

| | |
|-----------------------|-------------|
| LFC Requester: | Emily Hilla |
|-----------------------|-------------|

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

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: 02/06/2025 *Check all that apply:*
Bill Number: SB248 Original Correction
 Amendment Substitute

Sponsor: Sen. Harold Pope **Agency Name and Code** 410
Short Title: Lobbyist Regulation & Expenditure Reports **Number:** _____
Person Writing Amelia Bierle
Phone: 505-554-7706 **Email** Amelia.Bierle@sec.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 | | Indeterminate | Indeterminate | Indeterminate | | General |

(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 248 updates the Lobbyist Regulation Act (“LRA”), NMSA 1978, §§2-11-1 to-10 (1977, as amended through 2021), by clarifying existing requirements and introducing targeted improvements to enhance transparency in lobbying expenditure reporting. The bill introduces modest, new disclosure requirements to ensure more detailed and accurate reporting.

Section 1 of Senate Bill 248 amends Section 2-11-2 of the LRA by introducing new definitions. The new definitions include:

- "beneficial client" means the specific individual or organization on whose behalf or at whose request or behest lobbying is conducted;
- "beneficiary" means the individual or individuals who directly benefited or otherwise gained from an expenditure;
- "contractual client" means the individual or organization that retains the services of a lobbyist for the benefit of itself or another;
- "legislation" means a bill, resolution, amendment, nomination or other matter pending in either house of the legislature; any matter that is or may be the subject of action by either house or by a legislative committee, including the introduction, consideration, passage, defeat, approval or veto of the matter; or any matter pending in a constitutional convention or that may be the subject of action by a constitutional convention;
- "payee" means the vendor, service provider or entity to whom payment was made for an expenditure;

Section 2 of Senate Bill 248 amends lobbyist expenditure reports under Section 2-11-6 of the LRA requirements. The Act would require lobbyists to report the following details for each expenditure over \$50:

- Date of Expenditure: The date on which the expenditure was made.
- Payee: The vendor, service provider, or entity that received payment for the expenditure.
- Beneficiary: The individual(s) or group(s) who directly benefited from the expenditure (e.g., the Members attending a dinner).
- Contractual Client: The client that hired the lobbyist (e.g., immediate employer such as a lobbyist’s own consulting firm).
- Beneficial Client: The specific individual or organization on whose behalf or at whose request lobbying is conducted (e.g., The client who requested advocacy).
- Purpose of Expenditure: Including:
 - The legislation connected to the expenditure, identified by specific bill numbers where applicable.
 - The stance taken regarding the legislation on the date of the expenditure (e.g., supporting, opposing, amending, or monitoring).
 - If the lobbying expenditure is not related to specific legislation, a statement to

that effect and a description of the reason for the lobbying activity.

- Amount and Description: The total amount spent and a description of what the expenditure entailed (e.g., meals, beverages, entertainment).

Section 2 of Senate Bill 248 also clarifies lobbyist disclosure requirements for political contributions. Under Senate Bill 248, lobbyists must specify whether a contribution is made on behalf of a beneficial client—the individual or organization requesting advocacy—or personally by the lobbyist. Each contribution must include the amount, date, and the name of the candidate or ballot issue supported or opposed.

FISCAL IMPLICATIONS

The fiscal impact on the State Ethics Commission (“SEC”) is minimal. The SEC is already tasked with enforcement of the LRA. *See* NMSA 1978 § 10-16G-9(A) (providing that the Commission has enforcement jurisdiction over the compliance provisions of certain statutes, including the LRA). SB248 clarifies expenditure reporting requirements and introduces targeted improvements to enhance transparency, which may result in the SEC receiving additional complaints, but it is unlikely that this marginal increase in Commission workload would have a significant impact on the Commission’s operating budget.

SIGNIFICANT ISSUES

Lobbying is an important part of New Mexico’s democratic process, offering lawmakers access to specialized knowledge and perspectives that can lead to better-informed public policies. However, lobbying also carries risks, such as the potential for undue influence that may compromise fairness, transparency, and public trust. Laws regulating lobbyists can help balance these benefits and risks, ensuring that lobbying serves the interests of all New Mexicans.

New Mexico’s lobbyist regulation laws currently rank among the least effective in the country. In 2022, OpenSecrets ranked New Mexico 41st nationwide in its analysis of lobbyist disclosure laws.¹ Key shortcomings in New Mexico’s current LRA include ambiguity in funding sources and expenditure beneficiaries, a lack of disclosure on the true sources of political contributions, and no requirement to report the specific subject matter of lobbying efforts. These gaps make it difficult to track who is funding lobbying activities, how funds are spent, and what issues are being influenced.

To address these shortcomings, SB248 proposes reforms that align with national trends in lobbying disclosure. The bill would modernize the Lobbyist Regulation Act by strengthening transparency requirements, consistent with the increasing number of states enacting more robust reporting standards. OpenSecrets’ [State Lobbying Disclosure: A Scorecard](#) and [State Lobby Chart](#) provide insight into how other states have improved their lobbying laws, underscoring the need for New Mexico to follow suit.

By refining expenditure and political contribution reporting, the bill maintains the integrity of lobbying disclosures while ensuring the process remains simple and transparent. These updates do not impose significant new obligations but rather provide clearer guidance for compliance

¹ See OpenSecrets, [State Lobbying Disclosure: A Scorecard](#) (June 28, 2022) available at <https://www.opensecrets.org/news/reports/layers-of-lobbying/lobbying-scorecard> (showing New Mexico is in the bottom quintile across the 50 states with respect to disclosure requirements related to lobbying).

with existing law.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

The State Ethics Commission has jurisdiction to investigate and adjudicate administrative complaints alleging violations of the Lobbyist Regulation Act, to enforce the Lobbyist Regulation Act through civil actions, and to issue advisory opinions regarding the Lobbyist Regulation Act. These amendments will marginally increase the Commission's workload relating to the Lobbyist Regulation Act.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Two other bills, SB90 and HB143, also amend the LRA. However, this bill neither conflicts with nor duplicates either of them

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

If SB 248 is not enacted, inconsistencies in lobbying expenditure reporting will persist, limiting transparency in how funds are spent and who benefits from those initiatives. While lobbyists play a valuable role in policymaking, consistent and transparent reporting strengthens public trust and ensures a clearer understanding of lobbying activities.

AMENDMENTS