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FISCAL IMPACT REPORT

SPONSOR Steinborn/Moores/Garratt LAST UPDATED _____
ORIGINAL DATE 02/14/23
BILL
SHORT TITLE Lobbying Activity Reports NUMBER Senate Bill 218
ANALYST Hitzman

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
	NFI	\$20.0 - \$30.0	Indeterminate but minimal	\$20.0 - \$30.0		

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Relates to SB217 and SB34

Sources of Information

LFC Files

Responses Received From

Office of the Attorney General (AG)
Office of the Secretary of State (SOS)
State Ethics Commission (SEC)

SUMMARY

Synopsis of Senate Bill 218

Senate Bill 218 (SB218) adds a new section to the Lobbyist Regulation Act requiring certain lobbyists and lobbyist employers to file an activity report with the Secretary of State's (SOS) Office that discloses their lobbying activity on legislation and lobbying on the development of legislation prior to its introduction. They must specify the specific legislation lobbied, the support, opposition, or other position taken and whether that had changes, and the name of their employer. The report must be filed prior to the adjournment of the legislative session or, if taking place after the session, before the time that the governor acts on legislation. Lobbyists and lobbyist employers are only required to report on activity on a piece of legislation once unless their position has changed, in which case activities for each change in position shall be reported. The bill allows SOS to determine the time and format of filings.

The bill also amends statute regarding lobbyist regulation. Information pertaining to registration and expenditures, and now also lobbying activity under SB218, shall be accessible online for 10 years from the date of filing as public record, open to public inspection.

The effective date of this bill is January 1, 2025.

FISCAL IMPLICATIONS

The bill does not contain an appropriation. However, the Secretary of State’s office (SOS) notes the requirement for disclosure information to be filed electronically, which would require the office to create an additional reporting module in the existing Lobbyist Reporting System as part of the Campaign Finance Information System. The cost to add the module is estimated as a one-time nonrecurring cost of \$20 thousand to \$30 thousand in FY24.

Further, the State Ethics Commission investigates and adjudicates complaints alleging violation of the Lobbyist Regulation Act. Because SB218 creates new substantive disclosure requirements, the Commission might receive additional complaints alleging violations of those duties. However, the Commission notes, “unless those complaints are voluminous the impact to the Commission’s operating budget is minimal.”

SIGNIFICANT ISSUES

The Office of the Attorney General notes “the bill is silent, and therefore ambiguous, on whether such disclosure is required if no legislation is ultimately introduced. That is, if a lobbyist engages in significant lobbying activity to develop legislation that is ultimately never introduced in the session, would the lobbyist still have to include such activity in the report? Adding a sentence to clarify one way or the other would avoid this ambiguity.”

ADMINISTRATIVE IMPLICATIONS

SOS notes “by adding an additional reporting requirement...the SOS will have additional administration duties associated with education, compliance, and enforcement. Full funding of elections staff is necessary to keep up with the volume of work associated with all of the statutory duties supported by the office.”

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

The bill relates to SB217, also sponsored by Senator Steinborn, that also amends the act in separate, unrelated sections, and SB34, which creates an additional, separate section of the act to establish a period for former legislators prohibiting them from acting as paid lobbyists for a period of two years following their service.

TECHNICAL ISSUES

NMAG provides the following:

The bill as currently written:

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. A new section of the Lobbyist Regulation Act is enacted to read:

It would be helpful to readers to have the bill written instead as:

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. A new section of the Lobbyist Regulation Act, NMSA 1978, Chapter 2, Article 11, is enacted to read:

JH/rl/ne