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HOUSE BILL 81

44TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2000

INTRODUCED BY

R. David Pederson

FOR THE CAMPAIGN FINANCE AND ELECTION REFORM COMMITTEE

AN ACT

RELATING TO ELECTIONS; AMENDING THE CAMPAIGN REPORTING ACT; PROVIDING FOR ELECTRONIC REPORTING AND RETRIEVAL OF INFORMATION; MAKING AN APPROPRIATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO: Section 1. Section 1-19-26 NMSA 1978 (being Laws 1979,

Chapter 360, Section 2, as amended) is amended to read:

"1-19-26. DEFINITIONS.--As used in the Campaign Reporting Act:

- "advertising campaign" means an advertisement or series of advertisements used for a political purpose and disseminated to the public either in print, by radio or television broadcast or by any other electronic means, including telephonic communications, and may include direct or bulk mailings of printed materials;
- "anonymous contribution" means a contribution .130278.2

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

- C. "bank account" means an account in a financial institution located in New Mexico;
- D. "campaign committee" means two or more persons authorized by a candidate to raise, collect or expend contributions on the candidate's behalf for the purpose of electing him to office;
- E. "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 or:
- (1) for a non-statewide office, has received contributions or made expenditures of one thousand dollars (\$1,000) or more or authorized another person or campaign committee to receive contributions or make expenditures of one thousand dollars (\$1,000) or more for the purpose of seeking election to the office; or
- (2) for a statewide office, has received contributions or made expenditures of two thousand five hundred dollars (\$2,500) or more or authorized another person or campaign committee to receive contributions or make expenditures of two thousand five hundred dollars (\$2,500) or more for the purpose of seeking election to the office or for candidacy exploration purposes in the years prior to the year of the election;

F. "contribution" means a gift, subscription, loan, advance or deposit of any 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, but 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;

- G. "deliver" or "delivery" means by certified or registered mail, by telecopier, electronic [mail] transmission or facsimile or by personal service;
- H. "election" means any primary, general or statewide special election in New Mexico and includes county and judicial retention elections but excludes municipal, school board and special district elections;
- I. "election year" means an even-numbered year in which an election covered by the Campaign Reporting Act is held;
- J. "expenditure" means a payment, transfer or distribution or obligation or promise to pay, transfer or distribute any money or other thing of value for a political purpose, including payment of a debt incurred in an election campaign or pre-primary convention, but does not include the

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administrative or solicitation expenses of a political committee that are paid by an organization that sponsors the committee;

- K. "person" means an individual or entity;
- L. "political committee" means two or more persons, other than members of a candidate's immediate family or campaign committee or a husband and wife who make a contribution out of a joint account, who are selected, appointed, chosen, associated, organized or operated primarily for a political purpose and includes political action committees or similar organizations composed of employees or members of any corporation, labor organization, trade or professional association or any other similar group that raises, collects, expends or contributes money or any other thing of value for a political purpose; provided that a political committee includes a single individual who by his actions represents that he is a political committee and a person or an organization of two or more persons that within one calendar year expends funds in excess of two thousand dollars (\$2,000) to conduct an advertising campaign for a political purpose;
- M. "political purpose" means influencing or attempting to influence an election or pre-primary convention, including a constitutional amendment or other question submitted to the voters;
- N. "prescribed form" means a form <u>or electronic</u>

 format prepared and prescribed by the secretary of state;

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- O. "proper filing officer" means either the secretary of state or the county clerk as provided in Section 1-19-27 NMSA 1978;
- P. "public official" means a person elected to an office in an election covered by the Campaign Reporting Act or a person appointed to an office that is subject to an election covered by that act;
- Q. "reporting individual" means every public official, candidate or treasurer of a campaign committee and every treasurer of a political committee; and
- R. "statement of exception" or "statement" means the prescribed form subscribed and sworn to by a candidate to indicate that the candidate does not intend to raise or expend the minimum amount required for the filing of a report of expenditures and contributions as provided in Section 1-19-33 NMSA 1978."

Section 2. Section 1-19-27 NMSA 1978 (being Laws 1979, Chapter 360, Section 3, as amended) is amended to read:

"1-19-27. REPORTS REQUIRED--PROPER FILING OFFICER.--

- A. Except for those candidates who file a statement of exception in an election year pursuant to Section 1-19-33 NMSA 1978, all reporting individuals shall annually file with the proper filing officer a report of expenditures and contributions on a prescribed form. The report shall be filed on the second Monday in May pursuant to the provisions of Subsection A of Section 1-19-29 NMSA 1978.
 - B. The proper filing officer for filing reports of

expenditures and contributions or statements of exception is the secretary of state for a public official in or a candidate seeking any of the following offices:

- (1) a statewide elective office;
- (2) an elected judicial office [in the judicial department], except a magistrate; [and]
- (3) an office, <u>other than a legislative</u> <u>office</u>, representing a district composed of more than one county; <u>or</u>
- (4) a legislative office except that, through December 31, 2003, legislators representing or candidates seeking to represent multicounty districts may file reports of expenditures and contributions or statements of exception with either the secretary of state or with the county clerk in the county in which they reside.
- C. The proper filing officer for filing reports of expenditures and contributions or statements of exception is the county clerk for a public official in or a candidate seeking any of the following offices:
 - (1) an elective county office;
 - (2) a magistrate; and
- $(3) \ \underline{\text{through December 31, 2003}}, \ \text{a state}$ legislative office elected from a district located wholly within one county.}
- D. The proper filing officer for filing reports of expenditures and contributions by a political committee is the secretary of state.

