Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current and previously issued FIRs are available on the NM Legislative Website (<u>www.nmlegis.gov</u>) and may also be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR Campos		ORIGINAL DATE LAST UPDATED	2/12/2018	HB		
SHORT TITLE Municipality Reg			ation Of Panhandling		SB	256

ANALYST Torres

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY18	FY19	FY20	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	NFI	NFI	NFI	NFI		

SOURCES OF INFORMATION

LFC Files

<u>Responses Received From</u> Public Defender Department (PDD) Office of the Attorney General (NMAG) Administrative Office of the Courts (AOC) New Mexico Sentencing Commission (NMSC) Regulation and Licensing Department (RLD) Department of Public Safety (DPS) New Mexico Municipal League

SUMMARY

Synopsis of Bill

SB 256 would enact a new section of the Municipal Code to provide municipalities with the right to tax, regulate and license panhandlers. It would provide that a person who passively stands or sits with a sign or other indication the person is seeking donations is <u>not</u> a panhandler.

The effective date of the proposed legislation would be July 1, 2018.

FISCAL IMPLICATIONS

Minimal fiscal implications exist for the PDD if police interactions stemming from the proposed law fuel an up swell in encounters leading to criminal charges. Assessment of impact would have to be revisited after the implementation of the proposed legislation.

No other state agencies identified fiscal implications as a result of SB 256.

Senate Bill 256 – Page 2

SIGNIFICANT ISSUES

The PDD notes that regulating speech activities such as panhandling is raises fraught with First Amendment issues.+

The New Mexico Attorney General and Sentencing Commission concurred pointing to recent US Supreme Court decisions, including *Reed v. Town of Gilbert*. Specifically, the NMSC cited a recent commentary on the decision which states that "within two months of the decision, a federal appeals court deemed a panhandling ban in Springfield, Ill., unconstitutional. In the past two years, federal courts have also struck down panhandling laws in Grand Junction, Colo.; Tampa, Fla.; Portland, Maine; and Worcester and Lowell, Mass. In Ohio alone, lawsuits brought by the ACLU have led Akron, Cleveland and Toledo to repeal all or parts of their panhandling bans."

PERFORMANCE IMPLICATIONS

The NMAG will need to assign an attorney and analyze this legal issue for publication which will require diversion from other performance expectations.

ADMINISTRATIVE IMPLICATIONS

Administration of the Law Library and Building Commission will be streamlined under the framework in HB 61.

The AOC indicates that "HB 61 will eliminate duplicative administrative structures and give the Supreme Court the flexibility to administer the functions of the Court, the Law Library, and the Supreme Court Building through a unified administrative framework."

IT/jle