

Second Regular Session
Sixty-seventh General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 10-0300.01 Bob Lackner

HOUSE BILL 10-1156

HOUSE SPONSORSHIP

Court, Curry, Hullinghorst, Kefalas, Schafer S., Tyler

SENATE SPONSORSHIP

Carroll M.,

House Committees

State, Veterans, & Military Affairs
Finance

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE PUBLIC FINANCING OF POLITICAL CAMPAIGNS FOR**
102 **MEMBERS OF THE GENERAL ASSEMBLY, AND, IN CONNECTION**
103 **THEREWITH, CREATING THE STATE PUBLIC ELECTION FUND TO**
104 **BE FINANCED PRIMARILY BY VOLUNTARY CONTRIBUTIONS FROM**
105 **COLORADO RESIDENTS.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

Section 1 of the bill creates a new system for partial public

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

financing of campaigns for members of the general assembly to be financed primarily by voluntary contributions from Colorado residents.

Among the features of this system:

- ! The bill creates a public election fund (fund) in the state treasury. Moneys in the fund are only to be used for the purpose of financing the campaigns of certified candidates for the general assembly and for paying related administrative, implementation, and enforcement costs of the system.
- ! A person seeking a covered office who wishes to become a certified candidate and thereby become eligible for obtaining moneys from the fund is required to submit a statement that identifies the candidate, the office that the candidate plans to seek, and the candidate's party affiliation, if any. The statement must be accompanied by a notarized record of qualifying contributions received by the candidate. The statement must contain the candidate's certification that:
 - ! The candidate has, as of the date on which he or she submits the statement, complied with the voluntary campaign spending limits for the covered office the candidate is seeking; and
 - ! The candidate will continue to comply with the voluntary campaign spending limits and all other legal requirements for the remainder of the applicable election cycle.
- ! In order to attain the status of a certified candidate, candidates are required to demonstrate receipt of qualifying contributions in an aggregate amount subject to the following requirements:
 - ! Candidates for the state senate are required to obtain contributions in a minimum amount of \$5 up to the lawful contribution limit from not less than one-tenth of one percent of the residents of the candidate's senate district measured as of the most recent federal census.
 - ! Candidates for the state house of representatives are required to obtain contributions in a minimum amount of \$5 up to the lawful contribution limit for such office from not less than one-tenth of one percent of the residents of the candidate's house district measured as of the most recent federal census.
- ! Upon submission by a candidate of a statement and notarized record of qualifying contributions subject to the

requirements of the bill, the secretary of state (secretary) is required to certify the candidate as a certified candidate.

! To the extent there is a sufficient available balance in the fund, the secretary is required to make a one-time payment of moneys from the fund to the candidate committee of a certified candidate seeking payment in an amount as follows:

! In the case of a candidate for the state senate, a certified candidate is entitled to receive \$2 from the fund for every one dollar raised in qualifying contributions up to a maximum payment from the fund of \$10,000.

! In the case of a candidate for the state house of representatives, a certified candidate is entitled to receive \$2 from the fund for every one dollar raised in qualifying contributions up to a maximum payment from the fund of \$5,000.

! A certified candidate may elect to receive his or her payment from the fund at any time after he or she becomes a certified candidate up to and including the date of the general election.

! The bill prohibits any moneys from being disbursed from the fund until the outstanding balance in the fund as of September 1 in an odd-numbered year is not less than \$75,000.

! The bill addresses the circumstances under which the secretary may revoke the certification of a candidate, appeals of a determination by the secretary, penalties for violations, and duties of the secretary.

Section 2 of the bill requires the Colorado state individual income tax return form, for income tax years commencing on or after January 1, 2010, to contain a line whereby each individual taxpayer may designate the amount of the contribution, if any, the individual wishes to make to the fund.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** Article 45 of title 1, Colorado Revised Statutes, is
3 amended BY THE ADDITION OF A NEW PART to read:

4 PART 2

5 PUBLIC FINANCING OF CANDIDATES

1 FOR THE GENERAL ASSEMBLY

2 **1-45-201. Legislative declaration.** (1) THE GENERAL ASSEMBLY
3 HEREBY FINDS, DETERMINES, AND DECLARES THAT:

4 (a) POLITICAL CAMPAIGNS FOR CANDIDATES FOR THE GENERAL
5 ASSEMBLY HAVE BECOME VERY EXPENSIVE. AS A RESULT, MANY
6 QUALIFIED RESIDENTS OF THE STATE ARE FINANCIALLY UNABLE TO SEEK
7 ELECTION TO THE GENERAL ASSEMBLY, AND THE COST OF CONDUCTING
8 POLITICAL CAMPAIGNS FORCES MANY CANDIDATES FOR STATE
9 LEGISLATIVE OFFICE TO SPEND AN INORDINATE AMOUNT OF TIME RAISING
10 CAMPAIGN FUNDS.

11 (b) THE PEOPLE OF THE STATE ARE CONCERNED THAT SPECIAL
12 INTERESTS EXERCISE A DISPROPORTIONATE LEVEL OF INFLUENCE OVER THE
13 POLITICAL PROCESS. THE SUREST WAY TO OFFSET THIS INFLUENCE IS TO
14 ENSURE THAT CANDIDATES ARE ELECTED TO PUBLIC OFFICE BACKED BY A
15 MEANINGFUL LEVEL OF PUBLIC AND GRASSROOTS SUPPORT.

