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## FISCAL IMPACT REPORT

ORIGINAL DATE 1/24/09

SPONSOR Griego LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Public Campaign Act SB 165

ANALYST Ortiz

### APPROPRIATION (dollars in thousands)

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

(Parenthesis ( ) Indicate Expenditure Decreases)

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY09	FY10	FY11	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
<b>Total</b>		Unknown	Unknown		Recurring	Public Election Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Administrative Office of the Courts (AOC)  
 Attorney General's Office (AGO)  
 Secretary of State (SOS)

### SUMMARY

#### Synopsis of Bill

Senate Bill 165 enacts the "Public Campaign Act," within the Election Code, to provide for voluntary public campaign financing of elections for governor, lieutenant governor, attorney general, commissioner of public lands, state treasurer, state auditor, secretary of state and state legislators. Under the bill, public financing will be provided from the Public Election Fund. The bill provides for civil and criminal penalties for violations of the Act.

## **FISCAL IMPLICATIONS**

The balance in this fund may not be adequate to support the expansion proposed in this bill. More revenue may need to be added to the public election fund.

The amount of money required to finance the provisions of this legislation will be dependent upon voter registration for 2013 and will continuously increase as funds are distributed to candidates based on registered voters within the candidate's district.

The Secretary of State explains that its operating budget will require an increase as three additional full-time employees will be required to accommodate all candidates. Total salary would be upwards of \$150,000. These employees will require training and technical support.

## **SIGNIFICANT ISSUES**

As recommended by the Governor's Task Force on Ethics and Campaign Finance Reform, this bill simply expands the Voter Action Act by including statewide candidates, as well as state legislators.

The Secretary of State has publicly stated there are interpretation and enforcement problems with the Voter Action Act. The Secretary of State should be consulted on this bill to ensure those problems are not repeated here.

Parts of this bill are patterned after the City of Albuquerque public financing ordinance. The City of Albuquerque recently conducted their first election with public financing for city councilors. By all accounts, the experience was successful: there were more candidates on the ballot, thus giving the public more options to vote for. Some also argue that the election did not have the taint of being bought by special interest money.

## **PERFORMANCE IMPLICATIONS**

According to the Secretary of State, it does not employ an adequate amount of staff to accommodate all requirements of this Act.

## **TECHNICAL ISSUES**

The title of the bill states that an appropriation is made, yet there is no current appropriation in the bill.

## **OTHER SUBSTANTIVE ISSUES**

The amount of funding distributed to candidates is based on the number of voters in the candidate's party and within the district(s) the elected position would represent. There is concern that the database used to maintain registered voters has been neglected. For example, voter registration notifications are mailed to inactive registered voters and any returned mail from the same address for two consecutive years provides the justification for purging, or cleaning, the voter registration list. As of October 2008 this mailing had not been performed. If voter lists are not well maintained, it is likely that the amount of funding distributed to candidates is based on erroneous voter numbers.