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FISCAL IMPACT REPORT

SPONSOR Block LAST UPDATED _____
ORIGINAL DATE 2/24/2025
BILL
SHORT TITLE Agritourism Promotion Act NUMBER House Bill 521
ANALYST Rodriguez

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
OSI	No fiscal impact	\$92.1	\$92.1	\$184.2	Recurring	General Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency Analysis was Solicited but Not Received From

New Mexico Tourism Department (NMTD)

New Mexico Department of Agriculture (NMDA)

New Mexico Attorney General (NMAG)

Administrative Office of the Courts (AOC)

Office of Superintendent of Insurance (OSI)

Because of the short timeframe between the introduction of this bill and its first hearing, LFC has yet to receive analysis from state, education, or judicial agencies. This analysis could be updated if that analysis is received.

SUMMARY

Synopsis of House Bill 521

House Bill 521 (HB521) creates the Agritourism Promotion Act, aimed at promoting agritourism while limiting the liability of agritourism operators under specific conditions.

The effective date of this bill is July 1, 2025.

FISCAL IMPLICATIONS

The analysis assumes an additional personnel cost for the Office of Superintendent on Insurance (OSI) to establish rules for insurance accessibility, including state-backed insurance programs and tiered insurance requirements based on the size and nature of an agritourism operation. The analysis anticipates the average annual costs for an additional compliance officer at OSI to comply with the duties in HB521.

SIGNIFICANT ISSUES

Agritourism. HB521 defines agritourism as activities that allow the public to engage or view farming and ranching activities, historic, cultural, or natural attractions, harvesting, winemaking, and farm-to-table activities. Based on available 2024 data from the U.S. Bureau of Economic Analysis, agriculture, forestry, fishing and hunting makes up 1.6 percent of New Mexico’s GDP and arts, entertainment, and recreation makes up 0.9 percent of the state's total GDP.

Limited Liability for Agritourism Operators. HB521 clarifies that an agritourism operator is not liable for injury to or death of a participant resulting from the inherent risks of agritourism if the operator posted warning signs at all points of entry and where activities occur. HB521 defines inherent risks of agritourism as dangers or conditions that are an integral part of the activity, such as natural conditions, land features, animals, farm equipment, and participant negligence. The bill clarifies that an operator can be held liable if they act with willful, wanton, or reckless disregard for safety, know about a dangerous condition or animal but fail to warn participants, or intentionally injure a participant.

HB521 requires agritourism operators to have liability insurance and directs the Office of Superintendent of Insurance (OSI) to establish rules for insurance accessibility, including state-backed insurance programs and tiered insurance requirements based on the size and nature of an agritourism operation.

By reducing liability risks for agritourism operators, the bill aims to support efforts to diversify incomes for farmers, who may opt to implement agritourism activities in their farms and respective businesses. The bill also aims to reduce the amount of lawsuits from incidents involving inherent risks.

OTHER SUBSTANTIVE ISSUES

North Carolina and Texas have similar agritourism liability laws as the ones proposed in HB521. In Texas, in addition to requiring warning signs at entrances and where activities occur, operators are also required to have visitors sign written waivers acknowledging the risks. This serves as additional legal protection for operators. HB521 may benefit from additional language requiring signed waivers. North Carolina’s law does not require signed waivers. North Carolina and Texas also do not require operators to obtain a certificate of insurance coverage, as opposed to HB521.