## 50TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2011

INTRODUCED BY

SENATE BILL 547

Peter Wirth

AN ACT

RELATING TO ELECTIONS; REDEFINING "POLITICAL COMMITTEE";

DEFINING "ADVERTISEMENT", "BALLOT MEASURE", "CAMPAIGN

EXPENDITURE", "COORDINATED EXPENDITURE", "INDEPENDENT

EXPENDITURE" AND "INDEPENDENT EXPENDITURE COMMITTEE"; REQUIRING

REPORTING OF INDEPENDENT EXPENDITURES; REQUIRING DISCLAIMERS IN

ADVERTISEMENTS; 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:

"[NEW MATERIAL] INDEPENDENT EXPENDITURES--REPORTING
REQUIREMENTS.--

A. Within three days after making an independent expenditure that is not otherwise required to be reported .183557.5

pursuant to the Campaign Reporting Act, the person who made the expenditure shall file a report of the expenditure with the secretary of state.

- B. The report required by Subsection A of this section shall state:
- (1) the name and address of the person who made the expenditure;
- (2) the name and address of the person to whom the independent expenditure was made and the amount, date and purpose of the 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
- (3) the amount and the name and address of the contributor of each contribution of one hundred dollars (\$100) or more that was:
- (a) earmarked by the contributor to be used to make the independent expenditure covered by the report; or
- (b) made in response to a solicitation for contributions to be used to make the specific independent expenditure covered by the report.
- C. Independent expenditures shall be reported electronically using software provided or approved by the secretary of state. The secretary of state may make exceptions .183557.5

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on a case-by-case basis for a person who lacks the technological ability to file reports using the electronic means provided or approved by the secretary of state.

- D. Failure of any person to report electronically pursuant to this section is a violation of the Campaign Reporting Act."
- **SECTION 2.** A new section of the Campaign Reporting Act is enacted to read:

## "[NEW MATERIAL] DISCLAIMERS IN ADVERTISEMENTS.--

- A. A person who makes an expenditure of three hundred dollars (\$300) or more for an advertisement shall ensure that the advertisement contains:
- (1) the name of the candidate who authorized the advertisement or whose campaign committee authorized the advertisement;
- (2) if the advertisement is not authorized by any candidate or campaign committee, the name of the person who authorized it;
- (3) the name of the person who paid for the advertisement; and
- (4) the phone number, email address or web address of the person who paid for the advertisement.
- B. 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 .183557.5

advertisement is transmitted by audio media, the statement shall be clearly spoken at the end of the communication. If the advertisement is transmitted by audio-visual media, the statement shall be both written legibly and spoken clearly at the end of the advertisement."

SECTION 3. Section 1-19-26 NMSA 1978 (being Laws 1979, Chapter 360, Section 2, as amended by Laws 2009, Chapter 67, Section 1 and by Laws 2009, Chapter 68, Section 2) is amended to read:

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

[A. "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;

A. "advertisement" means a communication referring to a candidate, ballot measure or election that is published, disseminated, distributed or displayed to the public by print, broadcast, satellite, cable or electronic media, including recorded phone messages, or by printed materials, including mailers, handbills, signs and billboards, and that can reasonably be expected to be seen or heard by at least one thousand persons; but "advertisement" does not include:

1	(1) an internal political communication
2	primarily limited to the contributors to a qualified political
3	party, political committee or independent expenditure
4	committee, the officers, management, staff and stockholders of
5	a corporation or similar enterprise, or the members of a labor
6	organization or other membership organization;
7	(2) communications appearing in a news story,
8	commentary or editorial distributed through print, broadcast,
9	satellite, cable or electronic media, unless such media are
10	owned or controlled by a candidate, political party, political
11	committee or independent expenditure committee; or
12	(3) nonpartisan voter guides, nonpartisan
13	get-out-the-vote materials or announcements of candidate
14	debates or forums;
15	B. "anonymous contribution" means a contribution
16	the contributor of which is unknown to the candidate or the
17	candidate's agent or the political committee or its agent who
18	accepts the contribution;
19	C. "ballot measure" means a constitutional
20	amendment or other question submitted to the voters in an
21	election;
22	[C.] D. "bank account" means an account in a
23	financial institution located in New Mexico;
24	$[\frac{D_{\bullet}}]$ $\underline{E_{\bullet}}$ "campaign committee" means two or more
25	persons authorized by a candidate to raise, collect or expend
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contributions on the candidate's behalf for the purpose of electing the candidate to office;

