RELATING TO CAMPAIGN FINANCE; REQUIRING REPORTING OF
INDEPENDENT EXPENDITURES; REDEFINING "POLITICAL COMMITTEE";
DEFINING "ADVERTISEMENT", "BALLOT MEASURE", "CAMPAIGN
EXPENDITURE", "COORDINATED EXPENDITURE", "INDEPENDENT
EXPENDITURE" AND OTHER TERMS; ADJUSTING CONTRIBUTION AND
EXPENDITURE REPORTING REQUIREMENTS, LIMITS AND THRESHOLDS;
CHANGING PENALTIES; PROVIDING PENALTIES; AMENDING, REPEALING
AND ENACTING SECTIONS OF THE NMSA 1978.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. A new section of the Campaign Reporting Act is enacted to read:

"INDEPENDENT EXPENDITURES -- REPORTING REQUIREMENTS. --

A. A person who makes an independent expenditure not otherwise required to be reported under the Campaign Reporting Act in an amount that exceeds one thousand dollars (\$1,000), or in an amount that, when added to the aggregate amount of the independent expenditures made by the same person during the election cycle, exceeds one thousand dollars (\$1,000), shall file a report with the secretary of state within three days of making an expenditure for which a report is required by this section, or, if an independent expenditure of three thousand dollars (\$3,000) or more is made within fourteen days before a primary or general

- B. The report required by Subsection A of this section shall state:
- (1) the name and address of the person who made the independent expenditure;
- (2) the name and address of the person to whom the independent expenditure was made and the amount, date and purpose of the independent expenditure. If no reasonable estimate of the monetary value of a particular expenditure is practicable, it is sufficient to report instead a description of the services, property or rights furnished through the expenditure; and
- $\qquad \qquad \text{(3)} \quad \text{the source of the contributions used to} \\ \text{make the independent expenditure as provided in Subsections C} \\ \text{and D of this section.}$
- C. A person who makes independent expenditures totaling three thousand dollars (\$3,000) or less that are required to be reported pursuant to this section shall report the name and address of each person who has made contributions of more than a total of two hundred dollars (\$200) in the election cycle that were earmarked or made in response to a solicitation to fund independent expenditures, and shall report the amount of each such contribution made by that person.

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"DISCLAIMERS IN ADVERTISEMENTS. --

A. A person who makes a campaign expenditure, a

SECTION 2. A new section of the Campaign Reporting Act

A person who makes independent expenditures

establish a segregated bank account,

(2) report the name and address of, and

totaling more than three thousand dollars (\$3,000) that are

to reporting the information specified in Subsection C of

consisting only of funds contributed to the account by

and report the name and address of, and amount of each

than two hundred dollars (\$200) to that account in the

amount of each contribution made by, each contributor who

contributed more than a total of five thousand dollars

(\$5,000) to the person in the election cycle; provided,

pursuant to this paragraph if the contributor requested in

writing that the contribution not be used to fund independent

however, that a contribution is exempt from reporting

or coordinated expenditures or make contributions to a

candidate, campaign committee or political committee."

individuals to be used for making independent expenditures,

contribution made by, each contributor who contributed more

this section, shall either:

election cycle; or

is enacted to read:

required to be reported pursuant to this section, in addition

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- B. The requirements of Subsection A of this section do not apply to the following:
- (1) bumper stickers, pins, buttons, pens and similar small items upon which the disclaimer cannot be conveniently printed; or
- (2) skywriting, water towers, wearing apparel or other means of displaying an advertisement of such a nature that the inclusion of a disclaimer would be impracticable.
- C. The disclaimer statements required by
 Subsection A of this section shall be set forth legibly on
 any advertisement that is disseminated or displayed by visual
 media. If the advertisement is transmitted by audio media,
 the statement shall be clearly spoken during the
 advertisement. If the advertisement is transmitted by
 audiovisual media, the statement shall be both written

