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SENATE BILL 39

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

INTRODUCED BY

Dede Feldman

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

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

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

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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. 9 9
4 If filing jointly, check YES if your spouse
5 also wants five dollars to go the Public
6 Election Fund. 9 9

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

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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.