

LFC Requester:

AGENCY BILL ANALYSIS - 2025 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: 2/24/25 *Check all that apply:*
Bill Number: HB 476 Original Correction
 Amendment Substitute

Sponsor: Representatives Gonzales, Parajon, De La Cruz **Agency Name and Code:** Economic Development Department
Short Title: PRICE FIXING PROHIBITION & TAX FAIRNESS **Number:** 41900
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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		100.0	100.0	200.0	Recurring	General Fund

(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: House Bill 476 regulates trade practices for entities such as credit card issuers and payment networks, by introducing restrictions on interchange fees for electronic payment transactions in New Mexico. It prohibits network interchange price fixing, prevents interchange fees from being charged on taxes and gratuities, and establishes penalties for violations. The bill seeks to promote fairness and transparency in electronic payment transactions for both consumers and merchants. It also seeks to enact privacy protections by preventing those involved in payment processing, apart from merchants, from restricting data dissemination except in the cases of transaction processing, fraud prevention, loyalty rewards or promotional program support, customer support, or as required by law

FISCAL IMPLICATIONS

In order for this legislation to be effective, additional costs would need to be incorporated into the operating budget on an annual basis for the agency responsible. There will also be a need for additional monitoring and enforcement to ensure that affected payment issuers, processors, networks, etc. are held accountable for the changes. The estimated additional operating budget could be around \$100,000.00 per year for a single full-time employee, including salary and benefits. This cost would become a recurring line for consistency and may eventually grow to include additional costs around developing reporting systems, handling complaints, and building out the infrastructure to develop a process for auditing, and transparency.

SIGNIFICANT ISSUES

This bill aims to enhance protections for merchants and small business owners, potentially benefiting entrepreneurs. However, discussions with payment processors, networks, and related entities should be prioritized, as the potential burden on electronic payment processing remains unclear. While the goal is consumer protection, further expert analysis is needed to assess impacts on banks, processors, and similar entities. Necessary modifications to practices, fee structures, and internal mechanisms could create setbacks for both small businesses and digital transaction oversight. Implementation challenges may lead to short-term economic disruptions but could yield long-term gains by fostering transparency, increasing business revenues, and ultimately expanding the tax base.

PERFORMANCE IMPLICATIONS

Depending on the agency responsible for oversight, monitoring, and compliance, additional staff capacity would be needed. This can potentially lead to decreased performance if additional staff are needed and not hired.

ADMINISTRATIVE IMPLICATIONS

The oversight and systems required for compliance if not already existent could also pose potential administrative burdens.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS