

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

Current and previously issued FIRs are available on the NM Legislative Website (www.nmlegis.gov) and may also be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE 02/11/18

SPONSOR McSorley LAST UPDATED _____ HB _____

SHORT TITLE Credit & Debit Card Campaign Contributions SB 50/aSJC

ANALYST Amacher

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY18	FY19	FY20	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
		See Fiscal Implications				

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Secretary of State's Office (SOS)

SUMMARY

Synopsis of SJC Amendment

The Senate Judiciary Committee amendment to Senate Bill 50 makes clear a candidate or political committee shall not accept a contribution made by a credit card or a debit card via the internet or where the card is not physically present unless, at the time the contribution is made, the contributor provides the card security code and the billing address associated with the card.

Synopsis of Original Bill

Senate Bill 50 provides requirements for contributions made to a candidate or a political committee via the internet by credit or debit card in the Campaign Reporting Act (Chapter 1-19-34 NMSA 1978). Online contributions may be made to a candidate or a political committee by credit or debit card, if the contributor provides the card security code assigned (CVV); and either the billing address associated with the card, which must be within the U.S.; or, if the contributor is a U.S. citizen living outside the U.S., the U.S. mailing address used by the contributor for the purpose of voter registration. SB50 also provides for entities receiving contributions pursuant to the provisions of this bill, shall register with the secretary of state, and the secretary of state shall review the entity's processing method. This includes any related computer software.

If enacted, the effective date of this bill is May 16, 2018.

FISCAL IMPLICATIONS

The SOS anticipates minimal impact as a result of this legislation in order to update oversight and compliance process and update training materials to include the new requirements outlined in the proposed bill.

SIGNIFICANT ISSUES

Senate Bill 50 as amended makes clear a candidate or political committee shall not accept a contribution made by a credit card or a debit card via the internet or where the card is not physically present unless, at the time the contribution is made, the contributor provides the card security code (CVV) and the billing address associated with the card.

OTHER SUBSTANTIVE ISSUES

The SOS notes that current law requires that the original contributor's name be disclosed for each contribution made under the Campaign Recording Act. By requiring that a contributor provide a CVV (security code) and a U.S. based mailing address associated with the credit card, the bill will close a potential loophole in which a credit card contribution could be fraudulently made in the name of someone else. Additionally, the suggested language would ensure that credit card contributions are not made by foreign actors attempting to bring outside influence to our selections.

The SOS suggests adding a provision noting that contributions received that are not compliant with this section must be immediately returned by the recipient to the contributor. And possibly a requirement that the Secretary of State to publish a list of registered entities to the website. This will provide easy access to reporting entities subject to the Campaign Reporting Act, easy access to a trusted resource of agents that have been verified as being compliant with the law.

JMA/jle