

LFC Requester:	Henry Jacobs
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AGENCY BILL ANALYSIS – 2026 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: 1/26/26 *Check all that apply:*
Bill Number: HB147 Original Correction
 Amendment Substitute

		Agency Name and Code		
Sponsor:	<u>Raymundo Lara</u>	Number:	<u>790 – Department of Public Safety</u>	
Short Title:	<u>Posting of Notices of Human Trafficking</u>	Person Writing	<u>Jessica Arballo</u>	
		Phone:	<u>364-4494</u>	Email: <u>Jessica.Arballo@dps.n</u>

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
NFI	NFI	N/A	N/A

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
NFI	NFI	NFI	N/A	N/A

(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	0	30.0	0	30.0	Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: Related to 2026 SB32
 Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

HB-147 requires certain lodging facilities in New Mexico to post human trafficking awareness notices and to provide mandatory human trafficking awareness training to employees. The bill establishes posting, training, recordkeeping, and enforcement requirements and authorizes civil penalties for noncompliance. The effective date is July 1, 2026.

HB-147 applies exclusively to operators of lodging facilities with ten or more guest rooms. Covered facilities must display multilingual human trafficking awareness posters and ensure employees complete initial and annual human trafficking awareness training. Enforcement authority is assigned to the Attorney General and district attorneys, with civil penalties of up to \$500 per violation.

FISCAL IMPLICATIONS

The Department of Public Safety (DPS) may incur additional costs if sworn personnel are required or authorized to attend out-of-state human trafficking training in support of implementation or enforcement of the Act.

HB-147 is expected to have a limited fiscal impact on the New Mexico Department of Public Safety (NMDPS) and the New Mexico State Police (NMSP). While the bill places primary compliance obligations on lodging facilities and does not assign NMDPS or NMSP a formal regulatory role, implementation may increase demand for specialized human trafficking training for law enforcement. If NMDPS sends officers to out-of-state training, the estimated cost is approximately \$3,000 per officer, or \$30,000 to train 10 officers, reflecting travel, lodging, per diem, and registration expenses. Once officers are certified through a Train-the-Trainer model, in-state instructors could deliver human trafficking training statewide with minimal recurring costs, reducing future travel and per diem expenditures, eliminating recurring tuition or registration fees, and expanding training capacity without proportional cost increases, resulting in ongoing cost efficiencies over multiple fiscal years.

SIGNIFICANT ISSUES

HB-147 establishes two primary requirements for certain lodging facilities in New Mexico:

1. The posting of multilingual human trafficking awareness notices, and
2. Mandatory human trafficking awareness training for employees.

The bill targets lodging facilities with ten or more guest rooms, recognizing that such locations are at heightened risk for both sex and labor trafficking. A significant issue is whether smaller facilities (under ten rooms) may remain unaddressed despite potential exposure to trafficking activities. Another key issue is enforcement consistency, as compliance is enforced through civil penalties rather than administrative licensing consequences.

Constitutional Risk Assessment: The bill's poster requirements present low constitutional risk under First Amendment compelled-speech doctrine. Under *Zauderer v. Office of Disciplinary Counsel*, 471 U.S. 626 (1985), commercial disclosure requirements compelling only "factual and uncontroversial information" are subject to rational basis review rather than strict scrutiny. The required poster content—definitions of human trafficking, prohibited conduct under NMSA 1978, § 30-52-1, and hotline numbers—constitutes purely factual information reasonably related to the State's compelling interest in preventing human trafficking. Numerous states have enacted similar lodging-facility posting requirements without successful constitutional challenge, including California, Florida, and North Carolina. Relationship to Existing Law: New Mexico already requires

human trafficking posting under NMSA 1978, § 30-52-2.1, which applies to employers subject to the Minimum Wage Act, liquor licensees, health facilities, and transportation facilities. HB-147 expands this framework to specifically include lodging facilities, creating a more comprehensive statewide approach. However, the new bill uses “significant portion” as its language threshold, whereas NMSA 1978, § 30-52-2.1 uses a “ten percent or more” standard, potentially creating inconsistency

PERFORMANCE IMPLICATIONS

The bill is likely to improve early identification and reporting of human trafficking by increasing employee awareness and providing clear reporting pathways. Training requirements within 90 days of hire and annually thereafter may lead to better-informed staff and more timely intervention. Performance outcomes depend on the quality and consistency of approved training programs and on employees' willingness to report suspicious activity.

