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FISCAL IMPACT REPORT

SPONSOR McQueen/Ruiloba **ORIGINAL DATE** 2/11/18
LAST UPDATED _____ **HB** 428

SHORT TITLE Sec. of State Candidates in Voter Action Act **SB** _____

ANALYST Glenn

APPROPRIATION (dollars in thousands)

| Appropriation | | Recurring or Nonrecurring | Fund Affected |
|---------------|---------|---------------------------|---------------|
| FY20 | FY21 | | |
| \$500.0 | \$500.0 | Recurring | General Fund |

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

| | FY19 | FY20 | FY21 | 3 Year Total Cost | Recurring or Nonrecurring | Fund Affected |
|--------------|------|---|---|-------------------|---------------------------|----------------------|
| Total | | Indeterminate/ See Fiscal Implications | Indeterminate/ See Fiscal Implications | | Recurring | Public Election Fund |

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB 407, HB 462, SB 3, SB 4, SB 99

Conflicts with HB 462, SB 4

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Attorney General (NMAG)

Secretary of State's Office (SOS)

Synopsis of Bill

House Bill 428 amends the Voter Action Act, which provides for public election financing to candidates for statewide judicial offices and the public regulation commission, to add the secretary of state to the list of offices for which candidates may qualify for public financing, and to require the secretary of state to determine the amount of distributions to certified candidates by September 1 of each odd-numbered year.

HB 428 appropriates \$500,000 from the general fund to the public election fund for expenditure in FY20 and subsequent fiscal years to carry out the purposes of the public election fund.

The effective date of HB 428 is July 1, 2019.

FISCAL IMPLICATIONS

The appropriation of \$500,000 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the general fund.

According to SOS, the additional statewide office contemplated by the bill would have an impact on public election fund disbursements. In 2018, the disbursements were calculated as follows:

| Party | Number of voters | Amount per voter | Primary disbursement | General disbursement |
|-------|------------------|------------------|----------------------|----------------------|
| Rep | 382,924 | 0.15 | 57,438.60 | 189,229.80 |
| Dem | 578,321 | 0.15 | 86,748.15 | 189,229.80 |
| Lib | 9,440 | 0.15 | 1,416.00 | 189,229.80 |

The calculation is based on the number of registered voters in the state and the disbursement is \$0.15 per voter in statewide offices. In primary elections each candidate is disbursed an amount based on the registered voters in their party; in general elections each candidate is disbursed an amount based on registered voters in the state.

According to SOS, the current annual contributions to the fund that are not allocated for PRC candidates is \$1.2 million, which would likely not support an additional statewide seat. SOS states that the bill's appropriation of \$500,000 per year would not be sufficient to make up the shortfall in the amount that would be required to make disbursements for candidates for the additional office.

CONFLICT, RELATIONSHIP

Relates to:

- HB 407 Election Laws 50-Year Tune-Up
- HB 462 Sec. of State & A.G. in Voter Action Act
- SB 3 Campaign Finance Reporting
- SB 4 Campaign Public Financing Changes
- SB 99 Appointment of PRC Members

Conflicts with:

- HB 462, which also amends Sections 1-19A-2, 1-19A-4, & 1-19A-13 NMSA 1978
- SB 4, which also amends Sections 1-19A-1, 1-19A-2, & 1-19A-13 NMSA 1978

OTHER SUBSTANTIVE ISSUES

NMAG notes that HB 428 amends Section 1-19A-13(A) of the Voter Action Act so that it no longer applies only to the timing of distributions from the public election fund for the 2008 general election. According to NMAG, the amendment removes any ambiguity regarding the

timing of distributions after 2008.

The secretary of state, along with the governor, lieutenant governor, state auditor, state treasurer, attorney general, and commissioner of public lands, are part of the executive department of government. NMAG states that it is not clear why HB 428 makes one element of the executive department eligible for public financing, but not the others.

BG/gb