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FISCAL IMPACT REPORT

SPONSOR Garcia, MP ORIGINAL DATE 2/16/15
LAST UPDATED _____ HB 257

SHORT TITLE Election Contributions by Certain Contractors SB _____

ANALYST Jorgensen

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	NFI	Unknown	Unknown	Unknown	Recurring	Secretary of State Operating Budget

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Administrative Office of the Courts (AOC)

Attorney General's Office (AGO)

Secretary of State (SOS)

SUMMARY

Synopsis of Bill

House Bill 257 makes changes to the Campaign Reporting Act to prohibit a principal of a prospective state contractor from making or bundling contributions to or sponsoring or hosting a fundraiser for the benefit of a candidate for a state public office that has administrative authority over a state agency that is soliciting a contract to which the prospective state contractor responds. The bill also prohibits these actions being taken by a principal during the term of the contract. HB 257 provides an exception for a principal who contributes to his or her own campaign for state public office. HB 257 also clarifies that its provisions supplement, and do not limit, the provisions of other statutes or agency rules further limiting contributions from a principal of a state contractor or prospective state contractor.

HB 257 enacts a new section of the Campaign Reporting Act providing definitions for the following terms: "principal of a state contractor or prospective state contractor"; "prospective state contractor"; "state agency"; "state contract"; "state contractor"; and "state public office."

The effective date of the Act is July 1, 2015.

FISCAL IMPLICATIONS

The SOS notes that to enforce the provisions of HB 257, the SOS would need to receive state contractor information from agencies across the state. Additionally the campaign finance information system would require enhancements to track and audit the prohibited transactions. The SOS recommends an appropriation for all needed enhancements, though did not provide a cost estimate as reflected in the table above.

SIGNIFICANT ISSUES

The SOS is required to enforce the Campaign Reporting Act, however, SOS is not currently provided with all state contractor information making enforcement of the provisions impossible without additional information being supplied to SOS.

TECHNICAL ISSUES

As the Attorney General's Office noted in its 2012 analysis of an identical bill,

Paragraph A of Section 1 of the bill conflicts with or overlaps current state law, namely § 13-1-191.1 of the Procurement Code banning campaign contributions by prospective contractors and § 10-16-13.3 of the Governmental Conduct Act banning receipt of anything of value from financial services contractors.

Paragraph D of Section 1 recognizes that there are other laws, and provides that this bill supplements these laws. While Paragraph D works with regards to § 10-16-13.3 of the Governmental Conduct Act, it creates confusion with reconciling the bill with § 13-1-191.1 of the Procurement Code because these provisions are so similar. Perhaps a better approach will be to simply amend § 13-1-191.1 of the Procurement Code.

CJ/aml/bb