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FISCAL IMPACT REPORT

SPONSOR McQueen ORIGINAL DATE 2/5/19
LAST UPDATED _____ HB 424
SHORT TITLE Expand Phone Solicitation Restrictions SB _____
ANALYST Gaussoin

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY19	FY20	FY21	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total				NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Attorney General (NMAG)

No Responses Received

Public Regulation Commission (PRC)

SUMMARY

Synopsis of Bill

House Bill 424 updates the language in Telephone Sales Solicitation section of the Unfair Practices Act (57-12-22 NMSA 1978) to reflect wireless technology and the growing use of cell phones. The bill would replace “residential subscriber” with “person” and “releases the line” with “discontinue the call.” It also strikes language on facsimile communication and “local exchange company.” The bill also deletes language referring to the Consumer No Call Act, a probable reference to the national Do Not Call list, although the reference is not clear.

FISCAL IMPLICATIONS

The bill would have no financial impact on state or local governments or individuals.

SIGNIFICANT ISSUES

NMAG reports the bill’s provision deleting the reference to what appears to be the national no-

call list will broaden the scope of prohibited acts under the law. NMAG concludes that change is the only substantive change in the bill.

OTHER SUBSTANTIVE ISSUES

A *Consumer Reports* article from May 2018, “Phone Companies Can Filter Out Robocalls, They Just Aren’t Doing It,” says the technology exists to reduce the number of robocalls that reach cell phones, but U.S. phone companies have “generally left it up to consumers to defend themselves against the telemarketing onslaught.”

While the Do Not Call list was intended to stop telemarketers and other unwanted callers, the article points out that most unwanted robocalls are made by “scam artists” who don’t care about the list. The Federal Trade Commission estimates \$350 million a year is lost to phone scams.

Reuters reported in November 2018 that the U.S. Senate is considering bipartisan legislation to toughen penalties on robocalls and compel mobile phone providers to adopt call authentication technologies. The legislation would also bring federal agencies and state attorneys general together to “address impediments to the criminal prosecution of robocallers.” The article notes You Mail, a company that blocks robocalls and tracks them, estimates there were 5.1 billion unwanted U.S. calls in October 2018, up from 3.4 billion in April 2018.

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