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## FISCAL IMPACT REPORT

SPONSOR Padilla ORIGINAL DATE  
LAST UPDATED 01/22/15 HB

SHORT TITLE Mobile Device Anti-Theft Functions SB 67

ANALYST Sanogo

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	NFI	NFI	NFI	NFI		

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

NM Public Regulation Commission (PRC)

Administrative Office of the Courts (AOC)

### SUMMARY

#### Synopsis of Bill

SB 67 will require every mobile communications device manufactured on or after July 1, 2016 and sold in New Mexico to contain anti-theft software applications. The proposed legislation prohibits a retailer from paying for the purchase of a used mobile communications device with cash beginning on July 1, 2016. SB 67 outlines civil penalties for violations.

### FISCAL IMPLICATIONS

No fiscal impacts.

The Administrative Office of the Courts (AOC) finds that any additional fiscal impact on the judiciary would be proportional to any proceedings brought seeking the imposition of civil fines, and appeals from the same.

**SIGNIFICANT ISSUES**

AOC has indicated that SB 67 fails to define the terms “authorized user” and “unauthorized user.” There also exists similar federal legislation:

H.R. 4065 (113th Congress), the “Smartphone Theft Prevention Act,” was introduced on February 14, 2014, but has not been enacted. The federal legislation requires mobile service providers to give consumers the ability to remotely delete data from mobile devices and render such devices inoperable, and to reverse these actions upon recovery of the device by the account holder. SB 67, in contrast, requires the manufacturer to supply devices with anti-theft software, placing no burden on mobile service providers.

The PRC is concerned that the agency that is statutorily required to enforce the provisions of this bill remains unclear. The PRC’s consumer division may negotiate customer complaints against cellular carriers under consumer protection rules and the Attorney General may bring actions under the Trade Practices Act.

**AMENDMENTS**

To avoid ambiguity, AOC suggests substituting “account holder” in place of the term “authorized user.”

AIS/je/aml