LFC Requester:	Hilla

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

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SECTION I: GENERAL INFORMATION {Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill} Check all that apply: **Date Prepared**: March 5, 2025 **Bill Number:** House Bill 143 Original Correction Amendment X Substitute **Agency Name** and Code State Ethics Commission (410) Number: **Sponsor:** Sen. Steinborn & Rep. Silva Lobbying Activity Reports **Person Writing** Caroline "KC" Chato Short Title: Email caroline.chato@sec.nm.gov **Phone:** 362-9617 **SECTION II: FISCAL IMPACT APPROPRIATION (dollars in thousands) Appropriation** Fund Recurring or Nonrecurring Affected **FY25 FY26**

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring	Fund
FY25	FY26	FY27	or Nonrecurring	Affected

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: The latest amendments to House Bill 143 (including the House Judiciary Committee and the House Floor Amendment) clarify when a lobbyist is required to file a lobbying activity report (Section 1 of House Bill 143).

Section 2 of amended House Bill 143 amends the Lobbyist Regulation Act to prohibit lobbyists from making expenditures on gifts, food, beverages or entertainment for the benefit of any elected official of the state or any political subdivision or their employees or staff and any appointed public official with decision-making authority over laws of the state, administrative rules, or public contracts, during the prohibited period defined in Section 1-19-34.1 NMSA 1978. Outside the prohibited period, such expenditures are limited to \$50 per recipient per day. A lobbyist or lobbyist's employer may make expenditures during a prohibited period for public events where food or beverages are provided to the general public and not exclusively to elected officials or their staff or employees. A lobbyist or lobbyist's employer may make an expenditure during a prohibited period for political contributions made in compliance with the Campaign Reporting Act.

Section 3 of House Bill 143 amends Section 2-11-6(A)(1) & (2) of the Lobbyist Regulation Act to change the expenditure limit delineating how expenditures above \$100.00 are reported versus those under \$100.00, by dropping that threshold to \$50.00.

Section 4 of House Bill 143 as amended does not change the original language of the bill which added lobbyist activity reports to the requirements already in place for the secretary of state's preservation and maintenance obligations for lobbyist registration and expenditure reports filed with that office.

FISCAL IMPLICATIONS

These amendments could marginally increase the Commission's workload relating to the Lobbyist Regulation Act but are not anticipated to create significant fiscal implications for the Commission.

SIGNIFICANT ISSUES

Lobbying is an important part of New Mexico's democratic process, offering lawmakers access to specialized knowledge and perspectives that can lead to better-informed public policies. However, lobbying also carries risks, such as the potential for undue influence that may compromise fairness, transparency, and public trust. Laws regulating lobbyists can help balance these benefits and risks, ensuring that lobbying serves the interests of all New Mexicans.

New Mexico's lobbyist regulation laws currently rank among the least effective in the country. In 2022, OpenSecrets ranked New Mexico 41st nationwide in its analysis of lobbyist disclosure

laws. ¹ To address these shortcomings, House Bill 143 proposes reforms that align with national trends in lobbying disclosure. The bill as amended would modernize the Lobbyist Regulation Act by strengthening transparency requirements, consistent with the increasing number of states enacting more robust reporting standards. OpenSecrets' <u>State Lobbying Disclosure</u>: A <u>Scorecard</u> and <u>State Lobby Chart</u> provide insight into how other states have improved their lobbying laws, underscoring the need for New Mexico to follow suit.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

The State Ethics Commission has jurisdiction to investigate and adjudicate administrative complaints alleging violations of the Lobbyist Regulation Act, to enforce the Lobbyist Regulation Act through civil actions, and to issue advisory opinions regarding the Lobbyist Regulation Act. These amendments could marginally increase the Commission's workload relating to the Lobbyist Regulation Act.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Senate Bill 248 also amends the required disclosures in an expenditure report required by Section 2-11-6(A) of the Lobbyist Regulation Act for those expenditures above \$50.00, but contains additional changes to that Section not present in House Bill 143.

Senate Bill 90 would also amend the Lobbyist Regulation Act, but does not conflict with nor is it duplicative of House Bill 143.

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS

^{1 1} See OpenSecrets, State Lobbying Disclosure: A Scorecard (June 28, 2022) available at https://www.opensecrets.org/news/reports/layers-of-lobbying/lobbying-scorecard (showing New Mexico is in the bottom quintile across the 50 states with respect to disclosure requirements related to lobbying).