F. "campaign expenditure" means a payment or

transfer or promise to pay or transfer money or other thing of

value that is made by a campaign committee or by a candidate in

furtherance of the candidate's campaign in an election;

[E.] 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 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.] H. "contribution":

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(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, but "contribution"]
(a) made to a candidate to be used in
the candidate's campaign for election to an office covered by
the Campaign Reporting Act;
(b) made to a campaign committee,
political committee or independent expenditure committee;
(c) earmarked by the contributor to be
used for an independent expenditure; or
(d) made in response to a solicitation
for contributions to be used for an independent expenditure;
(2) includes a coordinated expenditure; and
(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];
<pre>I. "coordinated expenditure":</pre>
(1) means a payment or transfer or promise to
pay or transfer money or other thing of value that is made:

		_	(a)	bу	а	person	other	than	а	candidate
						_				_
or	campaign	committee:								

(b) at the direction, suggestion or request of, or in consultation with, a candidate, campaign committee or political committee other than the person making the expenditure, or by any agent or representative of a candidate, campaign committee or political committee other than the person making the expenditure; and

(c) in order to pay for an advertisement that: 1) expressly advocates the election or defeat of a clearly identified candidate; 2) is susceptible of no other reasonable interpretation than as an appeal to vote for or against a clearly identified candidate; or 3) refers to a clearly identified candidate, is published or disseminated within sixty days before the general election or thirty days before the primary election at which the candidate is on the ballot and can reasonably be expected to be seen or heard by at least five hundred persons eligible to vote for the candidate; and

(2) is deemed to constitute a contribution

from the person who made the expenditure to the candidate,

campaign committee or political committee by whom or by whose

agent or representative the expenditure was directed, suggested

or requested or in consultation with whom or with whose agent

or representative the expenditure was made;

= new	= delete
underscored material	[bracketed material]

	[ <del>G.</del> ] <u>J.</u>	"deliver"	or	"delivery'	' means	to	deliver	bу
certified	or regist	ered mail,	te	lecopier, e	electro	nic		
transmissi	on or fac	simile or 1	by ·	personal se	ervice;			

- $[H_{\bullet}]$   $\underline{K}_{\bullet}$  "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;
- [ $\overline{\text{H-}}$ ]  $\underline{\text{L.}}$  "election year" means an even-numbered year in which an election covered by the Campaign Reporting Act is held;
- [J.] M. "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 administrative or solicitation expenses of a political committee that are paid by an organization that sponsors the committee] campaign expenditure, a coordinated expenditure or an independent expenditure;
- N. "independent expenditure" means a payment or transfer or promise to pay or transfer money or other thing having a value of three hundred dollars (\$300) or more that is:
- (1) made by a person other than a candidate or campaign committee;
- (2) not a coordinated expenditure as defined .183557.5

