

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the Legislature. LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

## FISCAL IMPACT REPORT

<b>SPONSOR</b> <u>McQueen/Tallman</u>	<b>LAST UPDATED</b> _____
	<b>ORIGINAL DATE</b> <u>1/26/23</u>
<b>SHORT TITLE</b> <u>Campaign Reporting Act Changes</u>	<b>BILL NUMBER</b> <u>House Bill 103</u>
	<b>ANALYST</b> <u>Daly</u>

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

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
	Indeterminate but minimal	Indeterminate but minimal	Indeterminate but minimal	Indeterminate but minimal	Recurring	General Fund
<b>Total</b>						

Parentheses ( ) indicate expenditure decreases.  
 \*Amounts reflect most recent version of this legislation.

Conflicts with SB 42

### Sources of Information

LFC Files

Responses Received From  
 Secretary of State (SOS)  
 New Mexico Attorney General (NMAG)

## SUMMARY

### Synopsis of House Bill 103

HB103 revises the reporting schedule for filing contribution and expenditure reports under the Campaign Reporting Act. It adds one additional report (“session supplemental”) during an election cycle, and another report if a filer subject to the fundraising prohibited period receives a monetary contribution during that period. This bill also standardizes the amount that triggers the supplemental reports due in the week leading up to an election to \$1,000 or more for all candidates (both statewide and non-statewide).

This bill does not contain an effective date and, as a result, would go into effect June 16, 2023, (90 days after the Legislature adjourns) if signed into law.

## FISCAL IMPLICATIONS

Because this bill increases the number of reports that must be filed, SOS expects an increase in staff time spent on assistance, education, and compliance enforcement. Although the agency did

not provide an estimate of cost or FTE increase, LFC staff has estimated the average FTE cost for SOS to be \$90 thousand.

## **SIGNIFICANT ISSUES**

SOS comments that standardizing the dollar threshold triggering the requirement for supplemental reports that are due each time a contribution of \$1,000 or more is pledged or received in the week prior to the election is expected to simplify compliance. Current law requires reporting by statewide and non-statewide candidates at different thresholds, which can cause confusion among filers.

## **PERFORMANCE IMPLICATIONS**

SOS anticipates at most minimal changes to the electronic Campaign Finance Information System (CFIS) under HB103.

## **CONFLICT**

The reporting changes in HB103 conflict with SB42, which does not include those changes, but makes other changes not included in HB103.

## **OTHER SUBSTANTIVE ISSUES**

SOS provides this summary of the report deadlines as amended by HB 103:

- Biannual reports normally filed in April and October each year would move to the second Tuesday after the first Monday in June and January 7;
- The reports normally referred to as the 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> primary reports remain unchanged;
- The report normally referred to as the 4<sup>th</sup> primary report is due seven days after the primary election rather than the current deadline of 30 days after the primary election;
- The reports normally referred to as the 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup> general reports remain unchanged;
- The report normally referred to as the 4<sup>th</sup> general is due seven days after the general election rather than on January 7<sup>th</sup>;
- An additional “year end” report of all remaining expenditures and contributions occurring after the general election through the end of the year that is due on January 7;
- Supplemental report deadlines remain unchanged but are now required each time a filer receives a contribution of \$1,000 or more during the supplemental reporting period; and
- A new “session supplemental” report applicable only to filers subject to the legislative fundraising prohibited period, which includes both incumbents and candidates for state legislator, the attorney general, the secretary of state, the state treasurer, the commissioner of public land, the state auditor, the governor, and the lieutenant governor. These filers are only required to file a report IF they accept a monetary contribution during the legislative session prohibited period.