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FISCAL IMPACT REPORT

LAST UPDATED _____
ORIGINAL DATE 2/10/25

SPONSOR Herndon/Rubio/Romero, A.

BILL
NUMBER House Bill 307

SHORT TITLE Internet Privacy & Safety Act

ANALYST Chavez

REVENUE* (dollars in thousands)

Type	FY25	FY26	FY27	FY28	FY29	Recurring or Nonrecurring	Fund Affected
Fines and Forfeitures	See Fiscal Implications	Recurring	General Fund				

Parentheses () indicate revenue decreases.

*Amounts reflect most recent analysis of this legislation.

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
NMAG	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 was Solicited but Not Received From
 New Mexico Attorney General (NMAG)

Agency Declined to Respond
 Administrative Office of the Courts (AOC)
 New Mexico Regulation and Licensing Department (RLD)
 Department of Information Technology (DoIT)
 Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of House Bill 307

House Bill 307 (HB307) defines an extensive list of terms and phrases related to different types of data produced while using the internet, distinguishing the differences between public and private information or data and other terms related to digital advertising methods and entities related to internet privacy.

HB307 outlines consumer data protection requirements for online platforms. Online platforms

would have to set default privacy settings to the highest level, publicly provide privacy information in a clear and precise manner, and implement practices that protect the confidentiality, integrity and accessibility of personal data. When an online platform cannot confirm if a user is a minor, it must allow the consumer to disable notifications, to choose a private online feed, and to choose to disable contact with an unknown individual unless the consumer first initiates contact. If an online platform can confirm the user is a minor, it must establish default settings that disable contact with unknown users unless the consumer first initiates contact, disables notifications between 10 p.m. and 6 a.m. Mountain Time, and is a private online feed.

HB307 prohibits certain data practices. HB307 would ban profiling consumers by default, except when necessary for requested services. It would also restrict the collection of sensitive personal data like biometric, financial, health, location, etc. without clear consent. HB307 would prevent discrimination in service offerings and targeted advertising based on personal data. HB307 would also allow users to request access, correct, or delete their collected personal data and have online platforms complying with these requests within 30 days of receiving the request. Online platforms must provide a request form that is clear, at no cost, and in a language that the entity uses to interact with the user. The bill would also impose the same restrictions and rights under the Internet Privacy and Safety Act on online platforms that have a service provider processing personal data on their behalf and requires specific items in the contacts for these situations.

HB307 would provide that the New Mexico Attorney General (NMAG) can enforce violations, seek injunctive relief, and impose fines of \$2,500 per affected consumer for each negligent violation of the act and \$7,500 per affected consumer for each intentional violation. The bill also allows the consumer to file lawsuits for any violations of the act.

The bill would require NMAG to issue rules and regulations for the implementation of the Internet Privacy and Safety Act by April 1, 2026. The bill would also task NMAG to provide a yearly report to an interim legislative committee that is tasked with examining internet-related issues. The report would compare the requirements of then-current federal laws and regulation with the Internet Privacy and Safety Act, as well as provide recommendations for statutory changes needed to conform state law with federal law.

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

NMAG would be required to create rules for the Internet Privacy and Safety Act and yearly interim reports. NMAG would have to first impose resources to create a list of rules that are comprehensive and sensitive to the ever-growing environment of the internet, social media, and internet data. The bill would also have NMAG using resources to adhere to the interim reports requirements of being informed on federal internet laws and fine tuning the Internet Privacy and Safety Act to conform with federal law. The fiscal impact on NMAG operations is listed as indeterminate but minimal because, although the rule making process would be a larger undertaking, NMAG has or is currently litigating against various social media companies, which would help the rule-making process and the understanding of federal internet regulations.

HB307 would generate revenues through fines, imposed by NMAG, on each negligent and intentional violation of the act. Estimating the revenue from these civil fines is difficult because

the rules would be drafted by NMAG after the bill is enacted. Estimating the number of negligent violations is also difficult because online platforms could be acting in good faith and have possible violations. However, in the United States, 72 percent of adults use at least one social media platform¹ and the population of New Mexico was 2.13 million in 2024², meaning that the population that could be affected by noncompliance is 1.53 million people. If every social media application were to violate this act in a negligent manner, the estimated revenue would be \$3.8 billion. If every social media application were to violate this act in an intentional manner, the estimated revenue would be \$11.5 billion.

SIGNIFICANT ISSUES

Under HB307, private online platform companies would take on most of the administrative costs to adhere to the regulations in the bill. The bill could result in various online platforms investing in data collection processes, platform interfaces, and data request responses that comply with the new regulations.

HB307 is very similar to the California Consumer Privacy Act of 2018 (CCPA) and its subsequent amendment in 2020 through Proposition 24. CCPA provides consumers with more control over personal information collected by a business including providing the consumer with the right to know about the personal information a business collects on them, how it is shared, and used. CCPA also provides the consumer with the right to delete collect personal information, opt-out of the sale or sharing of personal data, and the right to nondiscrimination for exercising the rights under the act. The amendment adds that the consumer has the right to correct personal information collected and the right to limit the use and disclosure of personal information. CCPA also imposes various responsibilities on businesses, including responding to consumers for requests through the act. CCPA has allowed the California Attorney General to enforce the act through³ an enforcement sweep on the consumer retail industry where multiple online retailers were found to be using web tracking technologies to make consumers' personal information available to third parties in exchange for services like advertising or analytics, without offering an opt-out mechanism. Another example is that a social media network did not contractually prohibit its service providers from retaining, using, or disclosing personal information received for any purpose other than performing the services specified in the contracts. The business was notified of its alleged noncompliance, and the provider contracts were modified to comply with CCPA.

HB307 would allow NMAG to litigate the various examples the California Attorney General has dealt with and could result in stronger privacy protection practices in the private sector. HB307 would impose majority of administrative costs onto private companies, but NMAG would also have costs associated with enforcement and creation of rules.

ADMINISTRATIVE IMPLICATIONS

NMAG would have the initial administrative responsibility of creating the rules related to

¹ [Social Media Users 2025 \(Global Data & Statistics\) | Priori Data](#)

² [U.S. Census Bureau QuickFacts: New Mexico](#)

³ [CCPA Enforcement Case Examples | State of California - Department of Justice - Office of the Attorney General](#)

HB307 and a recurring implication of having to create the interim report on the regulations of HB307.

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