ADMINISTRATIVE IMPLICATIONS

The Department of Public Safety will incur administrative responsibilities. These include approving or providing training programs, potentially hosting an annual awareness training at the Law Enforcement Academy, a training-the-trainer class annually, and developing and maintaining a model poster (if required).

Lodging operators will need to track training completion for three years and respond to enforcement inquiries, increasing administrative workload, especially for smaller operators.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

The bill generally complements existing human trafficking statutes under Chapter 30, Article 52 NMSA 1978, rather than conflicting with them. It aligns with broader state and federal anti-trafficking efforts, including national hotline reporting systems. There may be some duplication with voluntary training or corporate policies already in place at larger hotel chains, but the bill standardizes minimum requirements across the state.

Importantly, HB-147 expands upon NMSA 1978, § 30-52-2.1, which already requires human trafficking posting for employers subject to the Minimum Wage Act, liquor licensees, health facilities, and transportation facilities. While § 30-52-2.1 does not specifically cover lodging facilities (unless they are otherwise covered entities), HB-147 fills this gap. However, the two statutes use different language thresholds for multilingual requirements: NMSA 1978, § 30-52-2.1 specifies “ten percent or more,” while HB-147 uses the undefined term “significant portion.” Harmonizing these standards through amendment would promote consistent compliance.

TECHNICAL ISSUES

- The bill references a “statewide human trafficking reporting organization, if available,” without defining which entity qualifies or who determines availability.
- The term “significant portion” of workforce or clientele (for language requirements) is not defined, which could create ambiguity and inconsistent compliance.
- The enforcement provision allows both the Attorney General and district attorneys to act, which may lead to uneven enforcement across judicial districts.
- Retaliation Protection Gap: Section 2(B)(1)(e) requires training to include “information explaining that an employee who reports suspected human trafficking in good faith is protected from retaliation.” However, HB-147 does not itself create a private cause of action or remedy for retaliation. The existing

Whistleblower Protection Act (NMSA 1978, §§ 10-16C-1 to -6) applies only to public employers, not private lodging facilities. Absent a specific statutory remedy, employees of private lodging facilities would need to rely on common-law wrongful discharge claims under the public policy exception, which is narrower than statutory protection. This may create a gap between what the training promises and the remedies actually available to private-sector employees.

OTHER SUBSTANTIVE ISSUES

The civil penalty is capped at \$500 per violation, which may be insufficient to deter noncompliance for larger lodging operators but could be burdensome for smaller ones. The bill provides a delayed compliance period for facilities with 25 or fewer employees, which helps mitigate immediate impacts on small businesses. The bill does not include immunity or liability protections for operators beyond employee anti-retaliation language.

Legal Defensibility: The bill is legally defensible under the current First Amendment doctrine. The Supreme Court in *National Institute of Family & Life Advocates v. Becerra*, 585 U.S. 755 (2018), reaffirmed that *Zauderer's* deferential standard applies to commercial disclosures that are “factual and uncontroversial.” Human trafficking awareness posters containing definitions, statutory references, and hotline numbers fit squarely within this category. Unlike the notice requirements invalidated in *NIFLA*, which compelled crisis pregnancy centers to advertise abortion services contrary to their mission, HB-147 requires only neutral, informational content directly relevant to the lodging industry’s operations. The bill aligns with a well-established national trend; at least 20 states have enacted similar lodging-facility posting and training requirements without significant judicial challenge.

ALTERNATIVES

Providing state-funded or no-cost online training to reduce compliance costs.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

No consequences for DPS for HB-147.

AMENDMENTS

No amendments.