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FISCAL IMPACT REPORT

SPONSOR Steinborn ORIGINAL DATE 2/7/17
LAST UPDATED _____ HB _____

SHORT TITLE Lobbyist Reporting Requirements & Fees SB 168

ANALYST Esquibel

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY17	FY18	FY19		
	\$119.3	\$119.3	Recurring	Campaign Reporting System Fund

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Secretary of State's Office (SOS)

SUMMARY

Synopsis of Bill

Senate Bill 168 (SB168) proposes to amend the Lobbyist Regulation Act (LRA), Chapter 2, Article 11 NMSA 1978. The bill would increase the annual lobbyist registration and renewal fee from \$50 to \$100 per lobbyist per represented entity. The bill would also require more transparency regarding the legislative or administrative issues for which a lobbyist is employed to be disclosed and filed with the SOS upon registration.

Section 2 of the bill would amend Section 2-11-6 NMSA 1978 changing the expenditure reporting requirements for lobbyists. Current law requires that each individual expenditure over \$100 be reported. The bill would remove that requirement and replace it with a report of total expenditures for each recipient, and add 'gift' to the categories of expenditures. Lastly, the bill proposing changing the time that lobbyist reports are due from 11:59pm to midnight.

FISCAL IMPLICATIONS

The Secretary of State's Office (SOS) reports Section 2-11-3 NMSA 1978 goes into effect on December 15, 2017 based upon passage of HB105 during the 2016 session. This legislation set

up a new “campaign reporting system fund” in which fees collected for lobbyist registration can be retained and used by the Secretary of State (SOS) for ongoing upgrades, maintenance, and operation of the campaign reporting system. The increase in the registration fees proposed in SB168 would be deposited into the “campaign reporting system fund.” In 2016, the SOS collected a total of \$59,650 in registration fees from compensated lobbyists which would approximately double to \$119,300 should this legislation pass.

SIGNIFICANT ISSUES

The SOS notes the legislation would remove the current \$100 reporting threshold for lobbyists and require disclosure of total expenditures incurred “for each recipient.” It is unclear whether the intent of the bill is for the lobbyist to disclose the vendor providing the service as the “recipient” resulting in the expenditure, or if “recipient” is intended to mean the legislator or other official who may be benefitting from the expenditure incurred by the lobbyist.

The sponsor may want to consider a small dollar threshold so that small incidentals (e.g., a cup of coffee, a stick of gum) do not require disclosure.

PERFORMANCE IMPLICATIONS

By eliminating the dollar threshold, this legislation is expected to increase transparency regarding lobbyists’ expenditures.

ADMINISTRATIVE IMPLICATIONS

The Secretary of State’s Office (SOS) notes it expects little administrative impact to result from the changes proposed in the bill. The associated IT system changes, form updates, and updates to training materials and guides would be minimal.

However, the SOS notes with no dollar threshold, tracking and reporting lobbyists’ every expenditure could become cumbersome.

TECHNICAL ISSUES

The Secretary of State’s Office (SOS) suggests adding a small dollar threshold to the bill such that minor incidentals like a stick of gum do not have to be reported.

Also, the SOS requests clarification of the term “for each recipient” in Section 2-11-6(A)(1) as it is unclear if this term refers to the vendor providing the service or the legislator or other official who may be benefitting from the expenditure incurred by the lobbyist.

RAE/al