1	SENATE BILL 289
2	52ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2015
3	INTRODUCED BY
4	Peter Wirth
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10	AN ACT
11	RELATING TO PUBLIC FINANCING OF ELECTIONS; INCLUDING CANDIDATES
12	FOR THE LEGISLATURE IN THE VOTER ACTION ACT; REMOVING SEED
13	MONEY REQUIREMENTS; ALLOWING CERTAIN CONTRIBUTIONS; DEFINING
14	TERMS; CHANGING DISTRIBUTION AND MATCHING FUND AMOUNTS;
15	PROHIBITING DISTRIBUTION OF FUNDS TO CANDIDATES IN UNCONTESTED
16	RACES; CLARIFYING PENALTY PROVISIONS; AMENDING, REPEALING AND
17	ENACTING SECTIONS OF THE VOTER ACTION ACT.
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19	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:
20	SECTION 1. Section 1-19A-1 NMSA 1978 (being Laws 2003,
21	Chapter 14, Section 1) is amended to read:
22	"1-19A-1. SHORT TITLE[Sections through 17 of this
23	act] Chapter 1, Article 19A NMSA 1978 may be cited as the
24	"Voter Action Act"."
25	SECTION 2. Section 1-19A-2 NMSA 1978 (being Laws 2003,
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1 Chapter 14, Section 2, as amended) is amended to read: 2 "1-19A-2. DEFINITIONS.--As used in the Voter Action Act: "applicant candidate" means a candidate who is 3 Α. running for a covered office and who is seeking to be a 4 5 certified candidate in a primary or general election; "certified candidate" means a candidate running 6 Β. 7 for a covered office who chooses to obtain financing pursuant to the Voter Action Act and is certified as a Voter Action Act 8 9 candidate: C. "contested election" means an election in which 10 there are more candidates for a position than the number to be 11 12 elected to that position; D. "contribution" means a gift, subscription, loan, 13 advance or deposit of money or other thing of value, including 14 the estimated value of an in-kind contribution, that is made or 15 received for the purpose of supporting or opposing the 16 nomination for election or election of a candidate for public 17 office, including payment of a debt incurred in an election 18 campaign and also including a coordinated expenditure, but 19 20 "contribution" does not include the value of services provided without compensation or unreimbursed travel or other personal 21 expenses of individuals who volunteer a portion or all of their 22 time on behalf of a candidate; 23 E. "coordinated expenditure" means a campaign 24 expenditure by a person other than a candidate's campaign that 25 .197645.2

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<u>is made at the direction or request of, or in cooperation,</u> <u>consultation or concert with, that candidate's campaign or any</u> <u>agent or representative of that candidate's campaign;</u>

 $[\underline{P}_{\cdot}]$ <u>F</u>. "covered office" means any office of the judicial department subject to statewide elections, <u>office of a</u> <u>state legislator</u> and the office of public regulation commissioner;

[E.] G. "election cycle" means the primary and 8 9 general elections for the same term of the same covered office, beginning on the day after the last general election for the 10 office and ending with the general election; the primary 11 12 election cycle begins on the first day of the election cycle and ends on the day of the primary election; the general 13 14 election begins on the day after the primary election and ends on the day of the general election; 15

[F.] H. "fund" means the public election fund;

[G. "noncertified candidate" means either a candidate running for a covered office who does not choose to participate in the Voter Action Act and who is not seeking to be a certified candidate or a candidate who files a declaration of intent to participate but who fails to qualify;

H.] <u>I.</u> "qualifying contribution" means a donation of five dollars (\$5.00) in the form of cash or a check or money order payable to the fund in support of an applicant candidate that is:

