LFC Requester:	Chavez



PUBLIC EDUCATION DEPARTMENT BILL ANALYSIS 2025 REGULAR SESSION

SECTION I: GENERAL INFORMATION

Check a	ll that apply:				
Origina	l X Amendment		Date Pr	epared:	02/10 /25
Correct	ion Substitute			Bill No:	<u>HB307</u>
Herndon/Rubio/Romero/ Sponsor: Stefanics		Agency Name and Code: PED - 924			
		PED Lead Analyst:		Steven Heil	
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Short INTERNET PRIVACY & SAFETY		PED Policy Director:		Denise Terrazas	
Title:	ACT	Phone:	(505) 470-5303	Email:	denise.terrazas@ped.nm.gov

SECTION II: FISCAL IMPACT

(Parenthesis () Indicate Expenditure Decreases)

APPROPRIATION (dollars in thousands)

Appropr	iation	Recurring	Fund Affected	
FY26	FY27	or Nonrecurring		
None	None	N/A	NFA	

REVENUE (dollars in thousands)

	Recurring or Fund			
FY26	FY27	FY28	Nonrecurring	Affected
None	None	None	N/A	NFA

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	None	None	None	None	N/A	NFA

Duplicates/Relates to Appropriation in the General Appropriation Act: <u>HB141</u>, the current version of the General Appropriation Act of 2025, includes an appropriation of approximately \$98 million to the Department of Information Technology for the cybersecurity program to promote a safe environment and protect the privacy and security of individuals and their information through the implementation of industry-accepted security practices and procedures.

SECTION III: NARRATIVE

BILL SUMMARY

<u>Synopsis</u>: House Bill 307 (HB307) would create a new Internet Privacy and Safety Act to establish requirements for service providers, prohibit certain uses of consumer data, provide rights to consumers regarding internet privacy, establish limitations on processing of consumer data, prohibit waivers of rights and retaliatory denials of service, and provide for injunctive relief and civil penalties.

The bill does not provide an effective date. Laws go into effect 90 days after the adjournment of the legislature enacting them unless a later date is specified. If enacted, this bill would become effective June 20, 2025.

FISCAL IMPLICATIONS

The bill does not contain an appropriation.

SIGNIFICANT ISSUES

Educational institutions are subject to existing federal and state privacy laws designed to protect the personal information of students and staff. These include the Family Educational Rights and Privacy Act (FERPA) and the Children's Online Privacy Protection Act (COPPA), which establish guidelines for the collection, use, and protection of student data.

The Internet Privacy and Safety Act would define a "covered entity" as a for-profit organization offering online features, products, or services to New Mexico consumers. This definition excludes non-profit organizations and educational institutions, such as schools. Consequently, the requirements outlined in the proposed act would not directly apply to these entities. School district and charter schools' memoranda of agreement with covered entities may need to be reviewed for compliance with the requirements provided for in HB307.

- **1. Minimize shared data.** The bill would mandate that covered entities collect only the personal data necessary to provide the online service or feature actively engaged by the user.
- **2. Highest level of privacy protections as default.** The legislation requires entities to set default privacy settings to the highest level.
- **3. Special protections for minors.** When an entity knows a user is under 18 years old, additional privacy and safety requirements would be in effect for the user. Schools may need to adjust their contracts with and use of online platforms and communication tools to comply with these protections, ensuring that any digital interactions involving minors meet the stipulated standards:
 - prevent unsolicited communications to minors unless the minor initiates the contact;
 - turn off notifications between 10 PM and 6 AM to protect minors' rest periods; and
 - ensure that content feeds are designed to protect the privacy of minors.

PERFORMANCE IMPLICATIONS

The June 2024 EdTech Top 40 Report by Infrastructure found an average of 2,739 distinct

edtech tools accessed in classrooms in the 2023-24 school year, having tripled in five years since the 2018-2019 school year. Sixty percent of these were categorized as learner-focused and used by individual students. Learner-focused online tools for educators require setting up student accounts to personalize learning, track progress, and provide interactive experiences, to which the enhanced protections of HB307 may apply. Some of these are offered free to teachers and accessible even without a contract or memorandum of agreement between the providing entity and the school district or charter school.

ADMINISTRATIVE IMPLICATIONS

Many national vendors are unlikely to be aware of the enhanced protections provided for in HB307. Further screening of online tools and customization of services for use with children in New Mexico may be necessary. Popular tools may temporarily become unavailable in New Mexico until platforms update their privacy protections, and there would be additional administrative implications for school personnel, who would be required to address these issues.

School personnel may not be aware of how new, state-specific legal requirements apply to the use of technology with students. Many free online tools for educators require setting up student accounts to personalize learning, track progress, and provide interactive experiences, to which the enhanced protections of HB307 would apply.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to:

- House Bill 44, which would require that private entities conduct age verification on their websites to ensure that minors do not access material the statute defines as harmful.
- House Bill 60, which would require developers and deployers persons developing artificial intelligence (AI) systems and persons deploying AI systems, respectively to publicly disclose potential risks and discrimination existing in AI systems that could influence content, decisions, predictions, or recommendations in physical and virtual environments, such as education enrollment or educational opportunities.
- House Bill 139, which would amend the Inspection of Public Records Act, which similarly involves privacy protections for students and families.
- House Bill 211, which would protect the voice and visual likeness rights of individuals from unauthorized use in digital replicas.
- House Bill 313, which would require validation of the age of any user of online services.
- Senate Bill 240, which would establish substantially similar requirements for internet service providers' processing of consumer data, including overlapping definitions of legal terms.

TECHNICAL ISSUES

None.

OTHER SUBSTANTIVE ISSUES

The Legislative Finance Committee has <u>noted</u> that "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 and how it is shared and used."
ALTERNATIVES
None.
WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL
None.
AMENDMENTS
None.