 7 of this bill appropriates two million dollars from the general fund to the legislative council service for expenditure in fiscal year 2027 to staff the Committee and for other incidental costs in establishing the committee.

FISCAL IMPLICATIONS

HB 230 would appropriate \$2,000,000.000 from the general fund to the oversight committee for expenditure in FY 27 for staff hiring and other “incidental costs.” By the language of the bill, “the legislative council service shall hire no more than four staff members for the . . . committee.” If HB 230 applies to the State Ethics Commission (see discussion below related to what constitutes an “executive agency”), HB 230 might require additional staff time for the Commission in its rulemaking capacity to comply with HB 230. However, any fiscal impact is

likely minimal.

SIGNIFICANT ISSUES

Unclear Scope of Oversight

The scope of which agencies are subject to oversight by the oversight committee is unclear because HB 230 does not define what constitutes an “executive agency.” There are three reasonable interpretations of “executive agency” that the Committee could consider.

First, the Committee could limit its oversight scope to be the same as the scope of the State Rules Act.¹ Second, the Committee could limit its oversight to agencies that are organized under Article V of the New Mexico Constitution.”² Lastly, the Committee could limit its oversight to the agencies organized under Chapter 9 NMSA 1978.³

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

A version of this bill was introduced on February 11, 2025, in the 2025 Regular Session by Randall T. Pettigrew as HB 358. It had a 25% progression but failed in committee.

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

¹ The State Rules Act applies to “any agency, board, commission, department, institution or officer of the state government except the judicial and legislative branches of the state government.” See NMSA 1978, 14-4-2(A).

² These agencies are the office of the governor, lieutenant governor, secretary of state, state auditor, state treasurer, attorney general, the commissioner of public lands, N.M. Const. Art. V, § 1. Article V, and the State Ethics Commission. N.M. Const. art. V, § 17.

³ These agencies are the Children, Youth and Families Department, NMSA 1978, §§ 9-2A-1 to -24, the Corrections Department, NMSA 1978, §§ 9-3-1 to -13, the Cultural Affairs Department, NMSA 1978, §§ 9-4A-1 to -27, the Energy, Minerals, and Natural Resources Department, NMSA 1978, §§ 9-5A-1 to -11, the Department of Finance and Administration, NMSA 1978, §§ 9-6-1 to -21, the Department of Health NMSA 1978, §§ 9-7-1 to -18, the Department of Environment , NMSA 1978, §§ 9-7A-1 to -17, the Health Care Authority, NMSA 1978, §§ 9-8-1 to -14, the Taxation and Revenue Department, NMSA 1978, §§ 9-11-1 to -15, the Economic Development Department, NMSA 1978, §§ 9-15-1 to -59, the Regulation and Licensing Department, NMSA 1978, §§ 9-16-1 to -16, the Department of Public Safety, NMSA 1978, §§ 9-19-1 to -14, the Indian Affairs Department, NMSA 1978, § 9-21-1 to -16, the General Services Department, NMSA 1978, §§ 9-17-1 to -9, the Veterans’ Servies Department, NMSA 1978, §§ 9-22-1 to -22, Aging and Long-Term Services Department, NMSA 1978, §§ 9-23-1 to -14, the Public Education Department, NMSA 1978, §§ 9-24-1 to -15, the Higher Education Department, NMSA 1978, §§ 9-25-1 to -14, the Department of Workforce Solutions, NMSA 1978, §§ 9-26-1 to -17, the Department of Information Technology, NMSA 1978, §§ 9-27-1 to -27, the Department of Homeland Security, NMSA 1978, §§ 9-28-1 to -7, and the Early Childhood Education and Care Department, NMSA 1978, §§ 9-29-1 to -13.

AMENDMENTS