1	in the Campaign Reporting Act; and
2	(3) made to pay for an advertisement that:
3	(a) expressly advocates the election or
4	defeat of a clearly identified candidate or the passage or
5	defeat of a clearly identified ballot measure;
6	(b) is susceptible of no other
7	reasonable interpretation than as an appeal to vote for or
8	against a clearly identified candidate or ballot measure; or
9	(c) refers to a clearly identified
10	candidate or ballot measure, is published or disseminated
11	within sixty days before the general election or thirty days
12	before the primary election at which the candidate or ballot
13	measure is on the ballot and can reasonably be expected to be
L 4	seen or heard by at least five hundred persons eligible to vote
15	for the candidate or ballot measure;
16	O. "independent expenditure committee" means an
17	association of two or more persons the primary purpose of which
18	is to make independent expenditures and that has expended two
19	thousand dollars (\$2,000) or more for that purpose in a
20	calendar year;
21	[ $K_{\bullet}$ ] $P_{\bullet}$ "person" means an individual or entity;
22	[ <del>L.</del> ] <u>Q.</u> "political committee" means [ <del>two or more</del>
23	persons, other than members of a candidate's immediate family
24	or campaign committee or a husband and wife who make a
25	contribution out of a joint account, who are selected,
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appointed,	<del>, chosen,</del>	associated	<del>, organized</del>	<del>l or opera</del> t	<del>ted primarily</del>
for a poli	<del>itical pu</del>	rpose; and	<del>"political</del>	<del>committee</del>	<del>" includes:</del>

- (1) political parties, 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;
- (2) a single individual whose actions represent that the individual is a political committee; and
- (3) a person or an organization of two or more persons that within one calendar year expends funds in excess of five hundred dollars (\$500) 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] a qualified political party or an association of two or more persons the primary purpose of which is to make coordinated expenditures;
- $[N_{\bullet}]$   $R_{\bullet}$  "prescribed form" means a form or electronic format prepared and prescribed by the secretary of state;
- $[\Theta_{\bullet}]$  S. "proper filing officer" means either the secretary of state or the county clerk as provided in Section .183557.5

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 $[P_{ullet}]$   $\underline{T}_{ullet}$  "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; and

[Q.] <u>U.</u> "reporting individual" means every public official, candidate or treasurer of a campaign committee and every treasurer of a political committee <u>or independent</u> expenditure committee."

SECTION 4. Section 1-19-26.1 NMSA 1978 (being Laws 1993, Chapter 46, Section 2, as amended) is amended to read:

"1-19-26.1. POLITICAL COMMITTEES AND INDEPENDENT EXPENDITURE COMMITTEES -- REGISTRATION -- DISCLOSURES. --

A. It is unlawful for [any] a political committee [that receives, contributes or expends in excess of five hundred dollars (\$500) in any calendar year], or an independent expenditure committee that receives or expends in excess of two thousand dollars (\$2,000) in any calendar year, to continue to receive or make [any] a contribution or expenditure [for a political purpose] unless that [political] committee appoints and maintains a treasurer and registers with the secretary of state.

B. A political committee shall register with the secretary of state within ten days of [receiving, contributing or expending in excess of five hundred dollars (\$500)]

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organizing, and an independent expenditure committee shall register with the secretary of state within ten days of receiving or expending in excess of two thousand dollars (\$2,000), by paying a filing fee of fifty dollars (\$50.00) and filing a statement of organization under oath on a prescribed form showing:

- (1) the full name of the [political] committee, which shall fairly and accurately reflect the identity of the committee, including any sponsoring organization, and its address;
- (2) a statement of the purpose for which the
  [political] committee was organized;
- (3) the name, address and relationship of any connected or associated organization or entity;
- (4) the names and addresses of the officers of the committee; and
- (5) an identification of the bank <u>account</u>

  <u>establish pursuant to Section 1-19-34 NMSA 1978 that is</u> used by

  the committee for all expenditures or contributions made or
  received.
- C. The provisions of this section do not apply to a political committee or independent expenditure 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 5. 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 by 5:00 p.m. on the second Monday in April and October a report of all expenditures made and contributions received on or before the first Monday in those months and not previously reported. The report shall be filed biannually until the reporting individual's bank account has been closed and the other provisions specified in Subsection F of 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) by 5:00 p.m. on 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) 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;
- (3) by 5:00 p.m. on 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) 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;
- 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

