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## FISCAL IMPACT REPORT

ORIGINAL DATE 2/1/09

SPONSOR Beffort LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Political Contributions to Candidates SB 262

ANALYST Wilson

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

|              | FY09  | FY10  | FY11  | 3 Year<br>Total Cost | Recurring<br>or Non-Rec | Fund<br>Affected |
|--------------|-------|-------|-------|----------------------|-------------------------|------------------|
| <b>Total</b> | \$0.1 | \$0.1 | \$0.1 |                      | Recurring               | General<br>Fund  |

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to HB 99, HB 151, HB 253, HB 272, SB 49, SB 94, SB 128, SB 139, SB 140, SB 163, SB 269 & SB 346 and conflicts with HB 252 & SB 116

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

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

### SUMMARY

#### Synopsis of Bill

Senate Bill 262 amends the Campaign Reporting Act, Section 1-19-25 et seq., NMSA 1978, by adding a new section which limits campaign contributions as follows:

|   | TO A<br>NON-STATEWIDE<br>CANDIDATE                      | TO A<br>STATEWIDE<br>CANDIDATE                          | TO A<br>POLITICAL<br>COMMITTEE |
|---|---|---|--------------------------------|
| <b>FROM A<br/>PERSON</b>                  | \$1,000 per primary;<br>\$1,000 per general<br>election | \$2,300 per primary;<br>\$2,300 per general<br>election | \$5,000 per calendar year      |
| <b>FROM A<br/>POLITICAL<br/>COMMITTEE</b> | \$1,000 per primary;<br>\$1,000 per general<br>election | \$2,300 per primary;<br>\$2,300 per general<br>election | \$5,000 per calendar year      |

The bill also amends Section 1-19-34.3 to clarify that it is unlawful to circumvent the Campaign Reporting Act by contributing or receiving money in the name of another.

The effective date of the Act is July 1, 2009.

### **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.

### **SIGNIFICANT ISSUES**

This bill seeks to impose the first campaign contribution limits in effect for New Mexico.

The limits in the bill are similar to federal law, which limits contributions to \$2,300 per candidate per election, and \$5,000 to PACs.

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.

The SOS provided the following:

- Corporations and lobbyist 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.
- There are no restrictions on contributions donated by individuals who are also involved in Political Action Committees. This would allow an individual or groups of individuals to register several PACs and donate unlimited and unregulated amounts.

The AOC states that it can be argued that restrictions on campaign contributions violate constitutional first amendment political speech protections.

### **ADMINISTRATIVE IMPLICATIONS**

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

### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

SB 262 is similar to HB 252 and SB 116, but all three have different dollar amounts on different type categories

SB 262 relates to the following ethics bills:

**Senate Bill 262– Page 3**

HB 99, Prohibit Former Legislators as Lobbyists  
HB 151, State Ethics Commission Act  
HB 253, Quarterly Filing of Certain Campaign Reports  
HB 272, Quarterly Campaign Report Filing  
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 269, State Bipartisan Ethics Commission Act  
SB 346, Political Contributions to Candidates

DW/mc