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FISCAL IMPACT REPORT

SPONSOR <u>Rep. Silva/Sen. Steinborn</u>	LAST UPDATED <u>3/22/25</u>	ORIGINAL DATE <u>2/11/25</u>
		<u>House Bill</u>
SHORT TITLE <u>Lobbying Activity Reports</u>	BILL NUMBER <u>143/aHJC/aHFI#1/aSRC</u>	
	ANALYST <u>Hilla</u>	

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT*

(dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
SOS	No fiscal impact	\$60.0 to \$65.0	No fiscal impact	\$60.0 to \$65.0	Nonrecurring	General Fund
SOS	No fiscal impact	No fiscal impact	\$11.0	\$11.0	Recurring	General Fund
Total	No fiscal impact	\$60.0 to \$65.0	\$11.0	\$71.0 to \$76.0		General Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Relates to Senate Bill 90

Sources of Information

LFC Files

Agency Analysis Received From

Secretary of State (SOS)

New Mexico Attorney General (NMAG)

State Ethics Commission (SEC)

SUMMARY

Synopsis of SRC Amendment to House Bill 143

The Senate Rules Committee (SRC) strikes House floor amendment #1 from House Bill 143, returning the bill to the original as amended by the House Judiciary Committee.

Synopsis of House Floor Amendment #1 to House Bill 143

The House floor amendment #1 to House Bill 143 creates a new section of the Lobbyist Regulation Act making it unlawful for lobbyists or lobbyist's employers to make an expenditure of more than \$50 on gifts, food, beverages, or entertainment during a prohibited period. The prohibited period begins January 1 prior to any regular session of the Legislature, or after proclamation has been issued in the event of a special session, with the period ending on adjournment of the regular or special session. Lobbyists or their employers shall not make expenditures for the benefit of any elected official, staff, or employee, or otherwise any appointed public official. Lobbyists and their employers may make expenditures during a prohibited period for public events where food or beverages are provided to the general public and political contributions made in compliance with the Campaign Reporting Act.

The House floor amendments lower the threshold for itemized lobbyist expenditures from \$100 to \$50. For reporting under \$50, reporting must be itemized into three categories: meals and beverages, other entertainment expenditures, other expenditures. For individual expenditures of \$50 or more, these must be separately itemized, including the amount spent and a description of the expenditure, categorized in a similar manner.

Synopsis of the HJC Amendment to House Bill 143

The House Judiciary Committee (HJC) amendments to House Bill 143 would require both lobbyists and their employers to file new reporting with the Secretary of State within 48 hours of the lobbying activity.

Synopsis of House Bill 143

House Bill 143 (HB143) adds a new section to the Lobbyist Regulation Act that requires lobbyists, or employers of lobbyists, to file an activity report on legislation that the filer either lobbies in support of or in opposition to. The lobbyist or lobbyist employer would have to file this report with the Secretary of State (SOS) before the end of a legislative session. The activity report must include:

- Specific legislation lobbied;
- The lobbyist's or lobbyist's employer's support, opposition, or other position on legislation and whether their position changed or not; and
- The name of the lobbyist's employer that lobbied on legislation.

HB143 requires lobbyist efforts to be reported even after adjournment of the legislative session but before the time in which the governor may act.

The effective date of this bill is January 1st, 2027.

FISCAL IMPLICATIONS

SOS states that HB143 would require a one-time cost of \$60 thousand to \$65 thousand to add the lobbyist reporting module to the office's lobbyist reporting system. The one-time cost would occur in FY26. The year-over-year cost would be \$11 thousand annually to maintain the new module, which would affect the general fund.

SIGNIFICANT ISSUES

SOS notes that lobbyists and lobbyist employers are currently prohibited from making political contributions to any statewide elected official, legislator, or candidates in those offices during the prohibited period.

The New Mexico Attorney General (NMAG) notes HB143 is unclear as to whether a lobbyist would have to provide a report if the lobbyist engaged in significant lobbying to either encourage or discourage the introduction of a bill that is ultimately never introduced.

The State Ethics Commission (SEC) states that HB143 would modernize the Lobbyist Reporting Act in a way that is consistent with nationwide trends. SEC points to other states that require

similar lobbyist activity reporting as outlined in HB143.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

HB143 relates to Senate Bill 90, which would not allow legislators to register as lobbyists until two years after their tenure.

TECHNICAL ISSUES

SOS points to a conflict with Section 2-11-8.1 NMSA 1978, should HB143 pass. The section of statute reads, “it is unlawful during the prohibited period, as that term is defined in Section 1-19-34.1 NMSA 1978, for any lobbyist or lobbyist's employer to contribute to or act as an agent or intermediary for political contributions to or arrange for the making of political contributions to the campaign funds of any statewide elected official or legislator or any candidate for those offices.” The House Floor amendment #1, by allowing lobbyists or lobbyists employers to still make contributions to political campaigns in compliance with the Campaign Reporting Act during a prohibited period, would conflict with this statute.

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