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FISCAL IMPACT REPORT

**ORIGINAL
DATE LAST** 02/17/11

SPONSOR Griego, E. **UPDATED** _____ **HB** _____

SHORT TITLE Revising the Voter Action Act **SB** 294

ANALYST Aledo

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY11	FY12		
	\$25,000.0	Recurring	Public Election Fund

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY11	FY12	FY13	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		\$40.0	\$40.0	\$80.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
Secretary of State (SOS)

SUMMARY

Synopsis of Bill

Senate Bill 294 amends the Voter Action Act to allow officials from the Executive and Legislative branches of state government to seek public financing.

Under the provisions of this act candidates opting for public financing would have to file a Declaration of Intent, collect qualifying contributions during the qualifying period and meet requirements for certification.

For the offices of Governor and Lt. Governor, an applicant candidate would have to obtain qualifying contributions from the number of voters that is equal to at least one percent of the total voters in the state. For legislators, an applicant candidate would have to collect at least one

percent of the total voters in their district. An applicant candidate running for any other eligible office would have to obtain qualifying contributions from that number of voters that is equal to at least one fourth percent of the total voters in the state.

The bill also removes language regarding seed money from the Act.

A certified candidate may collect contributions from registered voters in the candidate's district in the amount of no more than one hundred (\$100.00) per election cycle. Matching funds would then be distributed as soon as possible after the candidate has filed his campaign report pursuant to the Campaign Reporting Act. Any unspent or unencumbered funds would be returned two weeks after the primary and general elections.

The Secretary of State will publish guidelines outlining permissible campaign-related expenditures and penalties for violation of the Voter Action Act by October 1, 2011.

SB 165 removes the additional reporting requirement on the eleventh day prior to Election Day (for both Primary and General Elections) for candidates who are not certified to receive public financing. This bill also changes the distribution date of funds to September 1st of each odd-number year.

A candidate will have the right to appeal or challenge a certification or distribution decision made by the Secretary of State.

Any candidate in violation of the Public Campaign Act will be regarded as both a civil and criminal matter.

FISCAL IMPLICATIONS

According to the SOS, there is no clear estimate that can be created for the passage of this bill. Currently there are 1,158,294 registered voters in the State of New Mexico. Using this number for the number of registered voters and anticipating only one candidate from each party running for each office, the potential cost for the financing of this legislation would be a minimum of \$12 million dollars for either primary or general. (\$25 million for a fiscal year)

- For office of Governor- one dollar and fifty cents (\$1.50) for each voter of the candidate's party in the state;
 - \$1,737,441
- For office of Lt. Governor- twenty five cents (\$0.25) for each voter of the candidate's party in the state;
 - \$289,574
- For office of Commissioner of Public Lands and Attorney General- seventy-five cents (\$0.75) for each voter of the candidate's party in the state;
 - Commissioner of Public Lands
 - \$868,721
 - Attorney General
 - \$868,721
- For office of Justice of the Supreme Court, Judge of the Court of Appeals, Secretary of State, State Treasurer, State Auditor- fifteen cents (\$0.15) for each voter of the candidate's party in the state;

- Justice of Supreme Court
 - 5 Justices (2 candidates per race)- \$868,720
- Judge of the Court of Appeals
 - 10 Judges (2 candidates per race)- \$1,737,440
- Secretary of State
 - \$173,744
- State Treasurer
 - \$173,744
- State Auditor
 - \$173,744
- For office of Public Regulation Commissioner- twenty-five cents (\$0.25) for each voter of the candidate's party in the candidate's district;
 - PRC- 3 Districts running
 - One candidate from each major party (total 6 candidates)- \$1,737,441
- For office of state legislator- one dollar and fifty cents (\$1.50) for each voter of the candidate's party in the candidate's legislative district;
 - \$3,474,882

In addition, the SOS has indicated that this bill would require a minimum of 1 full-time employee in order to correctly administer this legislation.

SIGNIFICANT ISSUES

Currently, primary and general elections are underfunded. Historically, the Secretary of State's office has had to request additional funds in order to finance elections. The bill provides for a percentage reduction in distributions to each candidate if there are insufficient funds available. According to the SOS, given the amounts set forth in the bill for funding the Public Election Fund, each candidate would receive a significantly smaller distribution than the amounts specified in the bill.

PERFORMANCE IMPLICATIONS

The SOS will most likely need to spend significant resources on candidate education with the expansion set out in HB 294.

MCA/bym