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FISCAL IMPACT REPORT

ORIGINAL DATE 1/30/2021

SPONSOR McQueen/Tallman LAST UPDATED 2/26/2021 HB 153/aHJC

SHORT TITLE Campaign Reporting Changes SB _____

ANALYST Nichols

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY21	FY22	FY23	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$45.0 - \$90.0	\$45.0 - \$90.0	\$90.0 - \$180.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From
Secretary of State (SOS)

SUMMARY

Synopsis of HJC Amendment

The House Judiciary Committee amendment clarifies that, if a reporting individual is subject to the legislative session fundraising prohibition and receives monetary contributions during a prohibited period, the individual must file a report of all monetary contributions received and not returned, not merely received.

Synopsis of Original Bill

House Bill 153 proposes to amend the Campaign Reporting Act to revise the reporting schedule and reporting requirements. The amendment would require an additional report to the Secretary of State (SOS) during an election cycle, as well as a required report if a candidate subject to legislative fundraising restrictions receives a monetary contribution during the fundraising prohibited period. The amendment would also require reporting of all contributions over \$1,000 in election years. In addition, the amendment would change the deadline for reports in nonelection years, from April and October to June and January, as well as change the reporting period accordingly.

There is no effective date of this bill. It is assumed the effective date is 90 days following adjournment of the Legislature.

FISCAL IMPLICATIONS

There is no appropriation contained in this bill. SOS notes that increasing the number of required reports would result in additional staff time needed for education, compliance enforcement, and processing. SOS does not identify an estimated cost but notes that full funding of elections staff is necessary to carry out additional work associated with additional reporting. It is not clear how much additional staff time would be required, but an additional 0.5 funded FTE would cost approximately \$45 thousand per year, while an additional 1 funded FTE would cost approximately \$90 thousand per year.

SOS anticipates minimal or no changes to the electronic Campaign Finance Information System (CFIS) to enact the proposed changes.

SIGNIFICANT ISSUES

Currently, the Campaign Reporting Act requires reporting of contributions over \$1,000 for a non-statewide election or over \$3,000 for a statewide election. HB153 requires reporting of contributions over \$1,000 for all elections.

Under HB153, biannual reports normally filed in April and October each year would move to the first Monday in June and January.

In a primary election, the reports referred to by SOS as the first, second, and third primary reports would remain unchanged. The report referred to as the fourth primary report would be due seven days after the primary election rather than the current deadline of 30 days after the primary election.

For a general election, the reports referred to by SOS as the first, second, and third general reports would remain unchanged. The report referred to as the fourth general report would be due seven days after the general election rather than on January 7.

An additional “year-end” report would be required to include all remaining expenditures and contributions occurring after the general election through the end of the year and would be due on January 7.

An additional “session supplemental” report would be required for filers subject to the legislative fundraising prohibited period, which includes both incumbents and candidates for state legislator, attorney general, secretary of state, state treasurer, commissioner of public lands, state auditor, the governor, and lieutenant governor. These filers would be required to file a report if they accept a monetary contribution during the legislative session prohibited period.

PERFORMANCE IMPLICATIONS

According to SOS, the proposed change to the dollar threshold triggering the requirement for supplemental reports is expected to simplify compliance. Current law requires statewide and non-statewide candidates to report at different thresholds, causing confusion among filers.

OTHER SUBSTANTIVE ISSUES

The Campaign Reporting Act [Sections 1-19-25 to 1-19-36 NMSA 1978] contains provisions regarding contribution limits to and from candidates and political committees. Individuals who knowingly and willfully violate the act are guilty of a misdemeanor and can be punished by a fine of up to \$1,000, imprisonment of up to one year, or both.

AN/al/rl