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## FISCAL IMPACT REPORT

**BILL NUMBER:** House Bill 46

**SHORT TITLE:** Crime of Digital Sabotage of a Business

**SPONSOR:** Cates/Block

**LAST ORIGINAL**  
**UPDATE:** \_\_\_\_\_ **DATE:** 2/15/26 **ANALYST:** Gygi

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

| Agency/Program   | FY26             | FY27                      | FY28                      | 3 Year Total Cost         | Recurring or Nonrecurring | Fund Affected |
|------------------|------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------|
| Justice Agencies | No fiscal impact | Indeterminate but minimal | Indeterminate but minimal | Indeterminate but minimal |                           |               |

Parentheses ( ) indicate expenditure decreases.

\*Amounts reflect most recent analysis of this legislation.

### Sources of Information

LFC Files

#### Agency or Agencies Providing Analysis

Administrative Office of the Courts  
Administrative Office of the District Attorneys  
Attorney General  
Department of Public Safety  
Corrections Department  
New Mexico Sentencing Commission

## SUMMARY

### Synopsis of House Bill 46

House Bill 46 (HB46) expands the Computer Crimes Act (Section 30-45-1 NMSA 1978) by adding definitions for “digital resource” and “domain name system” and enacts a new criminal offense titled “digital sabotage of a business.” The bill stipulates “business” includes a corporation, a partnership, an individual, a joint venture, an association or other private legal entity.

The bill criminalizes unauthorized use or modification of a business’s digital resources for the purpose of redirecting customers, damaging digital operations, or harming the business’s reputation. Penalties range from a second-degree felony down to a petty misdemeanor, depending on the amount of damages.

The effective date of this bill is July 1, 2026.

## FISCAL IMPLICATIONS

HB46 is expected to have little to no impact on justice agencies. The Department of Public Safety (DPS), which supports the bill, reports no fiscal impact. The Administrative Office of the District Attorneys (AODA) states:

It is unlikely that there would be significant fiscal impact to justice partners. Though it is unknown if there would be an increase in prosecutions under the Computer Crimes Act, historically prosecutions under the act are limited.

The bill has a tiered penalty system to determine the severity of punishment, which could increase workloads and the number of individuals in the criminal justice system. However, according to the Corrections Department (NMCD):

The bill may result in a limited increase in individuals sentenced to incarceration or community supervision for the new offense; however, it is not expected to have a fiscal impact on the department, as associated costs would be absorbed within existing resources.

The New Mexico Sentencing Commission concurs: “Given the rarity in which charges are brought under the act, it is unlikely there will be any impact [on the state’s prison system].”

## SIGNIFICANT ISSUES

DPS describes the rationale for the bill and its benefits:

HB46 addresses a gap in New Mexico's Criminal Code by creating a specific offense for digital sabotage targeting businesses. The bill provides law enforcement with clear statutory authority to investigate and prosecute malicious actors who redirect customers away from legitimate businesses, damage digital infrastructure, or harm business reputations through false online information. The graduated penalty structure—scaling from petty misdemeanor to second-degree felony based on damage amounts—ensures proportionate consequences while providing appropriate tools for serious offenses. The bill's clear *mens rea* requirement ("knowingly and willfully and without authorization") protects against overbroad application while enabling effective prosecution of bad actors.

The New Mexico Sentencing Commission (NMSC) reports that prosecution of computer crimes is rare:

Charges are very rarely brought under the Computer Crimes Act. Since FY24 there have been two cases brought under the Act, both for violations of Section 30-45-3, regarding computer access with intent to defraud or embezzle, as the lead offense, and nothing brought under the other two crimes in the Act, Sections 30-45-4, regarding computer abuse, or 30-45-5, regarding unauthorized computer use.

## PERFORMANCE IMPLICATIONS

The Administrative Office of the Courts (AOC) states 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; and
- Percent change in case filings by case type.

## ADMINISTRATIVE IMPLICATIONS

The AODA notes the investigation, prosecution, and defense of the new crimes may require additional training and physical resources to overcome evidentiary issues that arise.

## TECHNICAL ISSUES

AOC notes 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.

## OTHER SUBSTANTIVE ISSUES

AOC reports the National Conference of State Legislatures compiled a database of cybersecurity legislation introduced in 2025.

[In that year] 49 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. See *Cybersecurity 2025 Legislation*, National Conference of State Legislatures, October 10, 2025.

KG/hg/sgs