16 (c) CITIZEN INTEREST, PARTICIPATION, AND CONFIDENCE IN THE
17 INTEGRITY OF THE ELECTORAL PROCESS ARE LESSENED BY EXCESSIVELY
18 LONG AND EXPENSIVE POLITICAL CAMPAIGNING;

19 (d) FULL OR PARTIAL PUBLIC FINANCING OF CAMPAIGNS FOR STATE
20 LEGISLATIVE OFFICES, CONDITIONED ON AN APPROPRIATE AMOUNT OF
21 QUALIFYING CONTRIBUTIONS AND THE ACCEPTANCE BY PARTICIPATING
22 CANDIDATES OF VOLUNTARY SPENDING LIMITS, WILL LEVEL THE PLAYING
23 FIELD AMONG CANDIDATES, INCREASE CITIZEN PARTICIPATION IN THE
24 ELECTORAL PROCESS, INCREASE THE SUPPLY OF QUALIFIED CANDIDATES
25 ABLE TO RUN FOR STATE LEGISLATIVE OFFICE, LIMIT THE TIME CANDIDATES
26 SPEND SOLICITING CONTRIBUTIONS, AND REDUCE THE PRESSURE ON STATE
27 LEGISLATORS TO RESPOND AND PROVIDE ACCESS TO LARGE

1 CONTRIBUTORS. AS A RESULT, CANDIDATES AND MEMBERS OF THE
2 GENERAL ASSEMBLY WILL BE BETTER ABLE TO DEVOTE THEIR TIME AND
3 ENERGY TO DEBATING THE ISSUES, RESPONDING TO CONSTITUENTS, AND
4 PERFORMING THEIR OFFICIAL DUTIES. FURTHER, CAMPAIGNS THAT ARE
5 FINANCED WHOLLY OR PARTIALLY WITH PUBLIC MONEYS WILL HELP
6 RESTORE AND INCREASE PUBLIC TRUST AND CONFIDENCE IN OUR
7 GOVERNMENTAL INSTITUTIONS.

8 (e) THE UNITED STATES SUPREME COURT HAS HELD THAT ANY
9 LIMITATION ON CAMPAIGN EXPENDITURES MUST BE ENTERED INTO
10 VOLUNTARILY AND THAT THE USE OF PUBLIC FINANCING FOR CAMPAIGNS
11 IS A CONSTITUTIONALLY PERMISSIBLE WAY IN WHICH TO ENCOURAGE
12 CANDIDATES TO ADOPT VOLUNTARY CAMPAIGN SPENDING LIMITATIONS.

13 (2) THE GENERAL ASSEMBLY INTENDS THAT THIS PART 2 BE
14 LIBERALLY CONSTRUED IN ORDER TO MORE FULLY IMPLEMENT ARTICLE
15 XXVIII OF THE STATE CONSTITUTION, THE PURPOSES OF WHICH ARE SET
16 FORTH IN SECTION 1 OF SUCH ARTICLE.

17 **1-45-202. Definitions.** AS USED IN THIS PART 2, UNLESS THE
18 CONTEXT OTHERWISE REQUIRES:

19 (1) "ARTICLE XXVIII" MEANS ARTICLE XXVIII OF THE STATE
20 CONSTITUTION.

21 (2) "CERTIFIED CANDIDATE" MEANS A CANDIDATE WHOSE
22 STATEMENT AND RECORD OF QUALIFYING CONTRIBUTIONS ARE ACCEPTED
23 BY THE SECRETARY PURSUANT TO SECTION 1-45-204 (3) AND WHO IS
24 THEREFORE ELIGIBLE TO RECEIVE MONEYS FROM THE FUND IN
25 ACCORDANCE WITH THE REQUIREMENTS OF THIS PART 2.

26 (3) "COVERED OFFICE" MEANS AN ELECTED OFFICE IN THE STATE
27 SENATE OR THE STATE HOUSE OF REPRESENTATIVES.

1 (4) "FUND" MEANS THE PUBLIC ELECTION FUND CREATED IN
2 SECTION 1-45-203 (1).

3 (5) "QUALIFYING CONTRIBUTION" MEANS A CONTRIBUTION THAT
4 SATISFIES THE REQUIREMENTS OF SECTION 1-45-204 (2). IN THE
5 AGGREGATE, QUALIFYING CONTRIBUTIONS ARE USED TO DEMONSTRATE
6 ADEQUATE SUPPORT FOR A PARTICULAR CANDIDACY FOR THE CANDIDATE
7 TO OBTAIN CANDIDATE CERTIFIED STATUS AND RECEIVE MONEYS FROM
8 THE FUND. QUALIFYING CONTRIBUTIONS ARE ALSO USED TO DETERMINE
9 THE AMOUNT OF MONEYS A CERTIFIED CANDIDATE RECEIVES FROM THE
10 FUND.

11 (6) "QUALIFYING PERIOD" MEANS A PERIOD COMMENCING
12 SEPTEMBER 1 OF THE YEAR BEFORE A YEAR IN WHICH A GENERAL
13 ELECTION IS HELD AND ENDING ON THE DATE OF THE GENERAL ELECTION.

14 (7) "SECRETARY" MEANS THE COLORADO SECRETARY OF STATE.

15 **1-45-203. Public election fund - creation - source of funds -**
16 **purposes - administrative costs.** (1) THERE IS HEREBY CREATED IN THE
17 STATE TREASURY THE PUBLIC ELECTION FUND, WHICH FUND SHALL BE
18 ADMINISTERED BY THE SECRETARY. THE FUND SHALL CONSIST OF:

19 (a) ALL MONEYS COLLECTED FROM PERSONS WHO HAVE
20 DESIGNATED A CONTRIBUTION TO THE FUND ON THEIR INCOME TAX
21 RETURNS PURSUANT TO SECTION 39-22-3702, C.R.S.;

22 (b) ANY MONEYS APPROPRIATED TO THE FUND BY THE GENERAL
23 ASSEMBLY;

24 (c) ALL MONEYS COLLECTED BY THE SECRETARY FOR THE
25 PURPOSES OF THIS PART 2 FROM FEDERAL GRANTS AND OTHER
26 CONTRIBUTIONS, GIFTS, GRANTS, BEQUESTS, AND DONATIONS RECEIVED
27 FROM PRIVATE INDIVIDUALS, PRIVATE ORGANIZATIONS, OR FOUNDATIONS;

1 AND

2 (d) ALL CIVIL PENALTIES COLLECTED PURSUANT TO THIS PART 2.

3 (2) ANY MONEYS COLLECTED BY OR ON BEHALF OF THE FUND
4 PURSUANT TO SUBSECTION (1) OF THIS SECTION SHALL BE TRANSMITTED
5 TO THE STATE TREASURER TO BE CREDITED TO THE FUND.