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1 made by a [registered] voter who is (1) 2 eligible to vote for the covered office that the applicant 3 candidate is seeking; (2) made during the designated qualifying 4 5 period and obtained through efforts made with the knowledge and approval of the applicant candidate; and 6 7 (3) acknowledged by a receipt that identifies the contributor's name and residential address on forms 8 9 provided by the bureau of elections and that is signed by the contributor, one copy of which is attached to the list of 10 contributors and sent to the bureau of elections; 11 12 [1.] J. "qualifying period" means: for major party applicant candidates for (1)13 14 covered offices, the period beginning October 1 immediately preceding the election year and ending at 5:00 p.m. on the 15 third Tuesday of March of the election year; and 16 for independent and minor party 17 (2) candidates, the period beginning [February] January 1 of the 18 election year and ending that year at 5:00 p.m. on the filing 19 20 date for independent or minor party candidates for the office for which the candidate is running; and 21 $[J_{\cdot}]$ <u>K</u>. "secretary" means the secretary of state or 22 the office of the secretary of state [and 23 K. "seed money" means a contribution raised for the 24 primary purpose of enabling applicant candidates to collect 25 .197645.2 - 4 -

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qualifying contributions and petition signatures]."

SECTION 3. Section 1-19A-3 NMSA 1978 (being Laws 2003, Chapter 14, Section 3) is amended to read:

"1-19A-3. TERMS OF PARTICIPATION--DECLARATION OF INTENT.--

A. A [candidate] person choosing to obtain financing pursuant to the Voter Action Act shall first file with the secretary a declaration of intent to participate in that act as an applicant candidate for a stated covered office. The declaration of intent shall be filed with the secretary prior to or during the qualifying period according to forms and procedures developed by the secretary.

B. <u>To become</u> an applicant candidate [choosing to] and participate in the Voter Action Act, <u>a person</u> shall submit a declaration of intent prior to collecting any qualifying contributions <u>or other contributions</u> and make explicit in the declaration that the candidate has complied with and will continue to comply with that act's contribution and expenditure limits and all other requirements set forth in that act and rules issued by the secretary.

C. A [candidate] person shall not be eligible to become an applicant candidate if the [candidate] person has accepted contributions totaling [five hundred dollars (\$500) or more or made expenditures totaling five hundred dollars (\$500) or more between the beginning of the qualifying period and

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1 filing a declaration of intent] more than one hundred dollars 2 (\$100), excluding any qualifying contributions, from any one contributor during the election cycle in which the person is 3 running for office." 4 Section 1-19A-6 NMSA 1978 (being Laws 2003, 5 SECTION 4. Chapter 14, Section 6) is amended to read: 6 "1-19A-6. 7 CERTIFICATION. --Upon receipt of a final submittal of qualifying 8 Α. 9 contributions by an applicant candidate, the secretary shall determine from the applicant candidate's statement whether the 10 applicant candidate has: 11 12 signed and filed a declaration of intent (1)to obtain financing pursuant to the Voter Action Act in 13 14 accordance with the requirements of that act; collected and submitted the appropriate 15 (2) number of qualifying contributions after filing a declaration 16 of intent; 17 (3) [qualified as] the qualifications to be a 18 19 candidate pursuant to other applicable state election law; 20 (4) complied with [seed money] contribution and expenditure restrictions; and 21 otherwise met the requirements for (5) 22 obtaining financing pursuant to the Voter Action Act. 23 Β. The secretary shall certify applicant candidates 24 25 complying with the requirements of this section as certified .197645.2 - 6 -

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candidates as soon as possible and no later than ten days after final submittal of qualifying contributions and certification as a candidate pursuant to other applicable state election law.

C. A certified candidate shall comply with all requirements of the Voter Action Act after certification and throughout the primary election and general election cycles. A certified candidate who accepts public campaign finance funds for the primary election shall comply with all the requirements of the Voter Action Act for the remainder of the election cycle in question, even if [he] the certified candidate decides not to accept such funds for the general election."

