

LFC Requester:	Sanchez, Scott
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## AGENCY BILL ANALYSIS - 2026 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO  
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*(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: 1/20/26

Check all that apply:

Bill Number: HB 46

Original  Correction   
Amendment  Substitute

Sponsor: Rep. Kathleen Cates

Agency Name  
and Code  
Number:

AOC  
218

Short Title: Crime of Digital Sabotage of a Business

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### SECTION II: FISCAL IMPACT

#### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
None	None	Rec.	General

(Parenthesis ( ) indicate expenditure decreases)

#### REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
Unknown	Unknown	Unknown	Rec.	General

(Parenthesis ( ) indicate revenue decreases)

#### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	Unknown	Unknown	Unknown	Unknown	Rec.	General

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: None.

Duplicates/Relates to Appropriation in the General Appropriation Act: None.

### **SECTION III: NARRATIVE**

#### **BILL SUMMARY**

Synopsis: HB 46 amends and enact statutory sections within the Computer Crimes Act, Section 30-45-1 NMSA 1978 et. seq., to create the crime of Digital Sabotage of a Business, consisting of a person knowingly and willfully and without authorization of a business using or modifying a digital resource that is used by that business to:

- (1) direct a person searching for that business on an internet protocol network to a different network location;
- (2) damage the functioning of a digital resource or the operations of the business; or
- (3) damage the reputation of the business by providing false or misleading information.

HB 46 provides the following penalties for digital sabotage of a business:

- Petty misdemeanor: when the damage caused is \$250 or less;
- Misdemeanor: when the damage caused is in an amount greater than \$250 but not greater than \$500;
- Fourth degree felony: when the damage caused is in an amount greater than \$500 but not greater than \$2,500;
- Fourth degree felony: when the damage caused is not greater than \$500 if within the previous 10 years the person has incurred two prior convictions pursuant to Paragraph (1) or (2) of this subsection;
- Third degree felony: when the damage caused is in an amount greater than \$2,500 but not greater than \$20,000; and
- Second degree felony: when the damage caused is in an amount greater than \$20,000.

HB 46 provides a fourth degree felony penalty for a person who commits three or more separate offenses of digital sabotage of a business causing damage of \$500 or less within a ten-year period. HB 46 provides that “business” includes a corporation, a partnership, an individual a joint venture, an association or other private legal entity.

HB 46 also amends Section 30-45-2 NMSA 1978 to add the following definitions:

- “Computer property” includes domain name systems;
- “Digital resource” means a computer, computer system, computer network, domain name system or software application;
- “Domain name system” means a software system that converts a human language-based location name on a computer network into a numerical designation in accordance with the protocol used by the internet and other computer networks and allows specified actions to occur

The effective date of the Act is July 1, 2026.

#### **FISCAL IMPLICATIONS**

There will be a minimal administrative cost for statewide update, distribution and documentation of statutory changes. Any additional fiscal impact on the judiciary would be proportional to the enforcement of this law and commenced prosecutions and appeals from convictions. 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.

Enhanced penalties are likely to result in more defendants invoking their right to trials, as well as to jury trials. More trials and more jury trials will require additional judge time, courtroom staff time, courtroom availability and jury fees. Indigent offenders are entitled to public defender services, and enhanced sentences can cause defendants to retain their counsel longer, incurring costs to the Public Defender Department.

## **SIGNIFICANT ISSUES**

1) The National Conference of State Legislatures has put together a database of cybersecurity legislation introduced in 2025 when forty-nine states and Puerto Rico introduced or considered more than 800 bills or resolutions that deal significantly with cybersecurity and at least 44 states enacted over 200 bills and adopted at least 30 resolutions (indicated in boldface in the table). See [Cybersecurity 2025 Legislation](#), National Conference of State Legislatures, October 10, 2025.

2) Enhanced penalties are likely to result in more defendants invoking their right to trials, as well as to jury trials. More trials and more jury trials will require additional judge time, courtroom staff time, courtroom availability and jury fees. Indigent offenders are entitled to public defender services. Indigent offenders are entitled to public defender services, and enhanced sentences can cause defendants to retain their counsel longer, incurring costs to the Public Defender Department.

3) There may be a question as to whether some of the actions constituting the crime of Digital Sabotage of a Business are already covered under Section 30-45-3 NMSA 1978, governing computer access with intent to defraud or embezzle, and Section 30-45-5 NMSA 1978, governing unauthorized computer use.

## **PERFORMANCE IMPLICATIONS**

The courts are participating in performance-based budgeting. This bill may have an impact on the measures of the district courts in the following areas:

- Cases disposed of as a percent of cases filed
- Percent change in case filings by case type

## **ADMINISTRATIVE IMPLICATIONS**

See “Fiscal Implications,” above.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

None.

## **TECHNICAL ISSUES**

## **OTHER SUBSTANTIVE ISSUES**

## **ALTERNATIVES**

## **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

## **AMENDMENTS**