- (6) 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. If a candidate or public official has not received any contributions and has not made any expenditures since the candidate's or official's last report was filed with the proper filing officer, the candidate or official shall only be required to file a statement of no activity, which shall not be required to be notarized, in lieu of a full report when that report would otherwise be due and shall not be required to file a full report until the next required filing date occurring after an expenditure is made or a contribution is received.
- 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 and public officials who file a statement of no activity, each reporting individual 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 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.
- G. Each treasurer of a political committee or independent expenditure committee shall file a report of expenditures and contributions pursuant to the filing schedules 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.
- 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 independent expenditure committee. A report filed electronically shall be electronically authenticated by the candidate or the treasurer of the [political] 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 [political] 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 state."
- SECTION 6. Section 1-19-34 NMSA 1978 (being Laws 1979, Chapter 360, Section 10, as amended) is amended to read:
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"1-19-34. CANDIDATES--POLITICAL, <u>CAMPAIGN OR INDEPENDENT</u>

<u>EXPENDITURE</u> COMMITTEES--TREASURER--BANK ACCOUNT--ANONYMOUS

CONTRIBUTIONS--CONTRIBUTIONS FROM SPECIAL EVENTS.--

- A. [It is unlawful for the members of any]  $\underline{A}$  political, <u>campaign or independent expenditure</u> committee or any candidate [to make any expenditure or solicit or accept any contribution for a political purpose unless] shall ensure that:
- (1) a treasurer has been appointed and is constantly maintained; provided, however, when a duly appointed treasurer is unable for any reason to continue as treasurer, the candidate or [political] committee shall appoint a successor; and provided further that a candidate may serve as [his] the candidate's own treasurer;
- (2) all disbursements of money and receipts of contributions are authorized by and through the candidate or treasurer;
- established and all receipts of money contributions and all expenditures of money are deposited in and disbursed from the one bank account maintained by the treasurer in the name of the candidate or [political] committee; provided that nothing in this section shall prohibit investments from the 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 by check made payable to the person or entity receiving the disbursement and not to "cash" or "bearer"; and

- (4) the treasurer upon disbursing or receiving money or other things of value immediately enters and thereafter keeps a proper record preserved by [him] 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 in excess of 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.
- C. Cash contributions received at special events that are unidentifiable as to specific contributor but identifiable as to the special event are not subject to the anonymous contribution limits provided for in this section so long as no single special event raises, after expenses, more than one thousand dollars (\$1,000) in such cash contributions. For those contributions, due diligence and best efforts shall be made to disclose on a special prescribed form the sponsor,

date, place, total amount received, expenses incurred, estimated number of persons in attendance and other identifiable factors that describe the special event. For purposes of this subsection, "special event" includes an event such as a barbecue or similar fundraiser where tickets costing fifteen dollars (\$15.00) or less are sold or an event such as a coffee, tea or similar reception.

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."

SECTION 7. Section 1-19-34.1 NMSA 1978 (being Laws 1993, Chapter 46, Section 12, as amended) is amended to read:

"1-19-34.1. LEGISLATIVE SESSION FUNDRAISING PROHIBITION.--

A. It is unlawful during the prohibited period for a state legislator or a candidate for state legislator, or any agent on behalf of either, to knowingly solicit a contribution [for a political purpose]. For purposes of this subsection, "prohibited period" means that period beginning January 1 prior to any regular session of the legislature or, in the case of a special session, after the proclamation has been issued, and

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ending on adjournment of the regular or special session.

It is unlawful during the prohibited period for the governor, or any agent on [his] the governor's behalf, to knowingly solicit a contribution [for a political purpose]. For purposes of this subsection, "prohibited period" means that period beginning January 1 prior to any regular session of the legislature or, in the case of a special session, after the proclamation has been issued, and ending on the twentieth day following the adjournment of the regular or special session."

SECTION 8. REPEAL.--Sections 1-19-16 and 1-19-17 NMSA 1978 (being Laws 1973, Chapter 401, Sections 1 and 2) are repealed.

EFFECTIVE DATE. -- The effective date of the SECTION 9. provisions of this act is July 1, 2011.

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