1	legibly and spoken clearly during the advertisement."		
2	SECTION 3. Section 1-1-3.1 NMSA 1978 (being Laws 2003,		
3	Chapter 356, Section 1, as amended) is amended to read:		
4	"1-1-3.1. ELECTION CYCLEExcept as otherwise		
5	provided, as used in the Election Code:		
6	A. "election cycle" means the period beginning on		
7	January 1 after the last general election and ending on		
8	December 31 after the general election;		
9	B. "general election cycle" means the period		
10	beginning on the day after the primary election and ending on		
11	December 31 after the general election; and		
12	C. "primary election cycle" means the period		
13	beginning on January 1 after the last general election and		
14	ending on the day of the primary election."		
15	SECTION 4. Section 1-19-26 NMSA 1978 (being Laws 1979,		
16	Chapter 360, Section 2, as amended by Laws 2009, Chapter 67,		
17	Section 1 and by Laws 2009, Chapter 68, Section 2) is amended		
18	to read:		
19	"1-19-26. DEFINITIONSAs used in the Campaign		
20	Reporting Act:		
21	A. "advertisement" means a communication referring		
22	to a candidate or ballot measure that is published		
23	disseminated, distributed or displayed to the public by		
24	print, broadcast, satellite, cable or electronic media,		
25	including recorded phone messages, or by printed materials,	SJC/SB Page 5	96

the contributor of which is unknown to the candidate or the candidate's agent or the political committee or its agent who accepts the contribution;

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C. "ballot measure" means a constitutional amendment or other question submitted to the voters in an

- D. "bank account" means an account in a financial institution chartered and regulated by the United States or a state of the United States;
- E. "campaign committee" means an association of two or more persons, authorized by a candidate to act on the candidate's behalf for the purpose of electing the candidate to office; provided that a candidate may not authorize more than one campaign committee;
- F. "campaign expenditure" means an expenditure that is made by a campaign committee or by a candidate in support of the candidate's campaign in an election;
- G. "candidate" means an individual who seeks or considers an office in an election covered by the Campaign Reporting Act, including a public official, who either has filed a declaration of candidacy or nominating petition and has not subsequently filed a statement of withdrawal or:
- (1) for a nonstatewide office, has received contributions or made expenditures of more than one thousand dollars (\$1,000) or authorized another person or campaign committee to receive contributions or make expenditures of more than one thousand dollars (\$1,000) for the purpose of seeking election to the office; or
- (2) for a statewide office, has received contributions or made expenditures of more than three

thousand dollars (\$3,000) or authorized another person or campaign committee to receive contributions or make expenditures of more than three thousand dollars (\$3,000) for the purpose of seeking election to the office or for candidacy exploration purposes in the years prior to the year of the election;

H. "contribution":

- (1) means a gift, subscription, loan, advance or deposit of money or other thing of value, including the estimated value of an in-kind contribution, that is made or received for a political purpose, including payment of a debt incurred in an election campaign;
 - (2) includes a coordinated expenditure;
- (3) does not include the value of services provided without compensation or unreimbursed travel or other personal expenses of individuals who volunteer a portion or all of their time on behalf of a candidate or political committee nor does it include the administrative or solicitation expenses of a political committee that are paid by an organization that sponsors the committee; and
- (4) does not include the value of the incidental use of the candidate's personal property, home or business office for campaign purposes; provided that for each occurrence, the fair market value does not exceed fifty dollars (\$50.00);

1	I. "coordinated expenditure" means an expenditure	
2	that is made:	
3	(1) by a person other than a candidate or	
4	campaign committee;	
5	(2) at the request or suggestion of, or in	
6	cooperation, consultation or concert with, a candidate,	
7	campaign committee or political party or any agent or	
8	representative of such a candidate, campaign committee or	
9	political party; and	
10	(3) for the purpose of:	
11	(a) supporting or opposing the	
12	nomination or election of a candidate; or	
13	(b) paying for an advertisement that	
14	refers to a clearly identified candidate and is published and	
15	disseminated to the relevant electorate in New Mexico within	
16	thirty days before the primary election or sixty days before	
17	the general election in which the candidate is on the ballot;	
18	J. "deliver" or "delivery" means to deliver by	
19	certified or registered mail, telecopier, electronic	
20	transmission or facsimile or by personal service;	
21	K. "election" means any primary, general or	
22	statewide special election in New Mexico and includes county	
23	and judicial retention elections but excludes federal,	
24	municipal, school board and special district elections;	
25	L. "election year" means an even-numbered year in	SJC/SB 96 Page 9

