

LFC Requester:

Carlie Malone

AGENCY BILL ANALYSIS - 2026 REGULAR SESSION

SECTION I: GENERAL INFORMATION

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

Date Prepared: 1/23/2026

Check all that apply:

Bill Number: HB126

Original Correction
 Amendment Substitute

Sponsor: Reps. Reena Szczepanski ,
Dayan Hochman-Vigil

Agency Name and Code Number: 305 – New Mexico
Department of Justice

Short Title: PROHIBIT
NONDISCLOSURE &
NONDISPARAGEMENT

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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		

(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						

(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

This analysis is neither a formal Opinion nor an Advisory Letter issued by the New Mexico Department of Justice. This is a staff analysis in response to a committee or legislator's request. The analysis does not represent any official policy or legal position of the NM Department of Justice.

BILL SUMMARY

Synopsis: This bill amends Section 50-4-36, which prohibits certain nondisclosure agreements related to claims of sexual harassment, discrimination or retaliation in the employment context. The amendments broaden Section 50-4-36 to prohibit nondisparagement agreements, as well as expanding the scope of (1) conduct and (2) employees prohibited to be covered by any such agreements. It also further limits the subject matter of confidentiality provisions in settlement agreements related to sexual harassment, discrimination or retaliation claims.

The title of the Act is amended to insert “and nondisparagement” after “nondisclosure” and before “agreements.” A superfluous “and” has also been deleted.

The phrase “as a term of employment” is deleted in Section A.

Subsection A(1) is amended to include “prospective, current and former” employees and “independent contractors.” The word “nondisparagement” is added after “nondisclosure” and before “provision,” consistent with the title of the amended title of the Act.

The word “occurring” is deleted from Subsection A(2).

A new Section B is added as follows: “A claim of sexual harassment, discrimination or retaliation may have occurred,” and a new Subsection B(2) is added as follows: “or (2) between employees or between an employer and an employee, whether occurring on or off the employment premises.”

Section C (formerly Section B) is amended to delete “an employee or former employee” and to insert in its place “a prospective, current or former employee or an independent contractor and a private employer.” The word “only” is inserted between “is” and “permitted” and the word “when” is deleted after “permitted.” The phrase “to pertain to” is added after the deleted “when.”

In Subsection C(1), the phrase “it relates to” is deleted.

In Subsection C(2), the phrase “prospective, current or former” is inserted before “employee’s” and the phrase “or independent contractor’s” inserted after the word “employee’s.” The phrase “it prohibits” is deleted and the word “the” is inserted in its place. The phrase “or independent contractor” is inserted after the word “employee.”

Former Section C: “At the sole request of the employee, a settlement agreement subject to this section may contain a confidentiality provision that prevents the disclosure of factual information related to the underlying sexual harassment, discrimination or retaliation claim,” is deleted in its entirety.

In Section D, the word “subsection” is deleted and the word “section” is inserted in its place.

In new Section E (formerly Section D), the internal cross-reference “B and” is deleted and “and D” is inserted in its place.

FISCAL IMPLICATIONS

None for this office.

SIGNIFICANT ISSUES

None.

PERFORMANCE IMPLICATIONS

None.

ADMINISTRATIVE IMPLICATIONS

None.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None.

TECHNICAL ISSUES

None.

OTHER SUBSTANTIVE ISSUES

None.

ALTERNATIVES

None.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo.

AMENDMENTS

None.