SECTION 5. Section 1-19A-7 NMSA 1978 (being Laws 2003, Chapter 14, Section 7, as amended) is amended to read:

"1-19A-7. GUIDELINES AND RESTRICTIONS FOR CONTRIBUTIONS TO AND EXPENDITURES OF CERTIFIED CANDIDATES.--

A. All money distributed to a certified candidate shall be used for that candidate's campaign-related purposes in the election [cycle] in which the money was distributed. <u>Money</u> <u>received from the fund shall not be used for any other purpose,</u> <u>including:</u>

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1	(3) a contribution to the campaign of another
2	<u>candidate or to a political party or political committee or to</u>
3	a campaign supporting or opposing a ballot proposition;
4	(4) an expenditure supporting the election of
5	another candidate or the passage or defeat of a ballot
6	proposition or the defeat of any candidate other than an
7	opponent of the participating candidate;
8	(5) payment of legal expenses or any fine
9	levied by a court or the secretary of state; or
10	(6) any gift or transfer for which
11	compensating value is not received.
12	B. A certified candidate shall return to the fund
13	any amount that is unspent or unencumbered at the time that
14	person ceases to be a candidate before a primary or general
15	election for which the fund money was distributed.
16	C. A certified candidate shall limit total campaign
17	expenditures and debts to the amount of money distributed to
18	that candidate from the fund, money received from a political
19	party pursuant to Section 1-19A-8 NMSA 1978 and contributions
20	collected pursuant to Section 8 of this 2015 act. A certified
21	candidate shall not accept contributions or loans from any
22	other source except the certified candidate's political party,
23	as specified in Section 1-19A-8 NMSA 1978 and contributions
24	collected pursuant to Section 8 of this 2015 act.
25	D. A certified candidate <u>that does not remain a</u>

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<u>underscored material = new</u> [bracketed material] = delete 1 candidate in the general election shall [return to the 2 secretary], within thirty days after the primary election, [any amount that is | transfer to the secretary for deposit in the 3 fund any amount received from the fund, from a political party 4 pursuant to Section 1-19A-8 NMSA 1978 or from private 5 contributors pursuant to Section 8 of this 2015 act that 6 7 remains unspent or unencumbered by the date of the primary 8 election [for direct deposit into the fund].

9 Ε. A certified candidate shall [return to the secretary], within thirty days after the general election, [any 10 amount that is | transfer to the secretary for deposit in the 11 12 fund any amount received from the fund, from a political party pursuant to Section 1-19A-8 NMSA 1978 or from private 13 contributors pursuant to Section 8 of this 2015 act that 14 remains unspent or unencumbered by the date of the general 15 election [for direct deposit into the fund]. 16

F. If a certified candidate withdraws his or her candidacy or otherwise ceases to be a certified candidate, the candidate shall, within thirty days thereafter, transfer to the secretary for deposit in the fund any amount received from the fund, from a political party pursuant to Section 1-19A-8 NMSA 1978 or from private contributors pursuant to Section 8 of this 2015 act that remains unspent or unencumbered by the date the candidate withdraws or otherwise ceases to be a certified candidate."

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1	SECTION 6. Section 1-19A-9 NMSA 1978 (being Laws 2003,
2	Chapter 14, Section 9) is amended to read:
3	"1-19A-9. CANDIDATE REPORTING REQUIREMENTS
4	A. The secretary shall publish guidelines outlining
5	permissible campaign-related expenditures and penalties for
6	violations of the Voter Action Act by January 1, 2016.
7	B. Applicant candidates shall file a report listing
8	[seed money] contributions and expenditures with their
9	application for certification.
10	C. Applicant candidates shall file qualifying
11	contributions with the secretary during the qualifying period
12	according to procedures developed by the secretary. In
13	developing these procedures, the secretary shall use existing
14	campaign reporting procedures and deadlines whenever practical.
15	D. Certified candidates shall report <u>all</u>
16	contributions and expenditures according to the campaign
17	reporting [requirements] <u>schedule</u> specified in the [Election
18	Code.
19	E. In addition to the campaign contribution and
20	expenditure reports specified in the Election Code, all
21	noncertified candidates who have as an opponent a certified
22	candidate shall report to the secretary ten days before the
23	primary and general elections the amount of money spent by that
24	noncertified candidate. This report shall include all
25	previously unreported transactions through 5:00 p.m. two days
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before the report is due.