6 (3) MONEYS IN THE FUND SHALL ONLY BE USED FOR THE PURPOSE
7 OF FINANCING THE CAMPAIGNS OF CERTIFIED CANDIDATES FOR A COVERED
8 OFFICE AND FOR PAYING THE ADMINISTRATIVE, IMPLEMENTATION, AND
9 ENFORCEMENT COSTS OF THE SECRETARY FOR THE PUBLIC FINANCING OF
10 SUCH CANDIDATES IN ACCORDANCE WITH THE PROVISIONS OF THIS PART
11 2. NOTWITHSTANDING ANY OTHER PROVISION OF THIS PART 2, FOR ANY
12 GIVEN FISCAL YEAR, NO MORE THAN TWO AND ONE-HALF PERCENT OF THE
13 MONEYS IN THE FUND SHALL BE EXPENDED FOR THE ADMINISTRATIVE,
14 IMPLEMENTATION, AND ENFORCEMENT COSTS OF THE SECRETARY IN
15 ADMINISTERING THIS PART 2.

16 (4) MONEYS IN THE FUND SHALL BE CONTINUOUSLY APPROPRIATED
17 TO THE DEPARTMENT OF STATE FOR THE PURPOSES SPECIFIED IN THIS PART
18 2. ALL MONEYS REMAINING IN THE FUND AT THE END OF ANY STATE
19 FISCAL YEAR SHALL NOT REVERT TO THE GENERAL FUND BUT SHALL
20 REMAIN IN THE FUND FOR USE IN SUCCEEDING STATE FISCAL YEARS.

21 (5) NOT LATER THAN JUNE 1, 2011, THE SECRETARY SHALL MODIFY
22 THE WEB SITE MAINTAINED BY THE SECRETARY THAT WILL ALLOW
23 PERSONS TO MAKE A VOLUNTARY CONTRIBUTION TO THE FUND BY
24 ELECTRONIC MEANS THROUGH THE WEB SITE.

25 **1-45-204. Process for obtaining certified candidate status -**
26 **qualifying contributions - certification by the secretary - revocation**
27 **of certification.** (1) A PERSON SEEKING A COVERED OFFICE WHO WISHES

1 TO BECOME A CERTIFIED CANDIDATE AND THEREBY BECOME ELIGIBLE FOR
2 OBTAINING MONEYS FROM THE FUND SHALL, BEFORE THE END OF THE
3 QUALIFYING PERIOD, SUBMIT A STATEMENT THAT SHALL, WITHOUT
4 LIMITATION, IDENTIFY THE CANDIDATE, THE OFFICE THAT THE CANDIDATE
5 PLANS TO SEEK, AND THE CANDIDATE'S PARTY AFFILIATION, IF ANY. THE
6 STATEMENT SHALL BE ACCOMPANIED BY A NOTARIZED RECORD OF
7 QUALIFYING CONTRIBUTIONS RECEIVED BY THE CANDIDATE IN
8 ACCORDANCE WITH THE REQUIREMENTS OF SUBSECTION (2) OF THIS
9 SECTION. THE STATEMENT SHALL ALSO CONTAIN THE CANDIDATE'S
10 SIGNATURE, UNDER OATH, CERTIFYING THAT:

11 (a) THE CANDIDATE HAS, AS OF THE DATE ON WHICH HE OR SHE
12 SUBMITS THE STATEMENT, COMPLIED WITH THE VOLUNTARY CAMPAIGN
13 SPENDING LIMITS SPECIFIED IN SECTION 4 OF ARTICLE XXVIII FOR THE
14 COVERED OFFICE THE CANDIDATE IS SEEKING; AND

15 (b) THE CANDIDATE WILL CONTINUE TO COMPLY WITH THE
16 VOLUNTARY CAMPAIGN SPENDING LIMITS SPECIFIED IN SECTION 4 OF
17 ARTICLE XXVIII AND WILL OTHERWISE SATISFY ALL OTHER
18 REQUIREMENTS APPLICABLE TO CERTIFIED CANDIDATES UNDER THIS PART
19 2 FOR THE REMAINDER OF THE APPLICABLE ELECTION CYCLE.

20 (2) (a) AS PART OF THE STATEMENT TO BE SUBMITTED BY THE
21 CANDIDATE PURSUANT TO SUBSECTION (1) OF THIS SECTION, FOR THE
22 PURPOSE OF DEMONSTRATING A SUFFICIENT DEGREE OF PUBLIC SUPPORT
23 FOR HIS OR HER CANDIDACY THAT ENTITLES THE CANDIDATE TO OBTAIN
24 MONEYS FROM THE FUND, THE CANDIDATE SHALL SUBMIT A RECORD
25 ITEMIZING EACH QUALIFYING CONTRIBUTION HE OR SHE HAS RECEIVED
26 THROUGH HIS OR HER CAMPAIGN COMMITTEE THAT SATISFIES THE
27 REQUIREMENTS OF THIS SUBSECTION (2).

1 (b) IN ORDER TO ATTAIN THE STATUS OF A CERTIFIED CANDIDATE
2 AND THEREFORE BE ELIGIBLE TO RECEIVE MONEYS FROM THE FUND,
3 CANDIDATES SHALL DEMONSTRATE RECEIPT OF QUALIFYING
4 CONTRIBUTIONS IN AN AGGREGATE AMOUNT THAT SATISFY THE
5 FOLLOWING REQUIREMENTS:

6 (I) CANDIDATES FOR THE STATE SENATE SHALL OBTAIN
7 CONTRIBUTIONS IN A MINIMUM AMOUNT OF FIVE DOLLARS UP TO THE
8 LAWFUL CONTRIBUTION LIMIT FOR SUCH OFFICE FROM NOT LESS THAN
9 ONE-TENTH OF ONE PERCENT OF THE RESIDENTS IN THE CANDIDATE'S
10 SENATE DISTRICT MEASURED AS OF THE MOST RECENT FEDERAL CENSUS.

11 (II) CANDIDATES FOR THE STATE HOUSE OF REPRESENTATIVES
12 SHALL OBTAIN CONTRIBUTIONS IN A MINIMUM AMOUNT OF FIVE DOLLARS
13 UP TO THE LAWFUL CONTRIBUTION LIMIT FOR SUCH OFFICE FROM NOT LESS
14 ONE-TENTH OF ONE PERCENT OF THE RESIDENTS IN THE CANDIDATE'S
15 HOUSE DISTRICT MEASURED AS OF THE MOST RECENT FEDERAL CENSUS.

