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FISCAL IMPACT REPORT

LAST UPDATED _____
ORIGINAL DATE 1/22/25

SPONSOR Cates

BILL _____
NUMBER House Bill 26

SHORT TITLE Ticket Scalping at State and Nonprofit Events

ANALYST Chavez

REVENUE* (dollars in thousands)

| Type | FY25 | FY26 | FY27 | FY28 | FY29 | Recurring or Nonrecurring | Fund Affected |
|-----------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|---------------------------|---------------|
| Fines and forfeitures | Indeterminate but minimal gain | Indeterminate but minimal gain | Indeterminate but minimal gain | Indeterminate but minimal gain | Indeterminate but minimal gain | Recurring | General Fund |

Parentheses () indicate revenue 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 |
|---|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------|
| Administrative Office of the Courts | Indeterminate but minimal | Indeterminate but minimal | Indeterminate but minimal | Indeterminate but minimal | Recurring | General Fund |
| Administrative office of the District Attorneys | Indeterminate but minimal | Indeterminate but minimal | Indeterminate but minimal | Indeterminate but minimal | Recurring | General Fund |
| All District Courts | Indeterminate but minimal | Indeterminate but minimal | Indeterminate but minimal | Indeterminate but minimal | Recurring | General Fund |
| Total | Indeterminate but minimal | Indeterminate but minimal | Indeterminate but minimal | Indeterminate but minimal | Recurring | General Fund |

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency Analysis Received From

Administrative Office of the Courts (AOC)
 Administrative Office of the District Attorneys (AODA)
 New Mexico Attorney General (NMAG)
 New Mexico Sentencing Commission (NMSC)
 Department of Cultural Affairs (DCA)

SUMMARY

Synopsis of House Bill 26

House Bill 26 (HB26) amends state law, specifically Section 30-46-1 NMSA 1978, to prohibit ticket scalping for events presented by the state, a political subdivision of the state, or a nonprofit corporation formally recognized as tax exempt under Section 501(c)(3) of the federal Internal

Revenue Code of 1986. Under current law, the crime of ticket scalping only applies to selling tickets for college athletic events. The penalty for ticket scalping is unchanged (a misdemeanor punishable by a fine of up to \$500 or imprisonment less than one year or both).

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

HB26 will entail minimal administrative cost for a statewide update, distribution, and documentation of the statutory changes contained in the bill. Any additional fiscal impact, including potential revenues from fines, would be proportionate to enforcement of the law. The Administrative Office of the Courts (AOC) further explains: “New laws, amendments to existing laws, and new hearings have the potential to increase caseloads in the courts, thus requiring additional resources to handle the increase. Regardless, very few cases have been prosecuted under Section 30-46-1 in the last five years.” The relatively few number of cases brought under the current statute suggests that, while HB26 may expand the scope of Section 30-46-1, the new restrictions in the bill would neither add significantly to the state criminal justice system’s current caseload nor generate significant revenues from assessed fines.

SIGNIFICANT ISSUES

The New Mexico Sentencing Commission (NMSC) states:

HB26 appears to be a response to news stories such as KOAT’s from this past summer, “Online ticket scalpers making big bucks off performing arts in New Mexico” (available at: <https://www.koat.com/article/ticket-scalping-new-mexico/60929561>), which notes the losses to revenue for nonprofit arts organizations in New Mexico due to unauthorized sales of tickets. The story notes that New Mexico law only prohibits ticket scalping for college athletic events, a gap in state law, but that the problem with enforcing such laws is trying to track who is making the resale. State laws on ticket scalping vary widely.

The Department of Cultural Affairs (DCA) states:

The law limits unauthorized vendors (scalpers) from overcharging patrons for performances hosted by the state entities and nonprofit organizations. The current practice being done online by scalpers targets taxpayers into purchasing overpriced tickets. Those efforts create financial and reputational harm to New Mexico performers and state government institutions that host them. Over the last few years more sophisticated scams have started to develop online luring NM taxpayers to purchase tickets that unauthorized vendors are selling. This bill helps stop that from continuing by placing their actions into a fine and or jail time.

PERFORMANCE IMPLICATIONS

HB26 may have an impact on district court performance on Accountability in Government Act (AGA) performance measures such as the number of outgoing cases as a percentage of the number of incoming cases and number of days to disposition for criminal cases. Additionally, HB26 may have an impact on district attorney performance on such AGA performance measures as average attorney caseload and number of cases prosecuted.

OTHER SUBSTANTIVE ISSUES

The New Mexico Attorney General (NMAG) notes that HB26 relies on a nonprofit being recognized under the Internal Revenue Code and therefore may be subject to changes in federal tax code.

FC/hj/SL2/r1/SL2