2	F. A person or political committee that makes
3	expenditures to influence a race involving a certified
4	candidate shall report to the secretary the amount that person
5	or political committee has spent. These reports shall include
6	all previously unreported transactions through 5:00 p.m. two
7	days before the report is due, and shall be submitted as
8	follows:
9	(1) for the primary election, by 5:00 p.m. on
10	the second Monday in May, by 5:00 p.m. on the eleventh day
11	before the election and by 5:00 p.m. on the Thursday before the
12	election; and
13	(2) for the general election, by 5:00 p.m. the
14	first Tuesday in October, by 5:00 p.m. on the eleventh day
15	before the election and by 5:00 p.m. on the Thursday before the
16	election] Campaign Reporting Act. In addition, to receive
17	matching fund distributions, certified candidates may file
18	matching fund contribution reports in accordance with Section
19	1-19A-14 NMSA 1978. Each matching fund contribution report
20	need only list the contributions received and not previously
21	reported by a candidate since the candidate's last matching
22	fund contribution report, along with each contributor's
23	identification information."
24	SECTION 7. Section 1-19A-10 NMSA 1978 (being Laws 2003,
25	Chapter 14, Section 10, as amended) is amended to read:

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1 "1-19A-10. PUBLIC ELECTION FUND--CREATION--USE.--2 Α. There is created in the state treasury the "public election fund" solely for the purposes of: 3 financing the election campaigns of 4 (1) 5 certified candidates for covered offices; paying administrative and enforcement 6 (2) costs of the Voter Action Act; and 7 (3) carrying out all other specified 8 9 provisions of the Voter Action Act. The state treasurer shall invest the funds as 10 Β. other state funds are invested, and all income derived from the 11 12 fund shall be credited directly to the fund. Remaining balances at the end of a fiscal year shall remain in the 13 election fund and not revert to the general fund. 14 Money received from the following sources shall C. 15 be deposited directly into the fund: 16 (1) qualifying contributions that have been 17 18 submitted to the secretary; any recurring balance of unspent fund 19 (2) 20 money distributed to a certified candidate who does not remain a candidate through the primary or general election period for 21 which the money was distributed; 22 (3) money that remains unspent or unencumbered 23 by a certified candidate following the date of the primary 24 25 election; .197645.2 - 12 -

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1 money that remains unspent or unencumbered (4) 2 by a certified candidate following the date of the general 3 election; unspent [seed money that cannot be used 4 (5) for any other purpose] contributions to a candidate; 5 money distributed to the fund from funds (6) 6 7 received pursuant to the Uniform Unclaimed Property Act (1995); 8 and 9 (7) money appropriated by the legislature. D. A subaccount shall be established in the fund, 10 and money in the subaccount shall only be used to pay the costs 11 12 of carrying out the provisions of the Voter Action Act related to public regulation commission elections. 13 Two hundred thousand dollars (\$200,000) per year 14 Ε. shall be collected and deposited in the subaccount for public 15 regulation commission elections as follows: 16 one hundred thousand dollars (\$100,000) 17 (1)from inspection and supervision fees collected pursuant to 18 Section 62-8-8 NMSA 1978; and 19 20 (2) one hundred thousand dollars (\$100,000) from utility and carrier inspection fees collected pursuant to 21 Section 63-7-20 NMSA 1978." 22 SECTION 8. A new section of the Voter Action Act is 23 enacted to read: 24 "[NEW MATERIAL] ALLOWABLE CONTRIBUTIONS--PROHIBITION ON 25 .197645.2

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COORDINATED EXPENDITURES -- EXCEPTION. --

Α. An applicant candidate may collect contributions during the sixty days immediately preceding the qualifying period and throughout the qualifying period from qualified electors registered to vote in the candidate's district. An applicant candidate shall not accept contributions from any other source.

A certified candidate may collect contributions 8 Β. 9 from qualified electors registered to vote in the candidate's district. A certified candidate shall not accept contributions from any other source except as allowed pursuant to Section 12 1-19A-8 NMSA 1978.

C. Total contributions from a qualified elector to a candidate may not exceed one hundred dollars (\$100) per election cycle, excluding the amount of any qualifying contribution given by the qualified elector to the candidate."

SECTION 9. Section 1-19A-13 NMSA 1978 (being Laws 2003, Chapter 14, Section 13, as amended) is amended to read:

"1-19A-13. AMOUNT OF FUND DISTRIBUTION .--

By [August 1, 2007] September 1 of each odd-Α. numbered year, the secretary shall determine the amount of money to be distributed to each certified candidate for the election cycle ending with the <u>next</u> general election [in 2008], based on the type of election and the provisions of Subsections B through F of this section.

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1 For contested primary elections, the amount of Β. 2 money to be distributed to a certified candidate is equal to 3 the following: for the office of public regulation 4 (1)commissioner, twenty-five cents (\$.25) for each voter of the 5 candidate's party in the district of the office for which the 6 7 candidate is running; [and] for the office of justice of the supreme 8 (2) 9 court and judge of the court of appeals, fifteen cents (\$.15) for each voter of the candidate's party in the state; and 10 (3) for the office of a state legislator, one 11 12 dollar (\$1.00) for each voter of the candidate's party in the candidate's legislative district. 13 C. For uncontested primary elections, [the amount 14 of] no money [to] shall be distributed to a certified candidate 15 [is equal to fifty percent of the amount specified in 16 Subsection B of this section]. 17 D. For contested general elections, the amount of 18 money to be distributed to a certified candidate is equal to 19 20 the following: for the office of public regulation (1) 21 commissioner, twenty-five cents (\$.25) for each voter in the 22 district of the office for which the candidate is running; 23 [and] 24 for the office of justice of the supreme 25 (2)

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1 court and judge of the court of appeals, fifteen cents (\$.15) 2 for each voter in the state; and

(3) for the office of a state legislator, one dollar (\$1.00) for each voter in the candidate's legislative district.

Ε. For uncontested general elections, [except as 6 7 provided in Subsection I of this section, the amount of] no money [to] shall be distributed to a certified candidate [is 8 9 equal to fifty percent of the amount specified in Subsection D of this section]. If a general election race that is initially 10 uncontested later becomes contested [because of the 11 12 qualification of an independent or minor party candidate to appear on the ballot for that race, an [additional] amount of 13 money shall be distributed to the certified candidate to make 14 that candidate's total distribution amount equal to the amount 15 distributed pursuant to Subsection D of this section. 16

Once the certification for candidates for the 17 F. primary election has been completed, the secretary shall 18 19 calculate the total amount of money to be distributed in the 20 primary election cycle, based on the number of certified candidates and the allocations specified in this section. 21 secretary shall increase the total amount by twenty percent to 22 provide funds for additional matching funds in the primary 23 election. The secretary shall also prepare an estimate of the 24 total amount of money that might be distributed in the general 25

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1 election cycle. This estimate shall be increased by twenty 2 percent to provide funds for additional matching funds in the general election. If the total amount to be distributed in the 3 primary election cycle, plus the added twenty percent and the 4 estimated total amount to be distributed in the general 5 election cycle, plus the added twenty percent, all taken 6 7 together, exceed the amount expected to be available in the fund, the secretary shall allocate the amount available between 8 9 the primary and general election cycles. This allocation shall be based on the ratio of the two total amounts. 10

G. If the allocation specified in Subsection F of this section is greater than the total amount available for distribution, then the amounts to be distributed to individual candidates, specified in Subsections B through E of this section, shall each be reduced by the same percentage as the reduction by which the total amount needed has been reduced relative to the total amount available.

