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## FISCAL IMPACT REPORT

ORIGINAL DATE 3/11/09

SPONSOR HVEC LAST UPDATED \_\_\_\_\_ HB 252 & 495/HVECS

SHORT TITLE Political Contributions to Candidates SB \_\_\_\_\_

ANALYST Wilson

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

	FY09	FY10	FY11	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
<b>Total</b>		\$5.0	\$5.0		Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to HB 99, HB 151, HB 244, HB 253, HB 272, HB 535, HB 550, HB 553, HB 614, HB 646, HB 686, HB 808, HB 850, HB 878, HB 883, HB 891, SB 49, SB 94, SB 116, SB 128, SB 139, SB 140, SB 163, SB 247, SB 258, SB 262, SB 263, SB 269, SB 296, SB 346, SB 451, SB 521, SB 535, SB 555, SB 557, SB 606, SB 611, SB 613, SB 646, SB 652, SB 676, SB 678 & SB 693

### 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

The House Voters and Elections Committee substitute for House Bill 252 and House Bill 495 enacts a new section of the Campaign Reporting Act prohibiting contributing by the following persons from:

- (1) a person, not including a political committee to a:
  - (a) candidate for non statewide office, including the candidate's campaign committee may not exceed \$2,300 during the primary election or \$2,300 during the general election;

- (b) candidate for statewide office, including the candidate's campaign committee may not exceed \$5,000 during the primary election or \$5,000 during the general election; or
  - (c) political committee may not exceed \$5,000 during the primary election or \$5,000 during the general election; and
- (2) a political committee to:
- (a) a candidate for office, including the candidate's campaign committee may not exceed \$5,000 during the primary election or \$5,000 during the general election; or
  - (b) another political committee may not exceed \$5,000 during the primary election or \$5,000 during the general election.

A person shall not knowingly accept or solicit a contribution, directly or indirectly, including a contribution earmarked or otherwise directed or coordinated through another person that violates the contribution limits provided for in this bill.

The bill allows for an increase in contribution amounts based upon the percentage increase of the preceding 2 calendar years of the consumer price index for all urban consumers, US city average for all items, published by the US Department of Labor.

All contributions in excess of the limits imposed by the provisions of this section shall be deposited in the public election fund upon a finding by the SOS that the contribution limits have been exceeded.

The limitation on contributions to a candidate provided for in this bill shall not apply to a candidate's own contribution from the candidate's personal funds to the candidate's own campaign.

It is unlawful for a person to make a contribution in the name of another person, and no person shall knowingly accept a contribution made by one person in the name of another person.

### **FISCAL IMPLICATIONS**

There will be a minimal administrative cost for statewide update, distribution and documentation of statutory changes. Any additional fiscal impact on the judiciary would be proportional to the enforcement of this law and commenced prosecutions. New laws, amendments to existing laws and new hearings have the potential to increase caseloads in the courts, thus requiring additional resources to handle the increase.

The \$5,000 above is the best estimate for minimal administrative cost.

## **SIGNIFICANT ISSUES**

AOC noted that it can be argued that restrictions upon campaign contributions violate constitutional first amendment political speech protections.

The SOS notes that corporations and their lobbyists' contributions are not regulated by this new section of the Campaign Reporting Act. Theoretically, a person could register as a lobbyist and then contribute an unregulated amount.

The AGO provided the following:

- This bill seeks to impose the first campaign contribution limits in effect for New Mexico.
- New Mexico is one of the few states in the country that does not limit campaign contributions. Only four other states have no limits on contributions: Illinois, Oregon, Utah and Virginia.

## **ADMINISTRATIVE IMPLICATIONS**

The SOS should be able to handle the enforcement of the provisions in this bill as part of ongoing responsibilities.

## **RELATIONSHIP**

HB 252 & 495/HVECS is similar to SB 116, Limit Contributions to Candidates & PACs and SB 346, Political Contributions to Candidates

HB 252 & 495/HVECS also relates to the following ethics bills:

- HB 99, Prohibit Former Legislators as Lobbyists
- HB 151, State Ethics Commission Act
- HB 244, Prohibit Contractor Contribution Solicitation
- HB 253, Quarterly Filing of Certain Campaign Reports
- HB 272, Quarterly Campaign Report Filing
- HB 535, Lobbyist Identification Badges
- HB 550, Local School Board Governmental Conduct
- HB 553, Disclosure of Lobbyist Expenses
- HB 614, State Ethics Commission Act
- HB 646, School Board Candidate Contribution Info
- HB 686, AG Prosecution of State Officer Crimes
- HB 808, Tax-Exempt Election Contributions & Reporting
- HB 891, Election Communication Contribution Reporting
- HB 850, Governmental Conduct Act for All Employees
- HB 878, State Contractor Registration & Info
- HB 883, Clean Government Contracting Act
- SB 49, Governmental Conduct Act For Public Officers
- SB 94, Prohibit Former Legislators as Lobbyists
- SB 128, Require Biannual Campaign Reports
- SB 139, State Ethics Commission Act

SB 140, State Ethics Commission Act  
SB 163, Prohibit Former Legislators as Lobbyists  
SB 247, Election Agent Registration Requirements  
SB 258, Contribution from State Contractors  
SB 262, Political Contributions to Candidates  
SB 263, Contractor Disclosure of Contributions  
SB 269, State Bipartisan Ethics Commission Act  
SB 296, State Contractor Contribution Disclosure  
SB 451, Contributions to PERA Board Candidates  
SB 521, Campaign Contributions in Certain Elections  
SB 535, Election Definition of Political Committee  
SB 555, Public Employee & Officer Conduct  
SB 557, State Ethics Commissions Act  
SB 606, Expand Definition of Lobbyist  
SB 611, Investment Contractor Contributions  
SB 613, Campaign Finance Changes  
SB 646, Judicial Candidate Campaign Contributions  
SB 652, Campaign Reporting Private Cause of Action  
SB 676, School Board Candidate Contributions  
SB 678, School Board Candidate Contributions  
SB 693, Prohibit Certain Contributions to Candidates

DW/mt