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FISCAL IMPACT REPORT

ORIGINAL DATE 01/31/13
LAST UPDATED 02/25/13 **HB** 133/HVECS/HJCS/aHFI#1

SPONSOR HJC

SHORT TITLE Disclosure of Contributions by Contractors **SB** _____

ANALYST Hanika-Ortiz

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY13	FY14	FY15	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		Minimal				Other State Funds

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of House Floor Amendment #1

The House Floor amendment makes minor corrections and further provides that the prospective contractor registration form developed by the GSD will be available on the Sunshine Portal as opposed to the GSD website.

Synopsis of HJC Substitute

The House Judiciary Committee substitute for HB133/HVECS rearranges sections of the bill with no material impact and adds organizations for which a disclosure statement is required to the list, as part of the solicitation, that includes names of public officers; makes the requisite disclosure statement form available to prospective contractors via the Sunshine Portal; and requires the GSD to forward completed disclosure statements to the Department of Information Technology for posting on the Sunshine Portal.

Synopsis of HVEC Substitute

The House Voters and Elections Committee substitute enacts a new section of law and places registration and contribution disclosure requirements on prospective contractors having agreements or transactions with a state agency or local public body totaling \$50,000 or more in a fiscal year; prohibits certain contributions and donations during the procurement process; and establishes online access of disclosure statements.

Section 1 requires prospective contractors to register with GSD or the local public body and

provide information regarding the name and address of the business, its principals, affiliations and contracts; and contributions of \$1,000 or more made during the prior two years to a public officer of the state agency or local public body soliciting the contract.

The bill stipulates that contractors will update the disclosure statement annually; and the contracting agency may cancel a pending contract or terminate an existing contract for failure to properly complete the disclosure agreement or for making a prohibited contribution.

Section 2 amends Section 13-1-112 NMSA 1978 relating to the competitive sealed proposal and requests for proposal process to include the new contribution disclosure requirements.

Section 3 repeals Section 13-1-191.1 NMSA 1978 relating to campaign contribution disclosure and prohibition.

Section 4 includes an effective date of March 15, 2014.

Synopsis of Original Bill

FISCAL IMPLICATIONS

Minimal for agencies and local public bodies; likely absorbed within existing resources.

SIGNIFICANT ISSUES

The bill defines a contribution to mean a gift, subscription, loan, advance or deposit of money or other thing of value, including in-kind contributions, made or received for a political purpose, excluding services provided without compensation, unreimbursed travel or personal expenses of individuals who volunteer on behalf of a candidate or political committee.

The bill requires contractors to complete disclosure statements developed by GSD and local public bodies. The GSD will provide the disclosure statement in a searchable format to the Department of Information Technology for posting on the Sunshine Portal. The local public body will post the disclosure statement in a searchable format on the local public body's website, if one exists. These disclosure statements must be completed on line, if available, and include the date, amount and nature of contributions and the person receiving the contributions.

PERFORMANCE IMPLICATIONS

The bill directs GSD to issue rules to carry out the provisions of the new law.

ADMINISTRATIVE IMPLICATIONS

The bill directs the New Mexico Finance Authority and the New Mexico Mortgage Finance Authority to adopt policies that will have the same effect.

SUBSTANTIVE ISSUES

The original bill was endorsed by the Courts, Corrections and Justice Committee.

AHO/svb:blm