

LFC Requester:	Felix Chavez
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AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov
(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: February 5, 2025 *Check all that apply:*
Bill Number: HB 262 Original Correction
 Amendment Substitute

Sponsor: Rebecca Dow **Agency Name and Code Number:** Administrative Office of the District Attorneys 264
Short Title: Legal services advertising/penalty **Person Writing:** Donald Gallegos
Title: advertising/penalty **Phone:** 5757703120 **Email:** dgallegos@questalaw.

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
 Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

HB 262 appears to address those situations where attorneys advertise that they have won a certain amount of money for a legal proceeding. For example Attorney John Doe advertises that he won a \$1 million verdict in a personal injury case. This bill would require that the advertisement include how much money the client was charged for the services. It is not uncommon for attorneys to charge upwards of 30% or more of the final award. Therefore, if an attorney gets a \$1 million award either by verdict or settlement, the attorney will have to advertise that they charged the client 30% or more. The attorney would then have to advertise that they won a \$1 million award and charged the client \$300,000 or more.

If the attorney does not advertise what they charged the client, they may face a \$500 fine for each violation.

FISCAL IMPLICATIONS

Note: major assumptions underlying fiscal impact should be documented.
 None

Note: if additional operating budget impact is estimated, assumptions and calculations should be reported in this section.

SIGNIFICANT ISSUES

The Attorney General shall assess an attorney or law firm that violates the section a civil penalty of \$500 for each violation. The bill does not provide a process for the assessment of the civil penalty. It appears that the Attorney General notifies an offender that they have violated the statute and that they shall pay \$500 which goes into the current school fund.

Should an offender refuse to pay the Attorney General’s assessment, then the Attorney General, or a district attorney may bring a civil action in District Court to recover the civil penalty.

If the purpose of the bill is to provide to the public information regarding legal advertising, there does not seem to be much of a deterrent effect in a civil penalty of \$500, especially if damages awarded are in the tens of thousands of dollars or millions of dollars.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

Given the high criminal caseloads of district attorneys, it is not likely that they will pursue cases in District Court for the collection of the Attorney General's civil penalty assessment.

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status Quo.

AMENDMENTS