16 (c) (I) NO PAYMENT, GIFT, OR ANYTHING ELSE OF VALUE MAY BE
17 GIVEN TO THE CANDIDATE OR THE CANDIDATE'S CANDIDATE COMMITTEE
18 IN EXCHANGE FOR THE ACCEPTANCE OR RECEIPT OF A QUALIFYING
19 CONTRIBUTION.

20 (II) IN ANY ONE ELECTION CYCLE, NO CANDIDATE MAY ACCEPT
21 MORE THAN ONE QUALIFYING CONTRIBUTION FROM THE SAME NATURAL
22 PERSON AND NO NATURAL PERSON MAY MAKE MORE THAN ONE
23 QUALIFYING CONTRIBUTION TO THE SAME CANDIDATE.

24 (d) THE RECORD OF EACH QUALIFYING CONTRIBUTION SUBMITTED
25 TO THE SECRETARY PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (2)
26 SHALL CONTAIN SUCH INFORMATION ABOUT THE CONTRIBUTOR AS IS
27 REQUIRED TO BE DISCLOSED ABOUT ANY SUCH CONTRIBUTION IN AN

1 EQUIVALENT AMOUNT IN ACCORDANCE WITH THE REQUIREMENTS OF
2 SECTION 1-45-108. EACH QUALIFYING CONTRIBUTION MADE TO A
3 CANDIDATE COMMITTEE FOR THE PURPOSE OF THIS PART 2 SHALL ALSO
4 SATISFY ALL LEGAL REQUIREMENTS PERTAINING TO CAMPAIGN
5 CONTRIBUTIONS UNDER ARTICLE XXVIII, THIS ARTICLE, OR OTHER
6 APPLICABLE LAWS OR RULES.

7 (3) UPON SUBMISSION BY A CANDIDATE OF A STATEMENT AND
8 NOTARIZED RECORD OF QUALIFYING CONTRIBUTIONS THAT SATISFY THE
9 REQUIREMENTS OF THIS SECTION, THE SECRETARY SHALL CERTIFY THE
10 CANDIDATE AS A CERTIFIED CANDIDATE WITH ALL OF THE RIGHTS AND
11 PRIVILEGES ATTENDANT TO SUCH STATUS IN ACCORDANCE WITH THE
12 REQUIREMENTS OF THIS PART 2. TO THE EXTENT PRACTICABLE, THE
13 SECRETARY SHALL COMPLETE SUCH CERTIFICATION NOT LATER THAN TEN
14 BUSINESS DAYS AFTER THE DATE ON WHICH A CANDIDATE'S STATEMENT
15 AND NOTARIZED RECORD ARE SUBMITTED TO THE SECRETARY.
16 NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION, IN ORDER TO
17 BECOME A CERTIFIED CANDIDATE, THE CANDIDATE SHALL HAVE SATISFIED
18 ALL OF THE REQUIREMENTS FOR CERTIFICATION AS SPECIFIED IN
19 SUBSECTIONS (1) AND (2) OF THIS SECTION.

20 (4) IN CONNECTION WITH THE STATEMENT AND NOTARIZED
21 RECORD SPECIFIED IN THIS SECTION, THE SECRETARY SHALL USE EXISTING
22 PROCEDURES, DEADLINES, AND FORMS WHENEVER PRACTICAL.

23 (5)(a) A CERTIFIED CANDIDATE SHALL CONTINUE TO COMPLY WITH
24 ALL REQUIREMENTS OF THIS PART 2 AFTER CERTIFICATION AND THROUGH
25 THE COMPLETION OF THE APPLICABLE ELECTION CYCLE. CERTIFIED
26 CANDIDATES SHALL CONTINUE TO REPORT CONTRIBUTIONS RECEIVED,
27 EXPENDITURES MADE, AND OBLIGATIONS ENTERED INTO IN ACCORDANCE

1 WITH THE REQUIREMENTS OF SECTION 1-45-108 OR OTHER APPLICABLE
2 LAWS OR RULES. ANY CANDIDATE DESIROUS OF RECEIVING MONEYS FROM
3 THE FUND SHALL KEEP DETAILED ACCOUNTS AND RECORDS NECESSARY TO
4 SUBSTANTIATE THE INFORMATION CONTAINED IN ANY APPLICATION OR
5 REQUEST FOR SUCH MONEYS.

6 (b) NOTWITHSTANDING ANY OTHER PROVISION OF THIS PART 2, IN
7 ORDER TO OBTAIN PAYMENT FROM THE FUND IN CONNECTION WITH A
8 GENERAL ELECTION, A CANDIDATE SHALL BE THE NOMINEE OF A POLITICAL
9 PARTY IN THE GENERAL ELECTION.

10 (6) (a) THE SECRETARY MAY REVOKE THE CERTIFICATION
11 PREVIOUSLY GRANTED TO A CERTIFIED CANDIDATE AT ANY TIME IF THE
12 SECRETARY DETERMINES, ON THE BASIS OF SUBSTANTIAL EVIDENCE
13 SUBMITTED AT AN EVIDENTIARY HEARING, THAT THE CANDIDATE OR AN
14 AGENT OF THE CANDIDATE:

15 (I) DID NOT SUBMIT THE REQUIRED NUMBER OF QUALIFYING
16 CONTRIBUTIONS;

17 (II) SUBMITTED ANY FRAUDULENT QUALIFYING CONTRIBUTIONS OR
18 QUALIFYING CONTRIBUTIONS THAT WERE NOT MADE BY THE NAMED
19 CONTRIBUTOR; OR

20 (III) KNOWINGLY MADE A FALSE STATEMENT OR MATERIAL
21 REPRESENTATION IN THE APPLICATION FOR CERTIFIED CANDIDATE STATUS
22 SUBMITTED PURSUANT TO SUBSECTION (1) OF THIS SECTION, THE RECORD
23 OF QUALIFYING CONTRIBUTIONS SUBMITTED PURSUANT TO SUBSECTION (2)
24 OF THIS SECTION, OR OTHER DOCUMENT REQUIRED TO BE SUBMITTED
25 UNDER THIS PART 2.

