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FISCAL IMPACT REPORT

ORIGINAL DATE 02/23/11

SPONSOR Stewart LAST UPDATED _____ HB 605

SHORT TITLE Political Party Caucus Committees SB _____

ANALYST Aledo

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY11	FY12		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
 Attorney General's Office (AGO)
 Secretary of State (SOS)

SUMMARY

Synopsis of Bill

House Bill 605 adds a new section to the Campaign Reporting Act which provides that political party caucuses of both the House and Senate chambers of the state legislature may each maintain one and only one political party caucus committee. The political party caucus committees would be exempt from the contribution limits of Section 1-19-34.7, but would qualify as a political committee for all other purposes.

Section 1-19-34.7 sets contribution limits from a political committee to a candidate, including a candidate's campaign committee, not to exceed \$5,000 during a primary election or \$5,000 during a general election. It also sets contribution limits from a political committee to another political committee, not to exceed \$5,000 during a primary election or \$5,000 during a general election.

HB 605 also amends Section 1-19-34.7 to provide that a "person" or "political committee" does not include political party caucus committees.

SIGNIFICANT ISSUES

The Attorney General’s Office is concerned that this bill could erode and undermine the newly enacted campaign contribution limits that recently went into effect on November 2010. (Prior to the 2009 amendment to the Campaign Reporting Act, New Mexico had been one of only five states in the country that did not limit campaign contributions.) This bill creates a loophole by allowing unlimited campaign contributions to be given by political party caucus committees.

The AGO further asserts that HB 605 runs the risk of being unconstitutional by favoring incumbents. The AGO assumes the funds in a party caucus committee are most likely going to be used to re-elect incumbents. The AGO stated that the US Supreme Court has been particularly sensitive to campaign laws that favor incumbents. For example, in Randall v. Sorrell, 548 U.S. 230 (2006) where the Court concluded, among other reasons, that these limits unduly favored incumbents by weakening a challenger’s ability to raise adequate funds to take on an incumbent.

OTHER SUBSTANTIVE ISSUES

Political party caucus committees would still be required to file reports under the Campaign Reporting Act.

MCA/bym