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FISCAL IMPACT REPORT

ORIGINAL DATE 1/28/08
LAST UPDATED 2/07/08

SPONSOR Sanchez, M. HB _____

SHORT TITLE Limit Certain Campaign Contributions SB 387/aSRC/aSFI#1

ANALYST Ortiz

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

Duplicates SB264
Relates to HB250

SOURCES OF INFORMATION

LFC Files

Responses Received From
Attorney General's Office (AGO)
Secretary of State (SOS)

SUMMARY

Synopsis of SFI#1 Amendment

The Senate Floor amendment to SRC amendment of Senate Bill 387 adds a new subsection that exempts qualified political parties from contribution limitations.

Synopsis of SRC Amendment

The Senate Rule Committee amendment includes limits to campaign contributions from political committees and makes the provisions of this act applicable to candidates for non-statewide office on or after January 1, 2009 and statewide office on or after January 1, 2011. The following table highlights the contribution limits.

CONTRIBUTIONS	FROM A PERSON	FROM A POLITICAL COMMITTEE
TO A NON-STATEWIDE CANDIDATE	\$2,300 per primary; \$2,300 per general election	\$5,000 per primary; \$5,000 per general election
TO A STATEWIDE CANDIDATE	\$5,000 per primary; \$5,000 per general election	\$7,500 per primary; \$7,500 per general election
TO A POLITICAL COMMITTEE	\$15,000 per primary; \$15,000 per general election; \$15,000 per statewide special election	\$15,000 per primary; \$15,000 per general election; \$15,000 per statewide special election

It also changes the date of annual contribution increases to begin on January 1, 2009 and on.

Synopsis of Original Bill

Senate Bill 387 adds a new section to the Campaign Reporting Act limiting an individual’s aggregate amount of contributions to a candidate to \$2.3 thousand during the primary election and that same amount during the general election. The bill allows for annual contribution increases based on the consumer price index. The Secretary of State shall publish by October 1 the adjusted contribution limits.

SIGNIFICANT ISSUES

The Attorney General’s Office indicates that currently there are no limits on campaign contributions.

It additionally explains that the bill fails to limit contributions to “political committees”, as defined by the Campaign Reporting Act, including political parties. Without limitations on contributions to these third parties, the harm that this bill intends to remedy may simply be channeled through political committees—which was the experience of early federal campaign laws. Federal law currently limits contributions to “political action committees” and political parties.

The Secretary of State explains that the state political financial reporting system will need to be enhanced to reflect the change in the law; the Secretary of State’s Office currently believes it can absorb the costs of these enhancements.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Duplicates SB264

Relates to HB 250, which also amends the Campaign Reporting Act, Section 1-19-25 et seq., NMSA 1978, by requiring quarterly filing of finance reports during non-election years, instead of annually as currently provided by the law.

OTHER SUBSTANTIVE ISSUES

According to the Secretary of State, Senate Bill 264 will have minimal impact on most candidates. However, the lack of any contribution limits for state campaigns contributes to New Mexico's consistently low score in national surveys of good campaign finance laws.

EO/mt