-	Dallot,
2	0. "person" means an individual or entity;
3	P. "political committee" means:
4	(l) a political party;
5	(2) an association that consists of two or
6	more persons whose primary purpose is to make contributions
7	to candidates, campaign committees or political committees or
8	make coordinated expenditures or any combination thereof; or
9	(3) an association that consists of two or
10	more persons whose primary purpose is to make independent
11	expenditures and that has received more than five thousand
12	dollars (\$5,000) in contributions or made independent
13	expenditures of more than five thousand dollars (\$5,000) in
14	the election cycle;
15	Q. "political party" means an association that has
16	qualified as a political party pursuant to the provisions of
17	Section 1-7-2 NMSA 1978;
18	R. "political purpose" means for the purpose of
19	supporting or opposing a ballot measure or the nomination or
20	election of a candidate;
21	S. "prescribed form" means a form or electronic
22	format prepared and prescribed by the secretary of state;
23	T. "proper filing officer" means the secretary of
24	state;
25	U. "public official" means a person elected to an SJC/SB 96 Page 11

shall fairly and accurately reflect the identity of the

committee, including any sponsoring organization, and its

the full name of the committee, which

prescribed form showing:

office in an election covered by the Campaign Reporting Act

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address;

- (2) a statement of the purpose for which the committee was organized;
- (3) the names and addresses of the officers of the committee; and
- (4) an identification of any bank account used by the committee to receive or make contributions or make expenditures.
- D. The provisions of this section do not apply to a political committee that is located in another state and is registered with the federal election commission if the political committee reports on federal reporting forms filed with the federal election commission all expenditures for and contributions made to reporting individuals in New Mexico and files with the secretary of state, according to the schedule required for the filing of forms with the federal election commission, a copy of either the full report or the cover sheet and the portions of the federal reporting forms that contain the information on expenditures for and contributions made to reporting individuals in New Mexico."
- SECTION 6. Section 1-19-29 NMSA 1978 (being Laws 1993, Chapter 46, Section 5, as amended) is amended to read:
 - "1-19-29. TIME AND PLACE OF FILING REPORTS.--
- A. Except as otherwise provided in this section, all reporting individuals shall file with the proper filing officer no later than the second Monday in April and October

this section have been satisfied.

- B. In an election year, instead of the biannual reports provided for in Subsection A of this section, all reporting individuals, except for public officials who are not candidates in an election that year, shall file reports of all expenditures made and contributions received or, if applicable, statements of no activity, according to the following schedule:
- (1) no later than the second Monday in April, a report of all expenditures made and contributions received on or before the first Monday in April and not previously reported;
- (2) no later than the second Monday in May, a report of all expenditures made and contributions received on or before the first Monday in May and not previously reported;
- (3) no later than the second Monday in September, a report of all expenditures made and contributions received on or before the first Monday in September and not previously reported;
 - (4) no later than the second Monday in

October, a report of all expenditures made and contributions received on or before the first Monday in October and not previously reported;

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(5) no later than the Thursday before a primary, general or statewide special election, a report of all expenditures made and contributions received by 5:00 p.m. on the Tuesday before the election and not previously Any contribution or pledge to contribute that is received after 5:00 p.m. on the Tuesday before the election and that is for more than one thousand dollars (\$1,000) in a nonstatewide election, or more than three thousand dollars (\$3,000) in a statewide election, shall be reported to the proper filing officer either in a supplemental report on a prescribed form within twenty-four hours of receipt or in the report to be filed no later than the Thursday before a primary, general or statewide special election, except that any such contribution or pledge to contribute that is received after 5:00 p.m. on the Friday before the election may be reported by 12:00 noon on the Monday before the election;

(6) no later than the Thursday before a primary or general election, or within twenty-four hours of the independent expenditure, a report of each independent expenditure made after 5:00 p.m. on the Tuesday before the election that is for more than one thousand dollars (\$1,000)

- (7) no later than the thirtieth day after a primary election, a report by all reporting individuals, except those individuals that become candidates after the primary election, of all expenditures made and contributions received on or before the twenty-fifth day after the primary election and not previously reported;
- (8) no later than on the thirtieth day after a statewide special election, a report of all expenditures made and contributions received on or before the twenty-fifth day after the statewide special election and not previously reported; and
- (9) no later than January 7 after a general election, a report of all expenditures made and contributions received on or before December 31 after the general election and not previously reported.
 - C. If a candidate, political committee, campaign

- D. In an election year, a public official who is not a candidate shall file biannual reports of expenditures made and contributions received or statements of no activity in accordance with the schedule provided for in Subsection A of this section.
- E. A report of expenditures and contributions filed after a deadline set forth in this section shall not be deemed to have been timely filed.
- F. Except for candidates, campaign committees and public officials who file a statement of no activity, each reporting individual candidate, campaign committee or public official shall file a report of expenditures and contributions pursuant to the filing schedules set forth in this section, regardless of whether any expenditures were made or contributions were received during the reporting

- (1) there are no outstanding campaign debts;
- (2) all money has been expended in accordance with the provisions of Section 1-19-29.1 NMSA 1978; and
 - (3) the bank accounts have been closed.
- G. If, during a nonelection year, a political committee has not received any contributions or made any coordinated or independent expenditures since it filed its last report pursuant to this section, it need not file any report under this section until the next reporting period, if any, in which it receives contributions or makes such expenditures. A political committee that has not received any contributions or made any coordinated or independent expenditures for a continuous period of at least one year may thereupon cancel its registration as a political committee by submitting an appropriate request in writing to the proper filing officer. The committee shall retain the obligation to submit a new registration pursuant to Section 1-19-26.1 NMSA 1978 in the event that its future activities should meet the requisites for registration under that section.
- H. A reporting individual who is a candidate within the meaning of the Campaign Reporting Act because of

the amount of contributions the candidate receives or expenditures the candidate makes and who does not ultimately file a declaration of candidacy or a nominating petition with the proper filing officer and does not file a statement of no activity shall file biannual reports in accordance with Subsection A of this section.

- I. Reports required by this section shall be subscribed and sworn to by the candidate or the treasurer of the political committee or, in the case of candidates for judicial office, by the treasurer of the candidate's campaign committee. A report filed electronically shall be electronically authenticated by the candidate or the treasurer of the committee using an electronic signature in conformance with the Electronic Authentication of Documents Act and the Uniform Electronic Transactions Act. For the purposes of the Campaign Reporting Act, a report that is electronically authenticated in accordance with the provisions of this subsection shall be deemed to have been subscribed and sworn to by the candidate or the treasurer of the committee who was required to file the report.
- J. Reports required by this section shall be filed electronically by all reporting individuals.
- K. Reporting individuals may apply to the secretary of state for exemption from electronic filing in case of hardship, which shall be defined by the secretary of

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SECTION 7. Section 1-19-31 NMSA 1978 (being Laws 1979, Chapter 360, Section 7, as amended) is amended to read:

"1-19-31. CONTENTS OF REPORT.--Each required report of expenditures and contributions shall be typed or printed legibly, or on a computer disc or format approved by the secretary of state, and shall include:

the name and address of the person or entity to whom an expenditure was made or from whom a contribution was received, except as provided for anonymous contributions or contributions received from special events as provided in Section 1-19-34 NMSA 1978; provided that for contributors, the name of the entity or the first and last names of any individual shall be the full name of the entity or individual, and initials only shall not constitute a full name unless that is the complete legal name;

- the occupation, name and type of business, as applicable, of any individual or entity making contributions of two hundred fifty dollars (\$250) or more in the aggregate per election;
- the amount of the expenditure or contribution or value thereof;
 - D. the purpose of the expenditure;
- the date that the expenditure was made or the Ε. contribution was received;

expenditures of money are disbursed from one or more bank

accounts maintained by the treasurer in the name of the candidate or committee; provided that nothing in this section shall prohibit investments from a bank account to earn interest as long as the investments and earnings are fully reported. All disbursements except for disbursements made from a petty cash fund of one hundred dollars (\$100) or less shall be made in a form such that the date, amount and payee of the transaction are automatically recorded or by check made payable to the person or entity receiving the disbursement and not to "cash" or "bearer"; and

receiving money or other things of value, immediately enters and thereafter keeps a proper record preserved by the treasurer, including a full, true and itemized statement and account of each sum disbursed or received, the date of such disbursal or receipt, to whom disbursed or from whom received and the object or purpose for which it was disbursed or received.

B. No anonymous contributions may be accepted for more than one hundred dollars (\$100). The aggregate amount of anonymous contributions received by a reporting individual during a primary or general election or a statewide special election shall not exceed two thousand dollars (\$2,000) for statewide races and five hundred dollars (\$500) for all other races.

1 Cash contributions received at special events 2 that are unidentifiable as to specific contributor but 3 identifiable as to the special event are not subject to the anonymous contribution limits provided for in this section so 4 5 long as no single special event raises, after expenses, more than one thousand dollars (\$1,000) in such cash 6 contributions. For those contributions, due diligence and 7 best efforts shall be made to disclose on a special 8 prescribed form the sponsor, date, place, total amount 9 10 received, expenses incurred, estimated number of persons in attendance and other identifiable factors that describe the 11 special event. For purposes of this subsection, "special 12 event" includes an event such as a barbecue or similar 13 fundraiser where tickets costing twenty-five dollars (\$25.00) 14 15 or less are sold or an event such as a coffee, tea or similar 16 reception; provided that no candidate shall accept a contribution of more than twenty-five dollars (\$25.00) in 17

D. Any contributions received pursuant to this section in excess of the limits established in Subsections B and C of this section shall be donated to the state general fund or an organization to which a federal income tax deduction would be available under Subparagraph (A) of Paragraph (1) of Subsection (b) of Section 170 of the Internal Revenue Code of 1986, as amended."

cash at a special event from any one contributor.

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SECTION 9. Section 1-19-34.3 NMSA 1978 (being Laws 1993, Chapter 46, Section 14, as amended) is amended to read:

"1-19-34.3. CONTRIBUTIONS IN ONE NAME GIVEN FOR ANOTHER PROHIBITED--CONCEALING SOURCE OF CONTRIBUTIONS USED FOR INDEPENDENT EXPENDITURES.--

A. It is unlawful for a person to make a contribution in the name of another person, and no person shall knowingly accept a contribution made by one person in the name of another person.

B. No person may make contributions or expenditures with an intent to conceal the names of persons who are the true source of funds used to make independent expenditures or the true recipients of the expenditures."

SECTION 10. Section 1-19-34.6 NMSA 1978 (being Laws 1995, Chapter 153, Section 19) is amended to read:

"1-19-34.6. CIVIL PENALTIES.--

A. If the secretary of state reasonably believes that a person committed, or is about to commit, a violation of the Campaign Reporting Act, the secretary of state shall refer the matter to the attorney general or a district attorney for enforcement.

B. With or without a referral from the secretary of state, the attorney general or district attorney may institute a civil action in district court for any violation of the Campaign Reporting Act or to prevent a violation of

that act that involves an unlawful solicitation or the making or acceptance of an unlawful contribution. An action for relief may include a permanent or temporary injunction, a restraining order or any other appropriate order, including a civil penalty of up to one thousand dollars (\$1,000) for each violation not to exceed a total of twenty thousand dollars (\$20,000), and forfeiture of any contribution received as a result of an unlawful solicitation or unlawful contribution. Each unlawful solicitation and each unlawful contribution made or accepted shall be deemed a separate violation of the Campaign Reporting Act.

of state, the attorney general or district attorney may institute a civil action in district court if a violation has occurred or to prevent a violation of any provision of the Campaign Reporting Act other than that specified in Subsection B of this section. Relief may include a permanent or temporary injunction, a restraining order or any other appropriate order, including an order for a civil penalty of up to one thousand dollars (\$1,000) for each violation not to exceed a total of twenty thousand dollars (\$20,000)."

SECTION 11. Section 1-19-34.7 NMSA 1978 (being Laws 2009, Chapter 68, Section 1) is amended to read:

"1-19-34.7. CONTRIBUTION LIMITATIONS--CANDIDATES-POLITICAL COMMITTEES.--

A. Except as provided in Subsections F and G of 2 this section, a person, including a political committee, 3 shall not make a contribution to a candidate, including the candidate's campaign committee, or to a political committee 4 5 in an amount that will cause that person's total contributions to the candidate or political committee to 6 exceed five thousand dollars (\$5,000) during a primary 7 election cycle or five thousand dollars (\$5,000) during a 8 general election cycle; provided that a person may make a contribution attributable to the general election cycle during the primary election cycle even though the person has 11 contributed the maximum amount allowed for the primary 12 election cycle if that contribution is not used to pay for 13 any expenditure related to the primary election and, if the 14 15 candidate is not on the general election ballot, all contributions made to the candidate for the general election 16 are returned to the persons who made such contributions to the candidate's campaign or deposited in the public election 18 fund. A primary election candidate who does not become a 20 candidate on the general election ballot shall remain subject to the contribution limits of the primary election cycle and 21 shall not accept a contribution from a person who has 22 contributed the maximum allowable amount during the primary 23 election cycle to pay for primary election expenditures of 24 the campaign. 25

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- B. All contributions made by a person to a candidate, either directly or indirectly, including contributions that are in any way earmarked or otherwise directed through another person to a candidate, shall be treated as contributions from the person to that candidate.
- C. A person, including a political committee, shall not knowingly accept or solicit a contribution, directly or indirectly, including a contribution earmarked or otherwise directed or coordinated through another person, including a political committee, that violates the contribution limits provided for in this section.
- D. On January 1 after each general election, the contribution amounts provided in Subsection A of this section shall be increased by the percentage of the preceding two calendar years' increase of the consumer price index for all urban consumers, United States city average for all items, published by the United States department of labor. The amount of the increase shall be rounded to the nearest multiple of one hundred dollars (\$100). The secretary of state shall publish by October 1 before each general election the adjusted contribution limits that shall take effect the day after the following general election.
- E. All contributions in excess of the limits imposed by the provisions of this section shall be deposited in the public election fund upon a finding by a district

- F. The limitation on contributions to a candidate provided for in Subsection A of this section shall not apply to a candidate's own contribution from the candidate's personal funds to the candidate's own campaign.
- G. The limitations on contributions to political committees provided for in Subsection A of this section shall not apply to a political committee that makes only independent expenditures or to any contribution to a political committee that is deposited in a segregated bank account that may only be used to make independent expenditures."

SECTION 12. Section 1-19-36 NMSA 1978 (being Laws 1979, Chapter 360, Section 12, as amended) is amended to read:

"1-19-36. PENALTIES.--

- A. Any person who knowingly and willfully violates any provision of the Campaign Reporting Act is guilty of a misdemeanor and shall be punished by a fine of not more than one thousand dollars (\$1,000) or by imprisonment for not more than one year or both.
- B. The Campaign Reporting Act may be enforced by the attorney general or the district attorney in the county where the candidate resides, where a political committee has its principal place of business or where the violation occurred."

1	SECTION 13. TEMPORARY PROVISIONThe secretary of	
2	state, in consultation with the attorney general, shall	
3	promulgate rules to implement the amendatory provisions of	
4	this act by August 1, 2017.	
5	SECTION 14. REPEALSections 1-19-16 and 1-19-17 NMSA	
6	1978 (being Laws 1973, Chapter 401, Sections 1 and 2) are	
7	repealed.	
8	SECTION 15. EFFECTIVE DATEThe effective date of the	
9	provisions of this act is January 1, 2018	
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