

LFC Requester:

Noah Montano

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

SECTION I: GENERAL INFORMATION

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

Date Prepared: March 5, 2025

Check all that apply:

Bill Number: HB296

Original Correction
Amendment Substitute

Sponsor: Rep. Cristina Parajón

Agency Name and Code Number: 305 – New Mexico Department of Justice

Short Title: Public Accountant Licensure Requirements

Person Writing Analysis: Kristin E. Hovie
Phone: 505-537-7676
Email: legisfir@nmag.gov

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	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

This analysis is neither a formal Opinion nor an Advisory Letter issued by the New Mexico Department of Justice. This is a staff analysis in response to a committee or legislator’s request. The analysis does not represent any official policy or legal position of the NM Department of Justice.

BILL SUMMARY

House Commerce and Economic Development Committee Substitute Synopsis:

The committee substitute for HB 296 modifies Section 7. The substitute does not modify Sections 1 through 6, Section 8 or Section 9.

Section 7 amends Subsection (A)(2) to clarify that out-of-state CPAs practicing in New Mexico without a state certificate must also meet the education and accounting requirements specified in NMSA 1978, Section 61-28B-8 (“Qualifications for a certificate as a certified public accountant.”).

House Judiciary Committee Substitute for House Commerce and Economic Development Committee Substitute Synopsis:

The committee substitute adds “accounting” to subsection (F) of Section 1’s definition of “comparable licensure requirements.” The definition now describes comparable licensure requirements as comparable or exceeding education, examination *and accounting* experience requirements of Paragraph (1) of Subsection A of NMSA 1978, Section 61-28B-26.

FISCAL IMPLICATIONS

N/A

SIGNIFICANT ISSUES

N/A

PERFORMANCE IMPLICATIONS

N/A

ADMINISTRATIVE IMPLICATIONS

The Committee Substitute HB296 would still likely require the New Mexico Public Accountancy Board to update its rules. The NMDOJ provides counsel to the Board and would need to review the proposed rule changes and may need to advise the Board on the rulemaking process and

defend the rulemaking should there be any challenges.

HB296's proposed changes in education requirements and applicability to other jurisdictions may require additional resources of the NMDOJ to prosecute and defend on behalf of the state for licensing matters that may arise.

Additional proposed language in the Committee Substitute HB296 changes requiring out of state applicants to meet educational requirements would likely increase the number of licensed individuals in the State and require additional resources of the NMDOJ to prosecute and defend on behalf of the State.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relation:

House Memorial 18 ("HM18"): Recognizing the certified public accountant workforce crisis and requesting the creation of a taskforce to examine and propose solutions, including STEM integration, to expand and support the certified public accountant workforce in New Mexico. HM18 could bring additional changes needed to the PAA.

House Bill 324 ("HB324"): This act authorizes the creation of School Tuition Organization (STOs) to provide scholarships for low-income students to attend private schools in New Mexico. To ensure financial accountability, STOs must undergo an audit or financial review conducted by a licensed certified public accountant, under the PAA.

TECHNICAL ISSUES

N/A

OTHER SUBSTANTIVE ISSUES

N/A

ALTERNATIVES

N/A

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo.

AMENDMENTS

N/A