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FISCAL IMPACT REPORT

ORIGINAL DATE 3/12/09

SPONSOR HVEC LAST UPDATED _____ HB 272/HVECS

SHORT TITLE Quarterly Campaign Report Filing SB _____

ANALYST Ortiz

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
NFI	NFI		

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB253 and SB128

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY09	FY10	FY11	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		\$0-\$155.0	\$0-\$150.0	\$0-\$450.0	Recurring	General Fund

SOURCES OF INFORMATION

LFC Files

Responses Received From

Attorney General's Office (AGO)*

Secretary of State (SOS)*

**Reponses are from original bill, neither agency responded to the substitute.*

SUMMARY

Synopsis of HVEC Substitute Bill

The House Voters and Elections Committee substitute to House Bill 272 amends the Campaign Reporting Act, NMSA 1978, §§ 1-19-25 through 1-19-36, in several ways. First, House Bill 272 eliminates requirement that candidates and public officials who do not intend to raise or expend minimum amount file a statement of exception. Those candidates and public officials would be required to file statement of no activity only. Second, it makes clear that Secretary of State is proper filing officer for both candidates and public officials. Third, it provides that candidates and public officials, as well as treasurers of political committees, shall file reports of expenditures made and contributions received semiannually, in April, and October instead of

annually in May. In an election year, however, candidates and public officials who are candidates in an election that year are required to file reports of expenditures made and contributions received or, if applicable, statements of no activity, in April, May and September, in addition to filing reports in October and immediately before and after the election, as is currently required by the Act. Public officials who are not candidates shall file reports of expenditures made and contributions received or statements of no activity in accordance with semiannual schedule. Fourth, candidates who do not ultimately file a declaration of candidacy or nominating petition and do not file a statement of no activity also must file semiannual reports, instead of filing after the primary and/or general election, hence the range in the .

FISCAL IMPLICATIONS

The Secretary of State points out that its ethics division would require no less than three full-time employees, equipment and training in order to accommodate the increase in workload. It is conceivable however, that existing staff could absorb the workload hence the \$0-\$155 thousand range shown in the additional operating budget impact.

RELATIONSHIP

Relates to SB128, which requires the filing of biannual reports and HB253, which requires quarterly reports but in March, June, September and December. HB253 reports include expenditures made and contributions received on or before the first Monday in the reporting months versus this bill which include expenditures made and contributions received on or before the last day of the previous month and not previously reported.

OTHER SUBSTANTIVE ISSUES

The Attorney General's Office notes that the Campaign Reporting Act currently defines "proper filing officer" as "either the secretary of state or the county clerk as provided in Section 1-19-27 NMSA 1978," but it is not clear now under what circumstances, if any, a county clerk would be the proper filing officer. HB272 amends Section 1-19-27 by providing that Secretary of State is the proper filing officer for all candidates and public officials. It also amends Section 1-19-32.1 of the Act by eliminating the requirement that county clerks deliver reports of expenditures made and contributions received to the Secretary of State within 48 hours of county clerks' receipt.

EO/mt