

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

LAST UPDATED _____

SPONSOR Lujan/Cates **ORIGINAL DATE** 1/26/2025

BILL

SHORT TITLE Accessibility of State Agencies **NUMBER** House Bill 120

ANALYST Hernandez

APPROPRIATION* (dollars in thousands)

FY25	FY26	Recurring or Nonrecurring	Fund Affected
	\$200	Recurring	General Fund

Parentheses () indicate expenditure 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
GSD	No fiscal impact	\$10,500.0 to \$50,000.0	\$10,500.0 to \$50,000.0	\$10,500.0 to \$50,000.0	Recurring	Other state funds

Parentheses () indicate expenditure decreases.
*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency Analysis Received From
 General Services Department (GSD)
 Department of Information and Technology (DoIT)
 Office of Broadband Access and Expansion
 Commission on the Deaf and Hard of Hearing (CDHH)
 Health Care Authority (HCA)
 Higher Education Department (HED)
 Governor’s Commission on Disability (GDC)
 Department of Public Safety (DPS)

SUMMARY

Synopsis of House Bill 120

House Bill 120 (HB120) appropriates \$200 thousand from the general fund to the Governor’s Commission on Disability for the purpose of creating the Office of Accessibility. HB120 would mandate that all state agencies meet the requirements set by the United States Department of Justice in digital standards by April 1, 2026. HB120 requires that each state agency comply with physical accessibility standards. The Office of Accessibility would be responsible for monitoring compliance with the provisions of HB120 and would be required to write a report to the

Governor on April 1, 2026, and every two years thereafter documenting compliance. HB120 also creates a private right of action allowing an individual with a disability who is unable to access digital content, services or platforms, or physical facilities of a state agency due to noncompliance the ability to file civil action in a court.

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 appropriation of \$200 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY26 shall revert to the general fund. While the appropriation is only for one year, the bill requires the Office of Accessibility to monitor compliance and publish a report every two years, meaning that the appropriation would likely be recurring.

The General Services Department (GSD) and LFC analyses indicate that the right of private action could leave the state liable for damages between \$10.5 million and \$50 million annually. GSD states

This bill allows for a private right of action, which if the state is found to be non-compliant, could cost millions of dollars in civil action claims. This is extremely problematic considering the historic nature of several state-owned buildings. These buildings would not be able to be compliant considering the infrastructure design and layout and there are no exceptions or exemptions for historic buildings. Therefore, the state, in many cases, would not be able to come into compliance.

General liability claims in New Mexico are capped at \$1.05 million, while federal civil rights violation claims payouts are around \$5 million. Assuming ten lawsuits per year, New Mexico could be responsible for paying out between \$10.5 million and \$50 million annually.

LFC analysis indicates that, although agencies below list an estimated additional operating budget impact of at least \$2.8 million, because HB120 only requires that state agencies comply 25 days prior to the federal compliance deadline the costs associated with compliance should not be added to the estimated additional operating budget impact.

GSD notes:

Agencies will need to hire certified accessibility consultants to review compliance with ADA Standards. Building modifications, (e.g., ramps, door widths, and accessible seating) will likely be necessary to comply with accessibility standards. Hiring consultants to evaluate existing facilities, websites, and mobile applications can be expensive. Costs may range from \$5,000 to \$50,000 or more per facility or digital platform, depending on complexity. Costs to train staff on accessibility standards and compliance can range from \$500 to \$5,000 per session, depending on the size of the organization.”

Similarly, the Department of Information and Technology (DoIT) indicates that it will cost \$350 thousand to bring all six websites that they manage into compliance. Moreover, “given the timeline provided for compliance, there will be a significant strain on state agency budgets and resources. Most agencies will require additional funding to cover the cost required to reconfigure

the numerous state websites to the state accessibility standard.” Finally, DoIT states that the agency is statutorily required to review and monitor IT procurement by state agencies. The agency estimates that at least 50 agencies will need to seek procurement and, as a result, DoIT would need an additional FTE to review and monitor the procurement requests.

The Department of Public Safety’s Department will incur expenditures totaling \$400 thousand with vendors. Additionally, they will require four new FTEs at the cost of \$551 thousand in order to meet compliance. DPS notes that “there will also be the costs and logistics for maintenance for ongoing compliance. Accessibility isn’t a one-time fix but requires continuous monitoring and updating. Ensuring that digital platforms remain compliant with evolving standards may require ongoing technical expertise and resources, which could place additional strain on the department’s IT and digital teams.”

SIGNIFICANT ISSUES

GSD notes:

On April 24, 2024, the Federal Register published the US Department of Justice’s final rule updating its regulations for Title II of the Americans with Disabilities Act (ADA). The final rule has specific requirements about how to ensure that web content and mobile applications (apps) are accessible to people with disabilities. The Web Content Accessibility Guidelines (WCAG) Version 2.1, Level AA is the technical standard for state and local governments’ web content and mobile apps. State and local governments must make sure that their web content and mobile apps meet WCAG 2.1, Level AA within two or three years of when the rule was published on April 24, 2024, depending on their population. Because New Mexico state agencies serve a population of more than 500,000, the compliance deadline for WCAG will be April 24, 2026.”

HB120 requires that each state agency comply with the physical accessibility standards. However, based on the US Department of Justice’s final rule, it is unclear what, if any, new standards are required in terms of physical accessibility standards.

The Governor’s Commission on Disability states that their “statutory responsibility is to remove barriers to the full integration of individuals with disabilities into the mainstream of New Mexico life, increase the quality of life of New Mexicans with disabilities, and to meet all the responsibilities and exercise all the authorities granted by law ... [and the agency] stands ready to assist other state agencies to meet their responsibilities with support, guidance, training and resources.” However, it is unclear why a new office is needed within the Governor’s Commission on Disability to accomplish this goal as their statutory responsibility encompasses some of the desired work already.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

New Mexico will still be subject to meeting standards outlined in the US Department of Justice’s final rule regardless of whether HB120 is enacted. New Mexico must be in compliance with the final rule by April 24, 2026 to meet federal guidelines.

AEH/hj