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FISCAL IMPACT REPORT

ORIGINAL DATE 2/20/07
 LAST UPDATED 3/12/07 HB _____

SPONSOR Feldman

SHORT TITLE Disclosure by Procurement Contractors SB 1074/aSPAC/aSFI

ANALYST Propst

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Education Department (PED)

Administrative Office of the Courts (AOC)

Department of Corrections (CD)

SUMMARY

Synopsis of SFI Amendment

The amendment clarifies that the bills applicability to a “family member” of:

1. a prospective contractor, if the prospective contractor is a natural person; or
2. an owner of a prospective contractor;

Synopsis of SPAC Amendment

The amendment clarifies that the bills applicability to a “family member” of:

3. a prospective contractor, if the prospective contractor is a natural person; or
4. an owner of a prospective contractor, if the prospective contractor is a business in which 100% of the ownership interest in the prospective contractor is held by less than 15 natural persons

The amendment clarifies the bills applicability to a “prospective contractor” to mean a “person”

or a “business” subject to the competitive sealed proposal process in the Procurement Code.

Synopsis of Original Bill

Senate Bill 1074 amends Section 13-1-112 NMSA 1978 and requires a state agency or local public body that is issuing a request for proposal or sole source contract or small purchase contract to include an additional form with their materials. This form requires a prospective contractor to disclose campaign contributions made to applicable public officials that total more than \$250 during the previous two years.

When preparing the form, the government entity will list all applicable public officials for which campaign donation disclosure is required. An applicable public official is a person elected to an office or a person appointed to complete the term of an elected office who has the authority to award or influence the award of the contract.

SIGNIFICANT ISSUES

SB 1074 requires all state agencies to include in all requests for proposals for competitive sealed proposals the form of disclosure (contained in Section 13-1-191.1 NMSA 1978) of campaign contributions given by prospective contractors to applicable public officials. It also requires state agencies to indicate on the form the names of all applicable public officials (presumably those officials who now work for the state agency issuing the RFP) so that prospective contractors can disclose the relevant contribution information on those officials.

Current law already allows the agency to cancel a proposed contract and to terminate an existing contract with any vendor who fails to submit a completed disclosure form.

WEP/nt