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E. The secretary of state shall develop or
contract for services to develop an electronic reporting
system for receiving and for public inspection of reports of
expenditures and contributions and statements of exception
pursuant to the Campaign Reporting Act. The electronic
reporting system shall include:

- (1) an electronic format for reports and
 statements;
- (2) computer software to be provided to reporting individuals for their compliance with the Campaign Reporting Act; and
- (3) provisions for encrypted transmissions."

 Section 3. Section 1-19-29 NMSA 1978 (being Laws 1993,
 Chapter 46, Section 5, as amended by Laws 1997, Chapter 12,
 Section 1 and also by Laws 1997, Chapter 112, Section 3) is
 amended to read:
 - "1-19-29. TIME AND PLACE OF FILING REPORTS.--
- A. Annually, all reporting individuals shall file with the proper filing officer by 5:00 p.m. on 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. The report shall be filed annually until the reporting individual's bank account has been closed and the other provisions specified in Subsection E of this section have been satisfied.
- B. In an election year, in addition to the May report provided for in Subsection A of this section, all

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reporting individuals, except for persons who file a statement of exception pursuant to Section 1-19-33 NMSA 1978 and except for public officials who are not candidates in an election that year, shall file reports of all expenditures made and contributions received according to the following schedule:

- (1) by 5:00 p.m. on 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;
- by 5:00 p.m. on 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. Any contribution or pledge to contribute that is received after 5:00 p.m. on the Tuesday before the election and that is for five hundred dollars (\$500) or more in a legislative or non-statewide judicial election, or two thousand five hundred dollars (\$2,500) or more 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 by 5:00 p.m. on 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; and

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- (3) by 5:00 p.m. on the thirtieth day after a primary, general or statewide special election, a report of all expenditures made and contributions received on or before the twenty-fifth day after the election and not previously reported.
- C. Notwithstanding the other provisions of this section, the report due on the thirtieth day after an election need be the only report filed after the annual May report if the candidate is not opposed in the election and if the report includes all expenditures made and contributions received for that election and not previously reported.
- D. A report of expenditures and contributions filed after a deadline set forth in this section shall not be deemed to have been timely filed.
- E. Each reporting individual shall file a report of expenditures and contributions annually pursuant to the filing schedule set forth in this section, regardless of whether any expenditures were made or contributions were received during the reporting period. Reports shall be required until the reporting individual delivers a report to the proper filing officer stating that:
 - (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 account has been closed.
 - F. Each treasurer of a political committee shall

file a report of expenditures and contributions annually pursuant to the filing schedule set forth in this section until the treasurer files a report that affirms that the committee has dissolved or no longer exists and that its bank account has been closed.

G. A reporting individual who is a candidate within the meaning of the Campaign Reporting Act because of the amount of contributions he receives or expenditures he makes and who does not ultimately file a declaration of candidacy or a nominating petition with the proper filing officer shall nevertheless file a report, not later than the second Monday in May for a primary election or the second Monday in October for a general election, of all contributions received and expenditures made on or before the first Monday in May for a primary election or the first Monday in October for a general election, and not previously reported.

H. Reports required by this section shall be filed electronically beginning:

(1) January 1, 2002 for statewide elective office reporting individuals, except for individuals who have contributions or expenditures in any election year of less than two thousand five hundred dollars (\$2,500) for a primary, general or special election;

(2) January 1, 2004 for legislative, public regulation commission and political committee reporting individuals, except for individuals who have contributions or

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(3) January 1, 2008 for all statewide elective office, legislative, public regulation commission and political committee reporting individuals."

Section 4. Section 1-19-32 NMSA 1978 (being Laws 1979, Chapter 360, Section 8, as amended) is amended to read:

"1-19-32. INSPECTION OF PUBLIC RECORDS.--

A. Each of the following documents is a public record open to public inspection during regular office hours in the office in which the document was filed or from which the document was issued:

- (1) a statement of exception;
- (2) a report of expenditures and
 contributions;
- (3) an advisory opinion issued by the secretary of state;
- (4) a document specified as a public record in the Campaign Reporting Act; and
- (5) an arbitration decision issued by an arbitration panel and filed with the secretary of state.
- B. Each public record described in Subsection A of this section shall be retained by the state for five years and may be destroyed five years after the date of filing unless a legal action or prosecution is pending that requires the preservation of the public record.
 - C. The secretary of state shall provide electronic

access to reports of expenditures and contributions and statements of exception submitted electronically by reporting individuals. The electronic access shall include access via the internet and shall be in an easily searchable format."

Section 5. APPROPRIATION.--Six hundred thousand dollars (\$600,000) is appropriated from the general fund to the secretary of state for expenditure in fiscal years 2001 and 2002 for the purpose of designing, developing and operating an electronic reporting system. Any unexpended or unencumbered balance remaining at the end of the fiscal year 2002 shall revert to the general fund.

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