

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the Legislature. LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

FISCAL IMPACT REPORT

SPONSOR	Reps. Anaya, Thomson, Chavez, and Torres-Velásquez/Sen. Duhigg	LAST UPDATED	01/29/2025
SHORT TITLE	Childhood Sexual Abuse Statute of Limitations	BILL NUMBER	House Bill 73
		ANALYST	Chilton

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT*

(dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
CYFD	No fiscal impact	\$650.0 to \$985.0	\$650.0 to \$985.0	\$1,300.0 to \$1,970.0	Recurring	General Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Related to House Bill 87

Sources of Information

LFC Files

Agency Analysis Received From

Administrative Office of the Courts (AOC)

Administrative Office of the District Attorneys (AODA)

New Mexico Attorney General (NMAG)

Law Offices of the Public Defender (LOPD)

Children, Youth and Families Department (CYFD)

SUMMARY

Synopsis of House Bill 73

House Bill 73 (HB73) removes the current statute of limitations for actions having to do with personal injury resulting from child sexual abuse. HB73 alters Section 37-1-30 NMSA 1978, which currently lists a three-year time period or the first instant of the person’s 24th birthday as statutes of limitations, replacing them with the phrase “may be commenced at any time,” as long as actions are not already pending.

HB73 also adds language to Section 37-1-30 NMSA 1978 stating that the deletion of the statute of limitations for child sexual abuse is retroactive to child sexual abuse that occurred at any time before or after this bill’s effective date.

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

The Children, Youth and Families Department (CYFD) notes the possibility that this bill may open the agency to legal action:

HB73 has the potential to involve CYFD in additional lawsuits that would have otherwise been barred per the original statute of limitations. This impact could then lead to significant additional litigation costs and potential damages levied against CYFD. Additional litigation would also have the downstream effect of creating a further burden on CYFD legal staff and general resources.

According to the New Mexico Sunshine Portal, in calendar year 2024 CYFD issued settlements to several different plaintiffs for cases of sexual abuse at an average of \$650 thousand per award. The 2023 LFC program evaluation unit report *Major Risk Funds of the Risk Management Division* noted an additional CYFD child sexual abuse settlement made in 2022 for \$985 thousand. Using these settlements as a range and, assuming HB73 would result in one additional successful lawsuit against and subsequent settlement made by CYFD per year, this bill would have an additional operating budget impact of between \$650 and \$985 thousand annually.

CYFD also suggests that the bill's impact would result in "a significant increase to agency expenditures related to our liability rates. CYFD is obligated to pay a liability rate to the General Services Division based on the dollar amount of settlements paid out from prior years." Further increases in CYFD's liability rate will depend on the number of settlements made by CYFD as a result of the passage of HB73.

Other responding agencies do not see added costs due to this bill, though noting that the number and complexity of child sexual abuse cases may increase.

SIGNIFICANT ISSUES

CYFD indicates that:

This change is consistent with current knowledge around the disclosure of traumatic childhood events such as child sexual abuse. A person subjected to sexual abuse as a child may not be ready to remember or process the trauma until later in adulthood. Alternatively, a young child may disclose enough to a medical or mental health provider to trigger a reporting event but not be ready or old enough to verbalize a disclosure with the detail and clarity needed to support a cause of action. The long-term impact on a child may also be better assessed later in life.

CYFD, the New Mexico Attorney General (NMAG), and the Administrative Office of the Courts (AOC) all make note that applying this change retroactively may result both in a greater number of cases being brought involving distant child sexual abuse and that evidence in these trials may be difficult to obtain many years after the alleged events occurred. AOC notes a National Conference of State Legislatures finding that "Child victims frequently do not discover the relationship of their psychological injuries to the abuse until well into adulthood -- usually during the course of psychological counseling or therapy. They may not even discover the fact of such abuse until they undergo such therapy."

The Administrative Office of the District Attorney's discusses the legal implications of a retroactive application of change in statute of limitations and appears to believe that this provision would survive legal challenge.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

This bill relates to House Bill 87, Non-Consensual Touching Clarification.

LC/hj/SL2