

LFC Requester:

Henry Jacobs

AGENCY BILL ANALYSIS - 2026 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

[AgencyAnalysis.nmlegis.gov](https://www.legis.state.nm.us/AgencyAnalysis.nmlegis.gov) and email to 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: 1/27/26

Check all that apply:

Bill Number: SB146Original Correction Amendment Substitute Sponsor: George K. MunozShort Civil Rights Act Claim Changes

Agency Name

and Code

Dept. of Workforce Solutions-631

Number:

Person Writing

Sarita NairPhone: 505-263-3187Email Evan.Sanchez@dws.nm.gov**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY27	FY28		
0	0		

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY27	FY28	FY29		
0	0	0		

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY27	FY28	FY29	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	Unknown	Unknown	Unknown			

(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

Synopsis: Senate Bill 146 amends the New Mexico Civil Rights Act (the “CRA”) to clarify the scope of claims against public bodies and to establish more defined procedural and remedial parameters. Key changes include:

- clarifying the standard for liability by providing that claims arise from an act or the deliberate indifference of a public body or its agents, rather than from broadly defined acts or omissions.
- providing that claimants cannot recover under both the CRA and the Tort Claims Act for claims that arise from the same occurrence;
- specifying that public bodies will not be liable for damages if their employee had an objectively reasonable good-faith belief that their actions did not violate the law;
- replaces the current \$2 million per claimant damages cap with the same caps provided for in the Tort Claims Act:
 - \$200,000 per legally described real property for property damage;
 - \$300,000 for all past and future medical and medically related expenses arising from a single occurrence;
 - \$400,000 per person for all other damages arising from a single occurrence; and
 - an aggregate cap of \$750,000 per occurrence for property and non-medical damages;
- prohibiting punitive damages and pre-judgment interest;
- shortening the statute of limitations from three years to two years;
- providing a new requirement for timely (90 days in most cases) written notice of claims to public bodies;

The bill improves predictability and fiscal stability for public bodies while preserving access to judicial remedies for alleged constitutional violations.

FISCAL IMPLICATIONS

The bill would greatly impact DWS positively over time to the extent that our exposures are reduced, which in turn would reduce our contributions to the risk pool and/or judgments that we pay outside of the risk pool.

SIGNIFICANT ISSUES

Senate Bill 146 amends the CRA to clarify the scope of claims against public bodies, establishes reasonable limitations on damages, imposes uniform notice requirements, shortens CRA statute of limitations, and prevents duplicative recovery under both the CRA and the Tort Claims Act for same occurrence. The bill improves predictability and fiscal stability for public bodies while continuing to serve as legal deterrent against bad or indifferent acts and preserving judicial remedies for constitutional violations.

PERFORMANCE IMPLICATIONS

SB 146 is expected to positively affect agency performance by reducing the diversion of staff time

and resources to high-exposure litigation. Clearer liability limits and better-defined procedural requirements reduce early settlement pressure, allowing agencies to prioritize program delivery and enforcement activities better. Greater predictability in potential outcomes also supports more efficient and informed decision-making and effective, strategic planning when claims arise.

ADMINISTRATIVE IMPLICATIONS

The bill would have manageable and generally positive administrative impacts. Uniform notice requirements and a shorter statute of limitations allow agencies to receive claims earlier, investigate promptly—while making reasonable allowances for incapacitated or injured persons—and preserve relevant evidence. Agencies may need to update internal procedures for receiving and tracking CRA claim notices. However, such changes are modest and outweighed by improvements to claims management, budgeting, and risk assessment.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

SB 146 promotes alignment between the CRA and the Tort Claims Act, reducing inconsistency and uncertainty across statutory remedies applicable to public bodies. By limiting duplicative recovery and clarifying available damages, the bill will reduce unnecessary litigation and encourage earlier resolution of disputes. The continued availability of equitable and injunctive relief ensures that constitutional protections remain enforceable while agencies remain accountable.

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

If SB 146 is not enacted, public bodies will continue to face uncapped inflation-adjusted exposure up to \$2 million per claimant, with no notice requirement for most claims, a three-year statute of limitations, and no qualified immunity defense. This will sustain higher claims volumes, litigation costs, increased settlement pressure for weak or meritless claims. Not enacting SB 146 would entail a continuation of fiscal uncertainty for state and local governments. Concurrently, not enacting SB 146 would also result in non-law enforcement agencies remaining unaware of any CRA claim against them for up to three years following an incident giving rise to such a claim.

AMENDMENTS