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FISCAL IMPACT REPORT

ORIGINAL DATE 03/03/11

SPONSOR Lopez LAST UPDATED _____ HB _____

SHORT TITLE Enact "Local Govt. Campaign Reporting Act" SB 402

ANALYST Aledo

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY11	FY12	FY13	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		\$12.0	\$1.0	\$13.0	\$1.0 Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Secretary of State (SOS)

New Mexico Municipal League (NMML)

SUMMARY

Synopsis of Bill

Senate Bill 402 creates the Local Government Campaign Reporting Act. It adds several sections which outline the required reports, filing deadlines, report contents, and penalties for late filings and failure to file. A candidate required to file under this Act is defined as an individual who seeks or considers an office for school boards, two year post-secondary educational institutions, specials districts and municipalities with populations greater than 5000, who filed a declaration of candidacy or received contributions or made expenditures in excess of two-hundred dollars (\$200).

Fines collected under this Act must be deposited in the general fund for credit to the current school fund. The effective date of this legislation would be July 1, 2011.

FISCAL IMPLICATIONS

This legislation could potentially cover approximately 1000 candidates if they met the threshold amounts of contributions or expenditures. According to the Secretary of State, an enhancement to the Campaign Finance Information System (CFIS) to comply with this measure would be necessary and would cost an estimated twelve thousand dollars (\$12,000). Thereafter, there

would be an annual maintenance fee for that module of one-thousand dollars (\$1,000).

SIGNIFICANT ISSUES

The SOS notes that based on current discussions with the contractor, Real Time Sites, enhancements to the CFIS system necessary for this legislation may not be able to be completed by July 1, 2011.

This bill requires candidates for local elected offices to file campaign reports in the same manner as candidates for statewide office file. The New Mexico Municipal League contends that some of the penalties might be unconstitutional. NMML is particularly concerned which the penalties that may be imposed for failure to file reports in a timely manner; namely the provisions that: the candidate's name not be printed upon the ballot if the violation occurs before or through the final date for the withdrawal of candidates and that the candidate not be issued a certificate of nomination or election, if the violation occurs after the final date for withdrawal of candidates or after the election, until the candidate satisfies all reporting requirements and pays all penalties owed and that a candidate who loses an election and fails to file appropriately be barred from appearing on future election ballots. NMML believes these provisions run counter to provisions in the NM Constitution and Municipal Election Code.

The NMML is also concerned that the electronic reporting requirements in the Local Government Campaign Reporting Act could be problematic for candidates from rural areas of the state.

MCA/mew