26 (b) A CANDIDATE WHOSE CERTIFIED STATUS IS REVOKED
27 PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (6) SHALL RETURN ALL

1 UNSPENT FUNDS TO THE SECRETARY WITHIN THREE BUSINESS DAYS OF THE
2 SECRETARY'S DECISION AND MAY BE REQUIRED TO RETURN ALL MONEYS
3 DISBURSED TO HIM OR HER FROM THE FUND. IN ADDITION TO THE
4 REQUIREMENT TO RETURN MONEYS, THE CANDIDATE MAY BE SUBJECT TO
5 THE IMPOSITION OF A CIVIL PENALTY UNDER SECTION 1-45-206 (2) (b).
6 THE CANDIDATE MAY APPEAL THE SECRETARY'S DECISION TO REVOKE
7 CERTIFICATION IN THE MANNER PROVIDED IN SECTION 1-45-206 (1).

8 **1-45-205. Disbursement of moneys from the fund - matching**
9 **funds - procedures - rules.** (1) (a) TO THE EXTENT THERE IS A
10 SUFFICIENT AVAILABLE BALANCE IN THE FUND, AND SUBJECT TO THE
11 PROVISIONS OF SECTION 1-45-204 (2) (b), THE SECRETARY SHALL MAKE A
12 ONE-TIME PAYMENT OF MONEYS FROM THE FUND TO THE CANDIDATE
13 COMMITTEE OF A CERTIFIED CANDIDATE SEEKING PAYMENT IN AN AMOUNT
14 AS FOLLOWS:

15 (I) IN THE CASE OF A CANDIDATE FOR THE STATE SENATE, A
16 CERTIFIED CANDIDATE IS ENTITLED TO RECEIVE TWO DOLLARS FROM THE
17 FUND FOR EVERY ONE DOLLAR RAISED IN QUALIFYING CONTRIBUTIONS
18 THAT SATISFY THE REQUIREMENTS OF SECTION 1-45-204 (2) (b) (I) UP TO
19 A MAXIMUM PAYMENT FROM THE FUND OF TEN THOUSAND DOLLARS.

20 (II) IN THE CASE OF A CANDIDATE FOR THE STATE HOUSE OF
21 REPRESENTATIVES, A CERTIFIED CANDIDATE IS ENTITLED TO RECEIVE TWO
22 DOLLARS FROM THE FUND FOR EVERY ONE DOLLAR RAISED IN QUALIFYING
23 CONTRIBUTIONS THAT SATISFY THE REQUIREMENTS OF SECTION 1-45-204
24 (2) (b) (II) UP TO A MAXIMUM PAYMENT FROM THE FUND OF FIVE
25 THOUSAND DOLLARS.

26 (b) A CERTIFIED CANDIDATE MAY ELECT TO RECEIVE HIS OR HER
27 PAYMENT UNDER PARAGRAPH (a) OF THIS SUBSECTION (1) AFTER HE OR

1 SHE BECOMES A CERTIFIED CANDIDATE UP TO AND INCLUDING THE DATE
2 OF THE GENERAL ELECTION.

3 (c) EXCEPT AS OTHERWISE PROVIDED IN THIS PART 2, THE
4 CANDIDATE COMMITTEE OF A CERTIFIED CANDIDATE MAY SOLICIT AND
5 ACCEPT ADDITIONAL CONTRIBUTIONS FOR THE PRIMARY OR GENERAL
6 ELECTION, AS APPLICABLE, BEYOND THE AMOUNT OF MONEYS THE
7 CANDIDATE HAS RAISED IN QUALIFYING CONTRIBUTIONS FOR WHICH HE OR
8 SHE MAY RECEIVE PAYMENT PURSUANT TO PARAGRAPH (a) OF THIS
9 SUBSECTION (1) IN AN AGGREGATE AMOUNT REPRESENTING THE
10 DIFFERENCE BETWEEN THE AMOUNT OF SUCH CONTRIBUTIONS AND THE
11 VOLUNTARY SPENDING LIMIT FOR THE APPLICABLE OFFICE SOUGHT. ALL
12 SUCH CONTRIBUTIONS SHALL SATISFY THE REQUIREMENTS OF ARTICLE
13 XXVIII, THIS ARTICLE, AND ANY OTHER APPLICABLE LAW OR RULES.

14 (d) NOTHING IN THIS PART 2 SHALL BE CONSTRUED AS PROHIBITING
15 A NATURAL PERSON FROM MAKING A QUALIFYING CONTRIBUTION AND ONE
16 OR MORE ADDITIONAL CONTRIBUTIONS TO THE SAME CANDIDATE
17 COMMITTEE IN THE SAME ELECTION CYCLE AS LONG AS THE AGGREGATE
18 AMOUNT OF ANY SUCH CONTRIBUTIONS SATISFIES THE REQUIREMENTS OF
19 ARTICLE XXVIII, THIS ARTICLE, AND ANY OTHER APPLICABLE LAW OR
20 RULES.

21 (e) NOTWITHSTANDING ANY OTHER PROVISION OF THIS PART 2, NO
22 CONTRIBUTION MADE BY A CANDIDATE TO A CANDIDATE COMMITTEE
23 ESTABLISHED IN HIS OR HER OWN NAME MAY BE INCLUDED IN THE
24 AGGREGATE AMOUNT OF QUALIFYING CONTRIBUTIONS FOR WHICH THE
25 CANDIDATE MAY RECEIVE MATCHING MONEYS FROM THE FUND IN
26 ACCORDANCE WITH THE PROVISIONS OF THIS SUBSECTION (1).

27 (2) THE SECRETARY, IN CONSULTATION WITH THE STATE

1 TREASURER AND THE STATE CONTROLLER, SHALL DEVISE AN EXPEDITIOUS
2 AND RELIABLE METHOD FOR DISBURSING MONEYS FROM THE FUND TO
3 CERTIFIED CANDIDATES. IN ALL CASES, THE SECRETARY SHALL DISBURSE
4 MONEYS TO CERTIFIED CANDIDATES IN A MANNER THAT IS EXPEDITIOUS,
5 ENSURES ACCOUNTABILITY, AND SAFEGUARDS THE INTEGRITY OF THE
6 FUND.

7 (3) (a) ANY PAYMENT OF MONEYS FROM THE FUND MADE TO THE
8 CANDIDATE COMMITTEE OF A CERTIFIED CANDIDATE IN ACCORDANCE WITH
9 THE REQUIREMENTS OF THIS SECTION MAY ONLY BE USED FOR THE
10 PURPOSE OF SUPPORTING THE CANDIDATE'S ELECTION AS PERMITTED BY
11 LAW IN THE APPLICABLE ELECTION CYCLE.

