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FISCAL IMPACT REPORT

SPONSOR <u>Henry/Montoya</u>	LAST UPDATED _____
SHORT TITLE <u>No Codes Requiring Electric Vehicle Charging</u>	ORIGINAL DATE <u>03/10/2025</u>
	BILL NUMBER <u>House Bill 563</u>
	ANALYST <u>Gygi</u>

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT*

(dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
CID	No fiscal impact	Indeterminate but minimal	Indeterminate but minimal	Indeterminate but minimal	Recurring	General Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency Analysis Received From

Energy, Minerals and Natural Resources (EMNRD)

Agency Analysis was Solicited but Not Received From

Department of Transportation (DOT)

Regulation and Licensing Department (RLD)

SUMMARY

Synopsis of House Bill 563

House Bill 563 (HB563) would add a new section to the Construction Industries Licensing Act (Section 16-13.1 NMSA 1978 *et seq.*) requiring the Construction Industries Division (CID) to establish minimum standards for the installation of individual electric vehicle (EV) supply equipment.

The bill would also prohibit the adoption of any standards or rules that require:

- A specific minimum number of required EV charging spaces or EV capable spaces in a parking lot or parking structure;
- EV charging spaces in a residential construction project, parking lot, or parking structure; or
- A person to install infrastructure for EV charging station equipment in a residential or commercial construction.

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

HB563's requirements may require CID to revise its building codes, which could result in additional administrative costs; this analysis assumes any costs would be minimal.

SIGNIFICANT ISSUES

HB563 would prohibit any standards or rules that require installation of electric vehicle (EV) power transfer infrastructure in New Mexico's building codes. EV power transfer infrastructure refers to EV charging stations and includes the equipment for plug-in power transfer for a device, a fitting, a power outlet, or an apparatus installed for the purpose of charging a vehicle. Such requirements can drive up permitting and construction costs. According to the commercial real estate group NAIOP New Mexico, in 2023 costs ranged from \$7 thousand and \$18 thousand per charging station, depending on the required setup and voltage. However, including EV infrastructure during construction results in significant savings compared with retrofits.¹

It is not clear whether the bill's intent is to revoke current requirements in CID's building standards as well as future standards or rules. CID adopted standards in 2024, which took effect July 30, 2024, mandating the inclusion of EV-ready infrastructure and EV-ready parking spaces in all new residential and commercial construction projects and developments. The standards comply with the 2021 International Energy Conservation Code (IECC) Commercial Energy Conservation Code and the 2021 IECC Residential Energy Conservation Code. According to the Energy, Minerals and Natural Resources Department (EMNRD), these updates also enforce energy efficiency standards for contractors, promoting energy savings and providing financial benefits to New Mexicans:

2021 New Mexico Commercial Energy Conservation Code (14.7.9 NMAC): Mandates EV-ready infrastructure in commercial facilities, including apartment complexes and retail centers.

2021 New Mexico Residential Energy Conservation Code (14.6.6 NMAC): Requires new homes to include electrical outlets to be ready for any future electric vehicle charging. It also revises insulation standards to improve heating and cooling efficiency, bringing homes closer to zero energy use.

EMNRD reports:

Electric vehicles now represent 9 percent of the automotive market nationwide, with the oldest EVs on the road being over 10 years old. New Mexicans are adopting EVs, and EV charging infrastructure for public and multi-family parking supports the state's goals for decarbonizing transportation.

The Legislature passed a clean car and charging unit tax credit in 2024, administered through EMNRD, which provides a credit of up to \$25 thousand for DC Fast charging units and \$400 for residential charging units. These state incentives can be stacked with incentives provided for installing EV infrastructure from New Mexican investor-owned utilities.

¹ https://www.usdn.org/uploads/cms/documents/ev_ready_cost_comparison.pdf

ADMINISTRATIVE IMPLICATIONS

According to EMNRD:

Removing the division's [CID's] authority to establish these regulations would create confusion among professionals in the construction industry, who have already been informed of the new EV charging requirements. Furthermore, imposing such a limitation on CID would raise legal concerns regarding the validity of an existing code, particularly if the code was adopted during a period when the Commission had the legal authority to implement such decisions.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

House Bill 563 conflicts with House Bill 88, which defines how EV charging station spaces should count toward minimum parking requirements.

House Bill 563 relates to Senate Bill 48, which creates a community benefit fund to, in part, fund electric vehicle infrastructure.

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