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## FISCAL IMPACT REPORT

ORIGINAL DATE 02/23/09  
 SPONSOR Park LAST UPDATED 02/26/09 HB 646/aHEC  
 SHORT TITLE School Board Candidate Contribution Info SB \_\_\_\_\_  
 ANALYST Wilson

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

	FY10	FY11	FY12	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
<b>Total</b>	\$120.0	\$120.0	\$120.0	\$360.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates SB 678

Relates to HB 99, HB 151, HB 244, HB 252, HB 253, HB 272, HB 495, HB 535, HB 550, HB 553, HB 614, HB 686, HB 808, HB 850, HB 891, SB 49, SB 94, SB 116, SB 128, SB 139, SB 140, SB 163, 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 652, SB 676 & SB 693

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

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

### SUMMARY

#### Synopsis of HEC Amendment

The House Education Committee amendment to HB 646 changes the reporting requirement for a school district election requiring all reporting individuals to file reports of all expenditures made and contributions received by 5:00 p.m. on the thirtieth day before the election instead of the second Monday in December in the year before the election.

#### Synopsis of Original Bill

House Bill 646 requires school district board elections to be subject to the Campaign Reporting Act (CRA).

The CRA will apply to school board candidates, their committees and political committees that accept contributions or make expenditures in school board elections.

Specifically, HB 646 requires that:

- Campaign reports listing all expenditures and contributions must be electronically filed with the SOS;
- Reports for any contribution of \$500 or more received after the Tuesday before an election must be filed within 24 hours of receipt;
- Contributions received after 5 p.m. on the Friday before an election must be reported by noon on the Monday before the election;
- A separate report must be filed by 5 p.m. 30 days after an election showing contributions and expenditures before 25 days after the election; and
- Annual reports must be filed on the second Monday in August until there are no outstanding campaign debts, money remaining in the bank account of the candidate or committee has been expended, and the bank account has been closed.

## **FISCAL IMPLICATIONS**

There are currently two employees assigned to the Ethics Division of the SOS. These two individuals are required to oversee the submittal of all campaign reports throughout the state and to assist the candidates with any issues that arise. Additionally, these employees accept lobbyist registration and financial reports maintain state Codes of Conduct, conduct candidate and lobbyist requirement trainings, as well as other duties within the Bureau of Elections.

The SOS states that requirements of this magnitude can only be achieved with the addition of two staff members as this mandate will double the workload of the Ethics Division. The SOS estimates the cost for two new FTEs and associated costs to be \$120,000.

## **SIGNIFICANT ISSUES**

Currently, the Campaign Reporting Act only applies to state elections, county elections and judicial retention elections.

The AGO stated that this bill creates more transparency in government by closing a major loophole in New Mexico's campaign disclosure laws by including school elections. Given the enormous amounts of state funding for school capital and operating expenses, there is no justification for excluding these elections from state disclosure requirements.

PED notes that this bill seems to be bringing more ethical accountability into school board elections. The positive effects of the bill will be to bring greater transparency into campaign financing, to provide more people access to school board candidacy and to provide greater public confidence and public awareness in the financing of school board elections.

However, given the low voter turnout already in many school board elections, the detailed contributor reporting requirements may have the unintended consequence of reducing interest, involvement, and financing in school board elections.

The SOS provided the following:

The school board campaign reports will require similar types of information as those candidates who are currently subject to the provisions of the Campaign Reporting Act. However, school board candidates will not be permitted to submit Statements of Exception. There is no uniform date for the elections of members for the 89 school board districts. These elections occur throughout the month of February.

This bill also requires an audit of ten percent of the school board reports filed to take place forty days following an election or ten after the August reports are submitted during the year following an election.

### **ADMINISTRATIVE IMPLICATIONS**

The Office of the Secretary of State will require two additional employees to implement the provisions of this legislation.

### **DUPLICATION, RELATIONSHIP**

HB 646 duplicates SB 678, School Board Candidate Contributions

HB 646 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 252, Political Contributions to Candidates
- HB 253, Quarterly Filing of Certain Campaign Reports
- HB 272, Quarterly Campaign Report Filing
- HB 495, Political Candidate & Committee Donations
- 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 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
- SB 49, Governmental Conduct Act For Public Officers
- SB 94, Prohibit Former Legislators as Lobbyists
- SB 116, Limit Contributions to Candidates & PACs
- 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 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 346, Political Contributions to Candidates  
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 652, Campaign Reporting Private Cause of Action  
SB 676, School Board Candidate Contributions  
SB 693, Prohibit Certain Contributions to Candidates

DW/mc:svb