12 (b) ANY MONEYS RECEIVED BY A CANDIDATE COMMITTEE FROM
13 THE FUND IN ACCORDANCE WITH THE REQUIREMENTS OF THIS PART 2
14 SHALL BE EXPENDED BY THE COMMITTEE IN THE SAME ELECTION CYCLE IN
15 WHICH SUCH MONEYS ARE DISBURSED TO THE COMMITTEE.

16 (4) A CERTIFIED CANDIDATE SHALL RETURN TO THE SECRETARY
17 FOR DIRECT DEPOSIT INTO THE FUND ANY MONEYS PAID TO HIS OR HER
18 CANDIDATE COMMITTEE THAT ARE UNSPENT OR UNENCUMBERED AT THE
19 TIME THAT THE CANDIDATE CEASES TO BE A CANDIDATE IN A PRIMARY OR
20 GENERAL ELECTION FOR WHICH THE MONEYS WERE DISTRIBUTED.

21 (5) IF, FOR ANY GIVEN ELECTION CYCLE, THE FUND CONTAINS
22 INSUFFICIENT MONEYS TO PROVIDE PAYMENT TO ALL CERTIFIED
23 CANDIDATES IN ACCORDANCE WITH REQUIREMENTS OF THIS SECTION, ALL
24 AVAILABLE MONEYS SHALL BE DISTRIBUTED PROPORTIONATELY AMONG
25 ALL SUCH CERTIFIED CANDIDATES ACCORDING TO EACH CANDIDATE'S
26 ELIGIBLE FUNDING.

27 **1-45-206. Appeals - sanctions - penalties.**

1 (1) (a) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, ANY PERSON
2 AGGRIEVED BY ANY DETERMINATION MADE BY THE SECRETARY UNDER
3 THIS PART 2 MAY APPEAL THE DETERMINATION TO THE SECRETARY WITHIN
4 SEVEN BUSINESS DAYS OF THE DECISION. THE APPEAL SHALL BE IN
5 WRITING AND SHALL SET FORTH THE REASONS FOR THE APPEAL.

6 (b) WITHIN FIVE BUSINESS DAYS AFTER AN APPEAL IS PROPERLY
7 FILED, AND AFTER PROPER NOTICE HAS BEEN GIVEN TO THE PARTIES TO THE
8 DISPUTE, THE SECRETARY SHALL HOLD A HEARING. IN CONNECTION WITH
9 THE HEARING, THE APPELLANT HAS THE BURDEN OF PROVING SUFFICIENT
10 EVIDENCE TO DEMONSTRATE THAT THE SECRETARY'S DETERMINATION WAS
11 IMPROPER.

12 (c) THE SECRETARY SHALL RULE ON THE APPEAL WITHIN FIVE
13 BUSINESS DAYS AFTER THE COMPLETION OF THE HEARING.

14 (d) THE PARTIES TO THE DISPUTE MAY APPEAL THE DECISION OF
15 THE SECRETARY BY COMMENCING AN ACTION IN STATE DISTRICT COURT.

16 (e) ANY CERTIFIED CANDIDATE WHOSE CERTIFICATION IS REVOKED
17 ON APPEAL SHALL RETURN TO THE SECRETARY ANY UNSPENT MONEYS
18 DISTRIBUTED TO HIM OR HER FROM THE FUND. IF THE SECRETARY OR A
19 COURT FINDS THAT AN APPEAL OF THE SECRETARY'S DETERMINATION
20 UNDER THIS PART 2 WAS FILED FRIVOLOUSLY OR TO CAUSE DELAY OR
21 HARDSHIP, THE SECRETARY OR COURT MAY SANCTION THE MOVING PARTY
22 BY REQUIRING THE PARTY TO PAY THE COSTS OF THE ACTION AND THE
23 OPPOSING PARTY'S REASONABLE COSTS AND ATTORNEY FEES.

24 (2) (a) ANY CANDIDATE, OR THE TREASURER OF THE CANDIDATE'S
25 CANDIDATE COMMITTEE, WHO RECEIVES MONEYS FROM THE FUND
26 PURSUANT TO SECTION 1-45-205 AND EXCEEDS THE VOLUNTARY
27 CAMPAIGN SPENDING LIMITS SPECIFIED IN SECTION 4 OF ARTICLE XXVIII

1 BY FIVE PERCENT OR MORE SHALL BE DEEMED TO BE IN WILLING AND
2 KNOWING VIOLATION OF SECTION 1-45-205. ANY PERSON WILLFULLY AND
3 KNOWINGLY VIOLATING SUCH SECTION COMMITS A CLASS 1 MISDEMEANOR
4 AND SHALL BE PUNISHED AS PROVIDED IN SECTION 18-1.3-501, C.R.S.

5 (b) ANY CANDIDATE, OR THE TREASURER OF THE CANDIDATE'S
6 CANDIDATE COMMITTEE, WHO RECEIVES MONEYS FROM THE FUND
7 PURSUANT TO SECTION 1-45-205 AND EXCEEDS THE VOLUNTARY
8 CAMPAIGN SPENDING LIMITS SPECIFIED IN SECTION 4 OF ARTICLE XXVIII
9 SHALL BE SUBJECT TO PAYMENT OF A CIVIL PENALTY OF AT LEAST DOUBLE
10 AND UP TO FIVE TIMES THE AMOUNT SPENT IN VIOLATION OF THE
11 VOLUNTARY SPENDING LIMIT. IN ADDITION TO THE CIVIL PENALTY, THE
12 CANDIDATE MAY ALSO BE REQUIRED TO RETURN TO THE FUND ALL
13 MONEYS DISTRIBUTED TO THE CANDIDATE FROM THE FUND.

14 (c) ANY PERSON WHO KNOWINGLY PAYS ANYTHING OF VALUE OR
15 ANY COMPENSATION IN EXCHANGE FOR A QUALIFYING CONTRIBUTION
16 COMMITS A CLASS 1 MISDEMEANOR AND SHALL BE PUNISHED AS PROVIDED
17 IN SECTION 18-1.3-501, C.R.S.