H. At least every two years after January 1, 2007, the secretary shall evaluate and modify as necessary the dollar values originally determined by Subsections B through E of this section and shall consider and account for inflation in the evaluations.

I. No money shall be distributed to candidates in judicial retention elections. [No money shall be distributed to judicial candidates in uncontested general elections,

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1 provided that if a general election race that is initially uncontested later becomes contested, the certified judicial 2 candidate shall receive a distribution in accordance with 3 Subsection D of this section.]" 4 SECTION 10. Section 1-19A-14 NMSA 1978 (being Laws 2003, 5 Chapter 14, Section 14, as amended) is amended to read: 6 7 "1-19A-14. MATCHING FUNDS.--[When a certified or noncertified candidate has one or more opponents who are 8 9 certified candidates and the candidate's campaign finance 10 report or group of reports shows that the sum of the candidate's expenditures and obligations made, or funds raised 11 12 or borrowed, whichever is greater, alone or in conjunction with expenditures made independently of the candidate to influence 13 14 the election on behalf of the candidate, exceeds the amount distributed to an opposing certified candidate, the secretary 15 shall issue immediately to any opposing certified candidate an 16 additional amount equivalent to the excess amount reported by 17 the opposing candidate. Total matching funds to a certified 18 19 candidate in an election are limited to twice the amount 20 originally distributed to that candidate pursuant to Section 1-19A-13 NMSA 1978. 21 A. After the initial distribution pursuant to 22 Section 1-19A-13 NMSA 1978, the secretary shall distribute 23

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Section 1-19A-13 NMSA 1978, the secretary shall distribute matching funds from the fund to a certified candidate in an amount equal to four times the amount of contributions that the .197645.2 - 18 -

1 candidate collected as an applicant candidate and as a 2 certified candidate, subject to the limitation in Subsection B of this section. Matching funds shall be distributed within 3 three days after the certified candidate has filed a matching 4 fund contribution report with the secretary of state that 5 indicates that the candidate has collected contributions in 6 7 accordance with the provisions of Section 8 of this 2015 act; 8 provided that a certified candidate may only file such reports on the first Monday of February, April, May, July, September 9 and October and the third Monday of May and October of the 10 election year. 11 12 B. The amount of all public money distributed to a certified candidate in an election is limited to three times 13 14 the amount of the initial distribution allowed for that candidate pursuant to Section 1-19A-13 NMSA 1978. 15 C. No matching funds shall be distributed to a 16 candidate in an uncontested election." 17 SECTION 11. Section 1-19A-17 NMSA 1978 (being Laws 2003, 18 19 Chapter 14, Section 17) is amended to read: 20 "1-19A-17. PENALTIES.--In addition to other penalties that may be 21 Α. applicable, a person who violates a provision of the Voter 22 Action Act is subject to a civil penalty of up to ten thousand 23 dollars (\$10,000) per violation. In addition to a fine, a 24 25 certified candidate found in violation of that act may be .197645.2

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1 required to return to the fund all amounts distributed to the 2 candidate from the fund. If the secretary makes a determination that a violation of that act has occurred, the 3 secretary shall impose a fine [or] and transmit the finding to 4 5 the attorney general for <u>criminal</u> prosecution <u>pursuant to</u> Subsection B of this section. In determining whether a 6 7 certified candidate is in violation of the expenditure limits of that act, the secretary may consider as a mitigating factor 8 any circumstances out of the candidate's control. 9

B. A person who willfully or knowingly violates the
provisions of the Voter Action Act or rules of the secretary or
knowingly makes a false statement in a report required by that
act or a report required by the Campaign Reporting Act is
guilty of a fourth degree felony and, if [he] the person is a
certified candidate, shall return to the fund all money
distributed to that candidate."

SECTION 12. REPEAL.--Section 1-19A-5 NMSA 1978 (being Laws 2003, Chapter 14, Section 5, as amended) is repealed.

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