

LFC Requester:

Henry Jacobs

**AGENCY BILL ANALYSIS - 2026 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

[AgencyAnalysis.nmlegis.gov](http://AgencyAnalysis.nmlegis.gov) and email to [billanalysis@dfa.nm.gov](mailto:billanalysis@dfa.nm.gov)*(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:** 2-5-26 *Check all that apply:*  
**Bill Number:** HB-307 Original  Correction   
 Amendment  Substitute

**Sponsor:** Rebecca Dow **Agency Name and Code** AODA 264  
**Short Title:** Advertisements for Certain Legal Money Amounts **Number:** \_\_\_\_\_  
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**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		

**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
<b>Total</b>						

(Parenthesis ( ) Indicate Expenditure Decreases)

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

## **SECTION III: NARRATIVE**

### **BILL SUMMARY**

House Bill 307 requires any advertisement for legal services that references a monetary award obtained for a client to also disclose the amount the attorney or law firm charged the client for that civil action. The bill authorizes the attorney general to assess a civil penalty of \$500 per violation and permits a district attorney, with the attorney general's approval, to bring a civil action to recover the penalty in the district where the advertisement was broadcast or published. Civil penalties collected under the bill are deposited into the current school fund. The bill takes effect July 1, 2027.

### **FISCAL IMPLICATIONS**

House Bill 307 would likely have a limited but measurable fiscal impact on the attorney general and, to a lesser extent, on district attorney offices. The bill creates a new civil-penalty enforcement mechanism for attorney advertising but does not include an appropriation or a cost-recovery mechanism for investigative or litigation expenses.

The attorney general will be responsible for assessing civil penalties and will likely absorb additional workload related to monitoring attorney advertising, reviewing complaints, issuing penalty notices, and initiating civil actions. Because all civil penalties collected under the bill are deposited into the current school fund, none of the penalty revenue offsets the administrative or litigation costs incurred by the enforcing agency.

District attorneys may bring civil actions to recover penalties only with the permission of the attorney general. Any enforcement activity undertaken by a district attorney would require civil-litigation resources that most DA offices do not currently maintain. This would require diverting current prosecution resources to civil litigants who are well equipped to defend any action brought by a DA.

### **SIGNIFICANT ISSUES**

House Bill 307 requires attorney advertisements that reference a settlement or judgment amount to also disclose the monetary amount charged to the client. The use of the term "monetary amount" is helpful because it captures all charges to the client, not just attorney fees. However, the bill does not define the term, and without a definition it is unclear whether the disclosure must include contingency fees only or all litigation-related charges, including costs, liens, or other deductions from the client's recovery.

The bill also does not define "advertisement," which may create uncertainty about whether the requirement applies to digital content, social media posts, websites, attorney-referral platforms, or other forms of marketing. Without a definition or rulemaking authority, enforcement may vary depending on the medium, and attorneys may be unsure which communications trigger the disclosure requirement.

House Bill 307 does not expressly state that the requirement applies to advertisements for legal services offered in New Mexico. Many advertisements broadcast or published in the state originate from out-of-state firms. Without clarifying language, enforcement agencies may face jurisdictional questions regarding whether the statute applies to firms that do not practice in New Mexico or do not represent New Mexico clients.

The bill authorizes the attorney general to assess civil penalties, which is permissible, but the

absence of a regulatory structure leaves key terms undefined. Providing rulemaking authority or addressing these issues in the bill could help clarify the scope of covered advertisements, define required disclosures, and ensure consistent application across media and jurisdictions. Without such authority or amendments, the enforcement may depend on case-by-case interpretation, increasing the likelihood of inconsistent outcomes and litigation.

Lastly, a five hundred dollar penalty will not likely have any deterrent effect of law firms that spend tens or hundreds of thousands of dollars on advertising.

## **PERFORMANCE IMPLICATIONS**

## **ADMINISTRATIVE IMPLICATIONS**

DA's will need to train current staff or contract with outside counsel to engage in civil litigation against firms well suited to defend actions brought against them.

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

## **TECHNICAL ISSUES**

## **OTHER SUBSTANTIVE ISSUES**

## **ALTERNATIVES**

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

## **AMENDMENTS**