

LFC Requester:

Hilla, Emily

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

[AgencyAnalysis.nmlegis.gov](https://www.nmlegis.gov/AgencyAnalysis) 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: 1/23/2025

Check all that apply:

Bill Number: SB 85

Original Correction Amendment Substitute

Peter Wirth
 Heather Berghmans
Sponsor: Andrea Romero
Short Title: CAMPAIGN FINANCE
 CHANGES

Agency Name**and Code**

Secretary of State - 370

Number:**Person Writing**

Lindsey Bachman

Phone: 505-479-2626**Email:** lindsey.bachman@sos.nm.gov**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$30			Nonrecurring	

(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 85 proposes amendments to the Campaign Reporting Act to revise the reporting schedule and reporting requirements.

Section 1 clarifies the definition of “expenditure” to include transactions made by a campaign committee or political committee, by a public official or a candidate in support of another public official’s candidacy, and to pay for an advertisement that refers to a candidate or ballot question.

Section 2 adds electronic communications to existing disclosure and reporting requirements so that recipients know who is paying for those communications.

Section 3 defines donations to a person who makes independent expenditures to include a payment or transfer, or promise of payment or transfer, of money or other thing of value. The definition further excludes commercial transactions made during ordinary business, compensation for services rendered, a commercially reasonable loan made in the ordinary course of business, a gift on a special occasion from a family member or close friend, and a personal loan from a family member or a repayment of such a loan. The section requires that donations be deposited in a segregated bank account that is not used to fund independent or coordinated expenditures or to make contributions to a candidate, campaign committee or political committee.

Section 4 clarifies that if a reporting deadline falls on a state holiday, then the report shall be filed no later than the next business day and adds supplemental reporting requirements for expenditures over a certain amount in the final days before an election. It also aligns political committees with other reporting individuals under the Campaign Reporting Act, by removing the ability for these committees to cancel registration after a year of inactivity and by requiring them to submit reports in a non-election year even if they are not in receipt of contributions or if they do not make expenditures.

Sections 5 – 6 make it unlawful for any person to make an expenditure to repay a loan that is received from the candidate and that includes a rate of interest and requires the reporting of loan terms.

Section 7 expands the legislative session prohibited period to include a campaign committee, legislative caucus committee and incumbents or candidates for a proscribed office, which includes the state legislature, governor, lieutenant governor, SOS, attorney general, state auditor, state treasurer, and commissioner of public lands. It makes it unlawful for those in proscribed office to accept a contribution from a lobbyist, lobbyist's employer, incumbent or candidate, campaign committee or political committee. The timeframes for the prohibitive period are also changed to accommodate the realities of special or extraordinary legislative

sessions.

FISCAL IMPLICATIONS

The addition of reporting requirements will require changes to the electronic Campaign Finance Information System (CFIS), so that it can appropriately capture the disclosure of the terms of loans. These changes are expected to be minimal and are expected to cost no more than \$30,000.

SIGNIFICANT ISSUES

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

By adding additional reporting requirements, the SOS will have additional administration duties associated with education, compliance, and enforcement. The full funding of SOS's budget request is necessary to keep up with the volume of work associated with all of the statutory duties supported by the office.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

The Campaign Reporting Act [Sections 1-19-25 to 1-19-36 NMSA 1978] contains provisions regarding contribution limits to and from candidates and political committees. Individuals who knowingly and willfully violate the act are guilty of a misdemeanor and can be punished by a fine of up to \$1,000, imprisonment of up to one year, or both.

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS