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**HOUSE BILL 93**

**45TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2001**

**INTRODUCED BY**

**Ben Lujan**

**AN ACT**

**RELATING TO ELECTIONS; PROVIDING FOR VOLUNTARY PUBLIC CAMPAIGN  
FINANCING OF ELECTIONS FOR GOVERNOR, LIEUTENANT GOVERNOR,  
SECRETARY OF STATE, ATTORNEY GENERAL, STATE AUDITOR, STATE  
TREASURER, COMMISSIONER OF PUBLIC LANDS, STATE SENATORS, STATE  
REPRESENTATIVES AND COMMISSIONERS OF THE PUBLIC REGULATION  
COMMISSION; PRESCRIBING PENALTIES; MAKING AN APPROPRIATION;  
ENACTING CERTAIN SECTIONS OF THE NMSA 1978.**

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

**Section 1. A new section of the Election Code is enacted  
to read:**

**"[NEW MATERIAL] SHORT TITLE. -- Sections 1 through 17 of  
this act may be cited as the "Public Campaign Finance Option  
Act". "**

**Section 2. A new section of the Election Code is enacted**

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1 to read:

2 "[NEW MATERIAL] DEFINITIONS. -- As used in the Public  
3 Campaign Finance Option Act:

4 A. "applicant candidate" means a candidate who is  
5 running for office and who is seeking to be a certified  
6 candidate in a primary or general election;

7 B. "certified candidate" means a candidate running  
8 for a covered office who chooses to obtain financing pursuant  
9 to the Public Campaign Finance Option Act and is certified as  
10 a Public Campaign Finance Option Act candidate;

11 C. "contested election" means an election in which  
12 there are more candidates for a position than the number to be  
13 elected to that position;

14 D. "covered office" means the offices of governor,  
15 lieutenant governor, secretary of state, attorney general,  
16 state auditor, state treasurer, commissioner of public lands,  
17 public regulation commissioner, state senator or state  
18 representative;

19 E. "election cycle" means the primary and general  
20 elections for the same term of the same covered office,  
21 beginning on the day after the last general election for the  
22 office and ending with the general election; the primary  
23 election cycle begins on the first day of the election cycle  
24 and ends on the day of the primary election; the general  
25 election begins on the day after the primary election and ends

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1 on the day of the general election;

2 F. "fund" means the public election fund;

3 G. "noncertified candidate" means either a  
4 candidate running for a covered office who does not choose to  
5 participate in the Public Campaign Finance Option Act and who  
6 is not seeking to be a certified candidate or a candidate who  
7 declares his intent to participate but who fails to qualify;

8 H. "qualifying contribution" means a donation of  
9 five dollars (\$5.00) in the form of cash or a check or money  
10 order payable to the fund in support of an applicant candidate  
11 that is:

12 (1) made by a registered voter who is  
13 eligible to vote for the covered office that the applicant  
14 candidate is seeking;

15 (2) made during the designated qualifying  
16 period and obtained through efforts made with the knowledge  
17 and approval of the applicant candidate; and

18 (3) acknowledged by a receipt that identifies  
19 the contributor's name and residential address on forms  
20 provided by the bureau of elections and that is signed by the  
21 contributor, one copy of which is attached to the list of  
22 contributors and sent to the bureau of elections;

23 I. "qualifying period" means:

24 (1) for applicant candidates for statewide  
25 covered offices, the period beginning October 1 immediately

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1 preceding the election year and ending at 5:00 p.m. on the  
2 second Tuesday of February of the election year;

3 (2) for applicant candidates for state  
4 senator, state representative and public regulation  
5 commissioner, the period beginning October 1 immediately  
6 preceding the election year and ending at 5:00 p.m. on the  
7 third Tuesday of March of the election year; and

8 (3) for independent candidates, the period  
9 beginning February 1 of the election year and ending that year  
10 at 5:00 p.m. on the filing date for independent candidates for  
11 the office for which the candidate is running;

12 J. "secretary" means the secretary of state or the  
13 office of the secretary of state; and

14 K. "seed money" means a contribution raised for  
15 the primary purpose of enabling applicant candidates to  
16 collect qualifying contributions. "

17 Section 3. A new section of the Election Code is enacted  
18 to read:

19 "[NEW MATERIAL] TERMS OF PARTICIPATION--DECLARATION OF  
20 INTENT. --

21 A. A candidate choosing to obtain financing  
22 pursuant to the Public Campaign Finance Option Act shall first  
23 file with the secretary a declaration of intent to participate  
24 in that act as an applicant candidate for a stated covered  
25 office. The declaration of intent shall be filed with the

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1 secretary prior to or during the qualifying period according  
2 to forms and procedures developed by the secretary.

3 B. An applicant candidate choosing to participate  
4 in the Public Campaign Finance Option Act shall submit a  
5 declaration of intent prior to collecting any qualifying  
6 contributions and make explicit in the declaration that the  
7 candidate has complied with and will continue to comply with  
8 that act's contribution and expenditure limits and all other  
9 requirements set forth in that act and rules issued by the  
10 secretary.

11 C. A candidate shall not be eligible to become an  
12 applicant candidate if the candidate has accepted  
13 contributions totaling five hundred dollars (\$500) or more or  
14 made expenditures totaling five hundred dollars (\$500) or more  
15 between the beginning of the qualifying period and filing a  
16 declaration of intent. "

17 Section 4. A new section of the Election Code is enacted  
18 to read:

19 "[NEW MATERIAL] QUALIFYING CONTRIBUTIONS. -- Applicant  
20 candidates shall obtain qualifying contributions as follows:

21 A. the applicant candidate shall obtain qualifying  
22 contributions from that number of registered voters that is  
23 equal to at least one percent of the total number of  
24 registered voters in the district within which he is running  
25 or, for statewide offices, equal to one percent of the total

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1 number of registered voters in the state;

2 B. the calculation of one percent of registered  
3 voters shall be based on the number of registered voters as of  
4 the first day of the qualifying period. Applicant candidates  
5 may accept qualifying contributions from persons who become  
6 registered within the statutory time frame that would enable  
7 that person to vote in the primary election;

8 C. voters registered as independent are not  
9 excluded from making qualifying contributions but shall be  
10 registered within the statutory time frame as independent; and

11 D. no payment, gift or anything of value shall be  
12 given in exchange for a qualifying contribution. "

13 Section 5. A new section of the Election Code is enacted  
14 to read:

15 "[NEW MATERIAL] SEED MONEY. --

16 A. An applicant candidate may collect seed money  
17 from individual donors and political action committees in  
18 amounts of no more than one hundred dollars (\$100) per donor  
19 or committee. An applicant candidate may contribute an amount  
20 of seed money from his own funds up to the limits specified in  
21 Subsection H of this section.

22 B. An applicant candidate may collect and spend  
23 seed money during the sixty days immediately preceding the  
24 qualifying period and throughout the qualifying period.

25 C. An applicant candidate may not collect seed

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1 money from a corporation, association or partnership formed  
2 under state law or from labor organizations.

3 D. An applicant candidate may not collect or spend  
4 seed money for any purpose after certification and before the  
5 end of the election cycle for which the candidate was  
6 certified, but after the election cycle may carry forward to  
7 the next election cycle any unspent seed money to be used as  
8 seed money.

9 E. If a certified candidate is defeated or is  
10 elected and decides not to run again as an applicant  
11 candidate, any unspent seed money shall be forfeited to the  
12 fund.

13 F. After becoming an applicant candidate and prior  
14 to certification, an applicant candidate shall not accept  
15 contributions, except for seed money or qualifying  
16 contributions.

17 G. An incumbent elected prior to 2002 who was not  
18 an applicant candidate when elected but declares his intent to  
19 become an applicant candidate in accordance with the Public  
20 Campaign Finance Option Act may transfer from his campaign  
21 fund for use as seed money up to the limits for contributions  
22 and expenditures specified in Subsection H of this section.

23 H. An applicant candidate shall limit seed money  
24 contributions and expenditures to the following amounts:

- 25 (1) twenty-five thousand dollars (\$25,000)

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1 for a candidate for governor;

2 (2) ten thousand dollars (\$10,000) for a  
3 candidate for lieutenant governor, secretary of state, state  
4 auditor, state treasurer or commissioner of public lands;

5 (3) fifteen thousand dollars (\$15,000) for a  
6 candidate for attorney general;

7 (4) two thousand five hundred dollars  
8 (\$2,500) for a candidate for public regulation commission;

9 (5) two thousand dollars (\$2,000) for a  
10 candidate for state senator; and

11 (6) one thousand dollars (\$1,000) for a  
12 candidate for state representative. "

13 Section 6. A new section of the Election Code is enacted  
14 to read:

15 " [NEW MATERIAL] CERTIFICATION. --

16 A. Upon receipt of a final submittal of qualifying  
17 contributions by an applicant candidate, the secretary shall  
18 determine whether the applicant candidate has:

19 (1) signed and filed a declaration of intent  
20 to obtain financing pursuant to the Public Campaign Finance  
21 Option Act in accordance with the requirements of that act;

22 (2) submitted the appropriate number of  
23 qualifying contributions;

24 (3) qualified as a candidate pursuant to  
25 other applicable state election law;

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1 (4) complied with seed money contribution and  
2 expenditure restrictions; and

3 (5) otherwise met the requirements for  
4 obtaining financing pursuant to the Public Campaign Finance  
5 Option Act.

6 B. The secretary shall certify applicant  
7 candidates complying with the requirements of this section as  
8 certified candidates as soon as possible and no later than  
9 three days after final submittal of qualifying contributions  
10 and certification as a candidate pursuant to other applicable  
11 state election law.

12 C. A certified candidate shall comply with all  
13 requirements of the Public Campaign Finance Option Act after  
14 certification and throughout the primary election and general  
15 election cycles. A certified candidate who accepts public  
16 campaign finance funds for the primary election shall comply  
17 with all the requirements of the Public Campaign Finance  
18 Option Act for the remainder of the election cycle in  
19 question, even if he decides not to accept such funds for the  
20 general election. "

21 Section 7. A new section of the Election Code is enacted  
22 to read:

23 " [NEW MATERIAL] GUIDELINES AND RESTRICTIONS FOR  
24 CONTRIBUTIONS TO AND EXPENDITURES OF CERTIFIED CANDIDATES. --

25 A. All money distributed to certified candidates

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1 shall be used for campaign-related purposes.

2 B. A certified candidate shall return to the fund  
3 any amount that is unspent or unencumbered at the time that  
4 person ceases to be a candidate before a primary or general  
5 election for which the fund money was distributed.

6 C. A certified candidate shall limit total  
7 campaign expenditures and debts to the amount of money  
8 distributed to that candidate from the fund. A certified  
9 candidate shall not accept contributions or loans from any  
10 other source except his political party, as specified in  
11 Section 8 of the Public Campaign Finance Option Act.

12 D. A certified candidate shall return to the  
13 secretary, within two weeks after the primary election, any  
14 amount that is unspent or unencumbered by the date of the  
15 primary election for direct deposit into the fund.

16 E. A certified candidate shall return to the  
17 secretary, within two weeks after the general election, any  
18 amount that is unspent or unencumbered by the date of the  
19 general election for direct deposit into the fund. "

20 Section 8. A new section of the Election Code is enacted  
21 to read:

22 "[NEW MATERIAL] POLITICAL PARTY EXPENDITURES--  
23 CONTRIBUTIONS TO CERTIFIED CANDIDATES. --

24 A. A certified candidate may accept monetary or  
25 in-kind contributions from a political party; provided that

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1 the aggregate amount of such contributions from all political  
2 party committees combined does not exceed the equivalent of  
3 ten percent of the value of that candidate's aggregate public  
4 financing per election cycle.

5 B. All in-kind contributions from a political  
6 party distributed to certified candidates shall be used for  
7 campaign-related purposes.

8 C. In-kind contributions by a political party made  
9 during the general election campaign period on behalf of a  
10 group of the party's candidates shall not be considered an  
11 improper party contribution or count against the ten percent  
12 limit mentioned in Subsection A of this section if such group  
13 includes all of the candidates for a particular office who are  
14 candidates of that party.

15 D. Nothing in this section shall prevent political  
16 party funds from being used for: general operating expenses of  
17 the party; conventions; nominating and endorsing candidates;  
18 identifying, researching and developing the party's position  
19 on issues; party platform activities; noncandidate-specific  
20 voter registration; noncandidate-specific get-out-the-vote  
21 drives; travel expenses for noncandidate party leaders and  
22 staff; and other noncandidate-specific party building  
23 activities. "

24 Section 9. A new section of the Election Code is enacted  
25 to read:

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1           "NEW MATERIAL] CANDIDATE REPORTING REQUIREMENTS. --

2           A. The secretary shall publish guidelines  
3 outlining permissible campaign-related expenditures.

4           B. Applicant candidates shall file a report  
5 listing seed money contributions and expenditures with their  
6 application for certification.

7           C. Applicant candidates shall file qualifying  
8 contributions with the secretary during the qualifying period  
9 according to procedures developed by the secretary. In  
10 developing these procedures, the secretary shall use existing  
11 campaign reporting procedures and deadlines whenever  
12 practicable.

13           D. Certified candidates shall report expenditures  
14 according to the campaign reporting requirements specified in  
15 the Election Code.

16           E. In addition to the campaign contribution and  
17 expenditure reports specified in the Election Code, all  
18 noncertified candidates who have as an opponent a certified  
19 candidate shall report to the secretary ten days before the  
20 primary and general elections the amount of money spent by  
21 that noncertified candidate. This report shall include all  
22 previously unreported transactions through 5:00 p.m. two days  
23 before the report is due.

24           F. A person or political committee that makes  
25 expenditures to influence a race involving a certified

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1 candidate shall report to the secretary the amount that person  
2 or political committee has spent. These reports shall include  
3 all previously unreported transactions through 5:00 p.m. two  
4 days before the report is due, and shall be submitted as  
5 follows:

6 (1) for the primary election, by 5:00 p.m. on  
7 the second Monday in May, by 5:00 p.m. on the eleventh day  
8 before the election and by 5:00 p.m. on the Thursday before  
9 the election; and

10 (2) for the general election, by 5:00 p.m.  
11 the first Tuesday in October, by 5:00 p.m. on the eleventh day  
12 before the election and by 5:00 p.m. on the Thursday before  
13 the election. "

14 Section 10. A new section of the Election Code is  
15 enacted to read:

16 "[NEW MATERIAL] PUBLIC ELECTION FUND--CREATION--USE. --

17 A. There is created in the state treasury the  
18 "public election fund" solely for the purposes of:

19 (1) financing the election campaigns of  
20 certified candidates for covered offices;

21 (2) paying administrative and enforcement  
22 costs of the Public Campaign Finance Option Act; and

23 (3) carrying out all other specified  
24 provisions of the Public Campaign Finance Option Act.

25 B. The state treasurer shall invest the funds as

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1 other state funds are invested, and all income derived from  
2 the fund shall be credited directly to the fund. Remaining  
3 balances at the end of a fiscal year shall remain in the  
4 election fund and not revert to the general fund.

5 C. Money received from the following sources shall  
6 be deposited directly into the fund:

7 (1) qualifying contributions that have been  
8 submitted to the secretary;

9 (2) any recurring balance of unspent fund  
10 money distributed to a certified candidate who does not remain  
11 a candidate through the primary or general election period  
12 for which the money was distributed;

13 (3) money that remains unspent or  
14 unencumbered by a certified candidate following the date of  
15 the primary election;

16 (4) money that remains unspent or  
17 unencumbered by a certified candidate following the date of  
18 the general election;

19 (5) money from an optional tax checkoff that  
20 dedicates the following amounts of an individual's income tax  
21 payment to the fund pursuant to the Income Tax Act, effective  
22 beginning in taxable year 2001:

23 (a) five dollars (\$5.00) for a single  
24 individual, married individuals filing separately and heads of  
25 household; or

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1 (b) ten dollars (\$10.00) for married  
2 individuals filing jointly;

3 (6) voluntary donations made directly to the  
4 fund, of which up to two hundred fifty dollars (\$250) for an  
5 individual return or five hundred dollars (\$500) for a joint  
6 return are tax deductible as specified in Section 20 of this  
7 act;

8 (7) unspent seed money that cannot be used  
9 for any other purpose; and

10 (8) money appropriated by the legislature  
11 from the general fund. "

12 Section 11. A new section of the Election Code is  
13 enacted to read:

14 "[NEW MATERIAL] DETERMINATION OF FUND AMOUNT. --

15 A. By January 1, 2002, and every two years  
16 thereafter, the secretary of state shall prepare and provide  
17 to the legislature a report documenting, evaluating and making  
18 recommendations relating to the administration, implementation  
19 and enforcement of the Public Campaign Finance Option Act.

20 B. In the report, the secretary shall set out the  
21 revenues received to date, the expected costs to the fund for  
22 the next election cycle and the amount of the annual  
23 appropriation from the legislature that will be required to  
24 meet this need. "

25 Section 12. A new section of the Election Code is

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1 enacted to read:

2 "[NEW MATERIAL] TIMING OF FUND DISTRIBUTION. --

3 A. Beginning with the election cycle ending with  
4 the general election in 2002, the secretary shall distribute  
5 money from the fund to certified candidates.

6 B. For a primary election certified candidate, the  
7 secretary shall distribute the amount due to that certified  
8 candidate for that covered office within one week of  
9 certification.

10 C. For a candidate certified for the general  
11 election, the secretary shall distribute the amount due to  
12 that certified candidate for that covered office within one  
13 week after the primary election. "

14 Section 13. A new section of the Election Code is  
15 enacted to read:

16 "[NEW MATERIAL] AMOUNT OF FUND DISTRIBUTION. --

17 A. By January 1, 2002, the secretary shall  
18 determine the amount of money to be distributed to each  
19 certified candidate for the election cycle ending with the  
20 general election in 2002, based on the type of election and  
21 the particular covered office for which the candidate is  
22 running.

23 B. For contested primary elections, the amount of  
24 money to be distributed is equal to eighty percent of the  
25 average amount of campaign expenditures made by all candidates

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1 receiving ten percent or greater of votes cast in all  
2 contested primary election races for the immediately preceding  
3 two primary elections for that covered office.

4 C. For uncontested primary elections, the amount  
5 of money to be distributed is equal to fifty percent of the  
6 average amount of campaign expenditures made by each candidate  
7 during all uncontested primary election races, or for  
8 contested races if the amount is lower, for the immediately  
9 preceding two primary elections for that covered office.

10 D. For contested general elections, the amount of  
11 money to be distributed is equal to eighty percent of the  
12 average amount of campaign expenditures made by all candidates  
13 receiving thirty percent or greater of votes cast in all  
14 uncontested general election races for the immediately  
15 preceding two general elections for that covered office.

16 E. For uncontested general elections, the amount  
17 of money to be distributed is equal to fifty percent of the  
18 average amount of campaign expenditures made by all candidates  
19 receiving thirty percent or greater of votes cast in all  
20 uncontested general election races for the immediately  
21 preceding two general elections for that covered office. If a  
22 general election race that is initially uncontested later  
23 becomes contested because of the qualification of an  
24 independent candidate to appear on the ballot for that race,  
25 an additional amount of money will be distributed to the

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1 certified candidate to make that candidate's total  
2 distribution amount equal to the amount distributed pursuant  
3 to Subsection D of this section.

4 F. Once the certification for candidates for the  
5 primary election has been completed, the secretary shall  
6 calculate the total amount of money to be distributed in the  
7 primary election cycle, based on the number of certified  
8 candidates and the allocations specified in this section. The  
9 secretary shall increase the total amount by twenty percent to  
10 provide funds for additional matching funds in the primary  
11 election as outlined in Section 14 of the Public Campaign  
12 Finance Option Act. The secretary shall also prepare an  
13 estimate of the total amount of money that might be  
14 distributed in the general election cycle. This estimate  
15 shall be increased by twenty percent to provide funds for  
16 additional matching funds in the general election as provided  
17 in Section 14 of the Public Campaign Finance Option Act. If  
18 the total amount to be distributed in the primary election  
19 cycle, plus the added twenty percent and the estimated total  
20 amount to be distributed in the general election cycle, plus  
21 the added twenty percent, all taken together, exceed the  
22 amount expected to be available in the fund, the secretary  
23 shall allocate the amount available between the primary and  
24 general election cycles. This allocation shall be based on  
25 the ratio of the two total amounts.

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1           G. If the allocation specified in Subsection E of  
2 this section is needed, then the amounts to be distributed to  
3 individual candidates, specified in Subsections B through D of  
4 this section, shall each be reduced by the same percentage as  
5 the reduction in the total amount needed has been reduced  
6 relative to the total amount available.

7           H. If the immediately preceding two election  
8 cycles do not contain sufficient data for the secretary to  
9 determine the amount to be distributed for an office, the  
10 secretary shall use data from the most recent applicable  
11 elections for that office. If no applicable elections for  
12 that office contain sufficient data, the secretary shall set  
13 an amount based on data from elections for comparable offices.

14           I. At least every two years after January 1, 2002,  
15 the secretary shall evaluate and modify as necessary the  
16 dollar values originally determined by Subsections B through D  
17 and Subsection H of this section and shall consider and  
18 account for inflation in the evaluations. "

19           Section 14. A new section of the Election Code is  
20 enacted to read:

21           " [NEW MATERIAL] MATCHING FUNDS. -- When a noncertified  
22 candidate has one or more opponents who are certified  
23 candidates and his campaign finance report or group of reports  
24 shows that the sum of the noncertified candidate's  
25 expenditures and obligations made, or funds raised or

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1 borrowed, whichever is greater, alone or in conjunction with  
2 expenditures made independently of the candidate to influence  
3 the election on behalf of the candidate, exceeds the amount  
4 distributed to the certified candidate, the secretary shall  
5 issue immediately to any opposing certified candidate an  
6 additional amount equivalent to the excess amount reported by  
7 the non-participating opposing candidate. Total matching  
8 funds to a certified candidate in an election are limited to  
9 twice the amount originally distributed to that candidate  
10 pursuant to Section 13 of the Public Campaign Finance Option  
11 Act. "

12 Section 15. A new section of the Election Code is  
13 enacted to read:

14 "[NEW MATERIAL] ADMINISTRATION-- SECRETARY OF STATE--  
15 DUTIES. --

16 A. The secretary shall adopt rules to ensure  
17 effective administration of the Public Campaign Finance Option  
18 Act.

19 B. The rules shall include procedures for:

- 20 (1) qualifications, certification and  
21 disbursement of revenues and return of unspent fund revenues;  
22 (2) obtaining qualifying contributions;  
23 (3) certification of candidates;  
24 (4) collection of revenues; and  
25 (5) return of fund disbursements and other

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1 money to fund."

2 Section 16. A new section of the Election Code is  
3 enacted to read:

4 "[NEW MATERIAL] APPEALS. --The procedure for challenging a  
5 certification decision by the secretary is as follows:

6 A. a person aggrieved by a certification decision  
7 or a decision regarding the distribution of matching funds may  
8 appeal to the secretary within three days of the decision.  
9 The appeal shall be in writing and shall set forth the reasons  
10 for appeal;

11 B. within five days after an appeal is properly  
12 made, and after due notice is given to the parties in dispute,  
13 the secretary shall hold a hearing whereby:

14 (1) the appellant has the burden of providing  
15 evidence to demonstrate that the secretary's decision was  
16 improper; and

17 (2) the secretary shall rule on the appeal  
18 within three days after the completion of the hearing;

19 C. the parties in dispute may appeal the decision  
20 of the secretary by commencing an action in district court;  
21 and

22 D. certified candidates whose certification is  
23 revoked on appeal shall return to the secretary any unspent  
24 money distributed from the fund. If the secretary or court  
25 finds that an appeal was made frivolously or to result in

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1 delay or hardship, the secretary or court may sanction the  
2 moving party by requiring the party to pay costs of the  
3 administrative hearing, the court hearing and the opposing  
4 parties. "

5 Section 17. A new section of the Election Code is  
6 enacted to read:

7 "[NEW MATERIAL] PENALTIES. --

8 A. In addition to other penalties that may be  
9 applicable, a person who violates a provision of the Public  
10 Campaign Finance Option Act is subject to a civil penalty of  
11 up to ten thousand dollars (\$10,000) per violation. In  
12 addition to a fine, a certified candidate found in violation  
13 of that act may be required to return to the fund all amounts  
14 distributed to the candidate from the fund. If the secretary  
15 makes a determination that a violation of that act has  
16 occurred, the secretary shall impose a fine or transmit the  
17 finding to the attorney general for prosecution. In  
18 determining whether a certified candidate is in violation of  
19 the expenditure limits of that act, the secretary may consider  
20 as a mitigating factor any circumstances out of the  
21 candidate's control.

22 B. A person who willfully or knowingly violates  
23 the provisions of the Public Campaign Finance Option Act or  
24 rules of the secretary or knowingly makes a false statement in  
25 a report required by that act is guilty of a fourth degree

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1 felony and, if he is a certified candidate, shall return to  
2 the fund all money distributed to that candidate. "

3 Section 18. A new section of the Tax Administration Act  
4 is enacted to read:

5 "[NEW MATERIAL] DISTRIBUTION--PUBLIC ELECTION FUND. --A  
6 distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be  
7 made to the public election fund of all amounts designated as  
8 contributions to that fund according to the provisions of the  
9 Income Tax Act. "

10 Section 19. A new Section of the Income Tax Act is  
11 enacted to read:

12 "[NEW MATERIAL] OPTIONAL DESIGNATION OF TAX PAYMENT--  
13 PUBLIC ELECTION FUND. --

14 A. Single individuals, married individuals filing  
15 separately and heads of household may designate that five  
16 dollars (\$5.00) of their income tax payment due be paid into  
17 the public election fund. In the case of married individuals  
18 filing jointly, the couple may designate that either five  
19 dollars (\$5.00) or ten dollars (\$10.00) of the couple's income  
20 tax due be paid into the public election fund.

21 B. The secretary shall revise the state income tax  
22 form to allow the designation by individual taxpayers of  
23 contributions to the public election fund in substantially the  
24 following form:

25 "YES NO

underscored material = new  
[bracketed material] = delete

1 New Mexico Public Election Fund Contribution--  
2 Check YES if you want five dollars of your tax  
3 payment to go to the Public Election Fund.  
4 If filing jointly, check YES if your spouse  
5 also wants five dollars to go the Public  
6 Election Fund.

7 Checking YES will not change your tax bill nor  
8 will it decrease the amount of your tax refund. ". "

9 Section 20. A new section of the Income Tax Act is  
10 enacted to read:

11 "[NEW MATERIAL] DEDUCTION--PAYMENTS INTO THE PUBLIC  
12 ELECTION FUND.--A taxpayer may claim a deduction from net  
13 income for the amount of contributions made to the public  
14 election fund of up to two hundred fifty dollars (\$250) for  
15 individuals or five hundred dollars (\$500) for married  
16 individuals filing jointly for the taxable year in which the  
17 deduction was made. A husband and wife who file separate  
18 returns may each claim only one-half of the deduction that  
19 would have been allowed on a joint return. Individuals having  
20 income both within and without this state shall apportion this  
21 deduction in accordance with rules of the secretary. "

22 Section 21. APPROPRIATION.--One hundred fifty thousand  
23 dollars (\$150,000) is appropriated from the general fund to  
24 the public election fund for the purpose of carrying out the  
25 administrative duties of the secretary of state on election



underscored material = new  
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1 practices pursuant to the provisions of the Public Campaign  
2 Finance Option Act in fiscal year 2002 and subsequent fiscal  
3 years. One million nine hundred thousand dollars (\$1,900,000)  
4 is appropriated from the general fund to the public election  
5 fund for disbursement by the secretary to certified  
6 candidates. Any unexpended or unencumbered balance remaining  
7 at the end of a fiscal year shall not revert to the general  
8 fund.

9 Section 22. SEVERABILITY.--If any part of or application  
10 of the Public Campaign Finance Option Act is held invalid, the  
11 remainder of its provisions or its application to other  
12 situations or persons shall not be affected.

13 Section 23. APPLICABILITY.--The provisions of Sections  
14 18 through 20 of this act apply to taxable years beginning on  
15 or after January 1, 2001.

16 Section 24. EFFECTIVE DATE.--The effective date of the  
17 provisions of this act is July 1, 2001.