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FISCAL IMPACT REPORT

SPONSOR Grubestic DATE TYPED 2/15/05 HB _____
 SHORT TITLE Require Registration of Fundraising Campaigns SB 625/aSJC
 ANALYST Hanika-Ortiz

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$300.0		See Narrative	Recurring	General Fund

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY05	FY06			
	See Narrative	See Narrative	Recurring	

SOURCES OF INFORMATION

LFC Files

Responses Received From
Office of the Attorney General (AGO)

SUMMARY

Synopsis of SJC Amendment

The Senate Judiciary Committee Amendment further clarifies that the Attorney General may charge fees for the registration of a fundraising campaign conducted by a professional fundraiser. A professional fundraiser solicits donations on behalf of a charitable organization.

Synopsis of Original Bill

SB 625/aSFC appropriates \$300 thousand from the general fund for FY06 and subsequent fiscal years to a newly proposed non-reverting Charitables Unit Fund created in the state treasury.

New material in the Charitables Solicitation Act require professional fundraisers soliciting donations on behalf of a charitable organization to submit a fundraising campaign and pay fees which shall be deposited in the Charitables Unit Fund.

The Attorney General may charge fees:

- not to exceed \$25 for a charitable organization,
- not to exceed \$500 for a professional fundraiser, and
- not to exceed \$250 for registration of a fundraising campaign.

Significant Issues

The AGO reports the new amendments and new sections of SB 625/aSJC will provide for funding and give the Attorney General the authority to charge statutorily capped administrative fees to support the public disclosure, investigatory, and enforcement of the AGO's Charitables Solicitation Unit. Based on a nationwide survey, the fees proposed in this bill are moderate and reasonable.

PERFORMANCE IMPLICATIONS

N/A

FISCAL IMPLICATIONS

The appropriation of \$300 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY06 shall not revert to the general fund.

The appropriation request is for a newly proposed Charitables Unit Fund which will consist of registration fees, appropriations, gifts, grants and donations. The fund will assist the AGO to defray costs associated with the administration and enforcement of the Charitable Solicitations Act.

SB 625/aSJC creates a new fund and provides for continuing appropriations. The LFC objects to including continuing appropriation language in the statutory provisions for newly created funds. Earmarking reduces the ability of the legislature to establish spending priorities.

ADMINISTRATIVE IMPLICATIONS

None indicated

TECHNICAL ISSUES

None indicated

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?

The AGO reports their Charitables Unit will continue to be hampered with inadequate resources to administer and enforce the Charitable Solicitations Act. The number of nonprofit organization operating in New Mexico continues to significantly increase. The Charitables Unit is no longer able to provide adequate services to New Mexico nonprofit organizations and the public due to dated technology and the number of staff in relation to the number of nonprofit organizations.

AHO/yr