

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

Current and previously issued FIRs are available on the NM Legislative Website (www.nmlegis.gov) and may also be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR Montoya ORIGINAL DATE 2/2/16
LAST UPDATED _____ HB 45

SHORT TITLE Deceptive Trade for Certain Product Sales SB _____

ANALYST Jorgensen

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY16	FY17	FY18	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	NFI	NFI	NFI	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Administrative Office of the Courts (AOC)
Attorney General's Office (AGO)
Department of Health (DOH)
Regulation and Licensing Department (RLD)

SUMMARY

Synopsis of Bill

House Bill 45 prohibit any person from selling a product labeled for a specific intended use, which is not the production of an altered state of consciousness, when the person knows, or should know, that the product is primarily used in a manner contrary to the label to produce an altered state. The sale of these products would constitute an unfair or deceptive trade practice and violation of the Unfair Practices Act for every individually packaged product sold.

FISCAL IMPLICATIONS

The expansion of protections under the Unfair Trade Practices Act will provide the Attorney General additional powers to bring civil actions and could increase the agency workload. However, the AG did not note a fiscal impact associated with enactment of identical legislation introduced in the 2015 legislative session.

SIGNIFICANT ISSUES

Synthetic cannabinoids are often sold as “incense” and synthetic cathinones (an amphetamine-like stimulant) are often sold as “bath salts” or “plant food”. Both types of products are often marked “not for human consumption” though these products are intended to be introduced into the body to produce altered mental states despite the labeling.

ADMINISTRATIVE IMPLICATIONS

The AGO notes HB 45 imposes additional duties upon the Attorney General which may result in staff time dedicated to additional investigations and prosecutions.

CJ/al