18 (d) ANY PERSON WHO KNOWINGLY PROVIDES FALSE OR
19 INCOMPLETE INFORMATION ON THE STATEMENT AND NOTARIZED RECORD
20 SUBMITTED PURSUANT TO SECTION 1-45-204 (1) AND (2) OR ANY OTHER
21 DOCUMENT REQUIRED TO BE SUBMITTED UNDER THIS PART 2 COMMITS A
22 CLASS 1 MISDEMEANOR AND SHALL BE PUNISHED AS PROVIDED IN SECTION
23 18-1.3-501, C.R.S.

24 (3) (a) IN CONSIDERING WHETHER TO IMPOSE A CIVIL PENALTY
25 UNDER SUBSECTION (2) OF THIS SECTION, THE SECRETARY SHALL
26 CONSIDER AS A MITIGATING FACTOR THE PRESENCE OF ANY
27 CIRCUMSTANCES OUT OF THE CANDIDATE'S CONTROL.

1 (b) ALL CIVIL PENALTIES COLLECTED PURSUANT TO THIS PART 2
2 SHALL BE DEPOSITED INTO THE FUND.

3 (4) ANY OTHER REQUIREMENT AFFECTING THE APPEAL OF ANY
4 DETERMINATION MADE BY THE SECRETARY UNDER THIS PART 2 OR
5 SANCTIONS OR PENALTIES IN THE CASE OF A VIOLATION OF THIS PART 2
6 THAT IS NOT SPECIFIED IN SUBSECTION (1) OR (2) OF THIS SECTION SHALL
7 BE ADDRESSED WITH REFERENCE TO RELEVANT PROVISIONS OF ARTICLE
8 XXVIII, PART 1 OF THIS ARTICLE, OR THE RULES OF THE SECRETARY
9 CONCERNING CAMPAIGN AND POLITICAL FINANCE.

10 **1-45-207. Duties of the secretary - rules - reports to the**
11 **general assembly.** (1) THE SECRETARY SHALL PROMULGATE RULES, IN
12 ACCORDANCE WITH ARTICLE 4 OF TITLE 24, C.R.S., AS MAY BE NECESSARY
13 TO ENFORCE AND ADMINISTER ANY PROVISION OF THIS PART 2.

14 (2) BY JANUARY 1 OF THE YEAR IMMEDIATELY FOLLOWING THE
15 FIRST GENERAL ELECTION YEAR IN WHICH THE FUND MAKES PAYMENTS TO
16 CANDIDATES IN ACCORDANCE WITH THE REQUIREMENTS OF THIS PART 2
17 AND BY JANUARY 1 EVERY TWO YEARS THEREAFTER, THE SECRETARY
18 SHALL PREPARE AND PROVIDE TO THE STANDING COMMITTEES OF
19 REFERENCE OF THE SENATE AND HOUSE OF REPRESENTATIVES EXERCISING
20 JURISDICTION OVER ELECTION-RELATED MATTERS AND TO THE JOINT
21 BUDGET COMMITTEE A REPORT DOCUMENTING, EVALUATING, AND MAKING
22 RECOMMENDATIONS CONCERNING THE ADMINISTRATION,
23 IMPLEMENTATION, AND ENFORCEMENT OF THIS PART 2. IN THE REPORT,
24 THE SECRETARY SHALL DESCRIBE THE AMOUNT OF MONEYS IN THE FUND
25 AS OF THE DATE OF THE REPORT, THE EXPECTED COSTS TO THE FUND FOR
26 THE NEXT ELECTION CYCLE, AND ANY LEGISLATIVE RECOMMENDATIONS
27 THAT THE SECRETARY CONCLUDES WILL PROMOTE THE MORE EFFICIENT

1 ADMINISTRATION AND IMPLEMENTATION OF THIS PART 2.

2 **1-45-208. Required balance of moneys in the fund.**

3 NOTWITHSTANDING ANY OTHER PROVISION OF THIS PART 2, NO MONEYS
4 SHALL BE DISBURSED FROM THE FUND IN ACCORDANCE WITH THE
5 REQUIREMENTS OF THIS PART 2 UNTIL THE OUTSTANDING BALANCE IN THE
6 FUND AS OF SEPTEMBER 1 IN AN ODD-NUMBERED YEAR IS NOT LESS THAN
7 SEVENTY-FIVE THOUSAND DOLLARS.

8 **SECTION 2.** Article 22 of title 39, Colorado Revised Statutes, is
9 amended BY THE ADDITION OF A NEW PART to read:

10 PART 37
11 PUBLIC ELECTION FUND
12 VOLUNTARY CONTRIBUTION

13 **39-22-3701. Legislative declaration.** (1) THE GENERAL
14 ASSEMBLY HEREBY FINDS AND DECLARES THAT:

15 (a) POLITICAL CAMPAIGNS FOR CANDIDATES FOR THE GENERAL
16 ASSEMBLY HAVE BECOME VERY EXPENSIVE. AS A RESULT, MANY
17 QUALIFIED RESIDENTS OF THE STATE ARE FINANCIALLY UNABLE TO SEEK
18 ELECTION TO THE GENERAL ASSEMBLY, AND THE COSTS OF CONDUCTING
19 POLITICAL CAMPAIGNS FORCES MANY CANDIDATES FOR STATE
20 LEGISLATIVE OFFICE TO SPEND AN INORDINATE AMOUNT OF TIME RAISING
21 CAMPAIGN FUNDS.

22 (b) THE PEOPLE OF THE STATE ARE CONCERNED THAT SPECIAL
23 INTERESTS EXERCISE A DISPROPORTIONATE LEVEL OF INFLUENCE OVER THE
24 POLITICAL PROCESS. THE SUREST WAY TO OFFSET THIS INFLUENCE IS TO
25 ENSURE THAT CANDIDATES ARE ELECTED TO PUBLIC OFFICE BACKED BY A
26 MEANINGFUL LEVEL OF PUBLIC AND GRASSROOTS SUPPORT.

27 (c) CITIZEN INTEREST, PARTICIPATION, AND CONFIDENCE IN THE

1 INTEGRITY OF THE ELECTORAL PROCESS ARE LESSENER BY EXCESSIVELY
2 LONG AND EXPENSIVE POLITICAL CAMPAIGNING.

3 (d) FULL OR PARTIAL PUBLIC FINANCING OF CAMPAIGNS FOR STATE
4 LEGISLATIVE OFFICES, CONDITIONED ON AN APPROPRIATE AMOUNT OF
5 QUALIFYING CONTRIBUTIONS AND THE ACCEPTANCE BY PARTICIPATING
6 CANDIDATES OF VOLUNTARY SPENDING LIMITS, WILL LEVEL THE PLAYING
7 FIELD AMONG CANDIDATES, INCREASE CITIZEN PARTICIPATION IN THE
8 ELECTORAL PROCESS, INCREASE THE SUPPLY OF QUALIFIED CANDIDATES
9 ABLE TO RUN FOR STATE LEGISLATIVE OFFICE, LIMIT THE TIME CANDIDATES
10 SPEND SOLICITING CONTRIBUTIONS, AND REDUCE THE PRESSURE ON STATE
11 LEGISLATORS TO RESPOND AND PROVIDE ACCESS TO LARGE
12 CONTRIBUTORS. AS A RESULT, CANDIDATES AND MEMBERS OF THE
13 GENERAL ASSEMBLY WILL BE BETTER ABLE TO DEVOTE THEIR TIME AND
14 ENERGY TO DEBATING THE ISSUES, RESPONDING TO CONSTITUENTS, AND
15 PERFORMING THEIR OFFICIAL DUTIES. FURTHER, CAMPAIGNS THAT ARE
16 FINANCED WHOLLY OR PARTIALLY WITH PUBLIC MONEYS WILL HELP
17 RESTORE AND INCREASE PUBLIC TRUST AND CONFIDENCE IN OUR
18 GOVERNMENTAL INSTITUTIONS.

19 (e) THE SYSTEM OF PARTIAL PUBLIC FINANCING OF POLITICAL
20 CAMPAIGNS CREATED IN PART 2 OF ARTICLE 45 OF TITLE 1, C.R.S., BASED
21 ON THE PUBLIC ELECTION FUND CREATED IN SECTION 1-45-203 (1), C.R.S.,
22 TO BE FINANCED PRIMARILY BY VOLUNTARY CONTRIBUTIONS FROM
23 COLORADO TAXPAYERS IN ACCORDANCE WITH THE REQUIREMENTS OF THIS
24 PART 37, BUILDS A FOUNDATION FOR ELECTIONS THAT WILL FULFILL THE
25 ASPIRATIONS SPECIFIED IN PARAGRAPH (d) OF THIS SUBSECTION (1).

26 (2) IN ORDER TO ASSIST THE SYSTEM OF PARTIAL PUBLIC
27 FINANCING OF POLITICAL CAMPAIGNS AND THE PUBLIC ELECTION FUND IN

1 FULFILLING ITS MISSION, THE GENERAL ASSEMBLY RECOGNIZES THAT THE
2 CITIZENS OF COLORADO MAY BE WILLING TO PROVIDE MONEYS TO THE
3 FUND, THEREBY PROMOTING THE PURPOSES OF PART 2 OF ARTICLE 45 OF
4 TITLE 1, C.R.S. IT IS THEREFORE THE INTENT OF THE GENERAL ASSEMBLY
5 TO PROVIDE COLORADO CITIZENS THE OPPORTUNITY TO SUPPORT THE
6 EFFORTS OF THE SYSTEM OF PARTIAL PUBLIC FINANCING OF POLITICAL
7 CAMPAIGNS AND THE PUBLIC ELECTION FUND BY ALLOWING CITIZENS TO
8 MAKE A VOLUNTARY CONTRIBUTION ON THEIR STATE INCOME TAX
9 RETURNS FOR SUCH PURPOSE.

10 **39-22-3702. Voluntary contribution designation - procedure.**

11 FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2010,
12 THE COLORADO STATE INDIVIDUAL INCOME TAX RETURN FORM SHALL
13 CONTAIN A LINE WHEREBY EACH INDIVIDUAL TAXPAYER MAY DESIGNATE
14 THE AMOUNT OF THE CONTRIBUTION, IF ANY, THE INDIVIDUAL WISHES TO
15 MAKE TO THE PUBLIC ELECTION FUND CREATED IN SECTION 1-45-203 (1),
16 C.R.S.

17 **39-22-3703. Contributions credited to the public election fund**
18 **- creation - appropriation.** (1) THE DEPARTMENT OF REVENUE SHALL

19 DETERMINE ANNUALLY THE TOTAL AMOUNT DESIGNATED PURSUANT TO
20 SECTION 39-22-3702 AND SHALL REPORT THAT AMOUNT TO THE STATE
21 TREASURER AND TO THE GENERAL ASSEMBLY. THE STATE TREASURER
22 SHALL CREDIT THAT AMOUNT TO THE PUBLIC ELECTION FUND CREATED IN
23 SECTION 1-45-203 (1), C.R.S. ALL INTEREST DERIVED FROM THE DEPOSIT
24 AND INVESTMENT OF MONEYS IN THE FUND SHALL BE CREDITED TO THE
25 FUND.

26 (2) THE GENERAL ASSEMBLY SHALL APPROPRIATE ANNUALLY
27 FROM THE PUBLIC ELECTION FUND TO THE DEPARTMENT OF REVENUE ITS

1 COSTS OF ADMINISTERING MONEYS DESIGNATED AS CONTRIBUTIONS TO
2 THE FUND. ALL MONEYS REMAINING IN THE FUND AT THE END OF A FISCAL
3 YEAR, AFTER SUBTRACTING THE APPROPRIATION TO THE DEPARTMENT,
4 SHALL BE TRANSFERRED TO SAID FUND.

5 **SECTION 3. Act subject to petition - effective date.** This act
6 shall take effect at 12:01 a.m. on the day following the expiration of the
7 ninety-day period after final adjournment of the general assembly (August
8 11, 2010, if adjournment sine die is on May 12, 2010); except that, if a
9 referendum petition is filed pursuant to section 1 (3) of article V of the
10 state constitution against this act or an item, section, or part of this act
11 within such period, then the act, item, section, or part shall not take effect
12 unless approved by the people at the general election to be held in
13 November 2010 and shall take effect on the date of the official
14 declaration of the vote thereon by the governor.