1	SENATE BILL 4
2	54TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2019
3	INTRODUCED BY
4	Peter Wirth
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10	AN ACT
11	RELATING TO PUBLIC FINANCING OF ELECTIONS; REMOVING SEED MONEY
12	REQUIREMENTS; ALLOWING CERTAIN CONTRIBUTIONS; DEFINING TERMS;
13	CHANGING DISTRIBUTION AND MATCHING FUND PROVISIONS; LIMITING
14	DISTRIBUTION OF FUNDS TO CANDIDATES IN UNCONTESTED RACES;
15	CLARIFYING PENALTY PROVISIONS; AMENDING, REPEALING AND ENACTING
16	SECTIONS OF THE VOTER ACTION ACT.
17	
18	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:
19	SECTION 1. Section 1-19A-1 NMSA 1978 (being Laws 2003,
20	Chapter 14, Section 1) is amended to read:
21	"1-19A-1. SHORT TITLE[Sections 1 through 17 of this
22	act] Chapter 1, Article 19A NMSA 1978 may be cited as the
23	"Voter Action Act"."
24	SECTION 2. Section 1-19A-2 NMSA 1978 (being Laws 2003,
25	Chapter 14, Section 2, as amended) is amended to read:
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1 "1-19A-2. DEFINITIONS.--As used in the Voter Action Act: 2 "applicant candidate" means a candidate who is Α. 3 running for a covered office and who is seeking to be a certified candidate in a primary or general election; 4 "certified candidate" means a candidate running Β. 5 for a covered office who chooses to obtain financing pursuant 6 7 to the Voter Action Act and is certified as a Voter Action Act 8 candidate: 9 C. ["contested election"] "contested" means [an election in which there are more candidates for a position 10 than the number to be elected to that position; 11 12 D. "contribution" means a gift, subscription, loan, advance or deposit of money or other thing of value, including 13 the estimated value of an in-kind contribution, that is made or 14 received for the purpose of supporting or opposing the 15 nomination for election or election of a candidate for public 16 office, including payment of a debt incurred in an election 17 campaign and also including a coordinated expenditure, but 18 "contribution" does not include: 19 20 (1) a qualifying contribution; (2) the value of services provided without 21 compensation or unreimbursed travel or other personal expenses 22 of individuals who volunteer a portion or all of their time on 23 behalf of a candidate; or 24 (3) the value of the incidental use of the 25

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1	candidate's personal property, home or business office for
2	campaign purposes; provided that for each occurrence, the fair
3	market value does not exceed fifty dollars (\$50.00);
4	E. "coordinated expenditure" means an expenditure
5	<u>that is made:</u>
6	(1) by a person other than a candidate or
7	<u>campaign committee;</u>
8	(2) at the request or suggestion of, or in
9	cooperation, consultation or concert with, a candidate,
10	<u>campaign committee or political party or any agent or</u>
11	representative of such a candidate, campaign committee or
12	political party; and
13	(3) for the purpose of:
14	(a) supporting or opposing the
15	nomination or election of a candidate; or
16	(b) paying for an advertisement that
17	refers to a clearly identified candidate and that is published
18	and disseminated to the relevant electorate in New Mexico
19	within thirty days before the primary election or sixty days
20	before the general election in which the candidate is on the
21	<u>ballot;</u>
22	$[\underline{P}$.] <u>F</u> . "covered office" means any office of the
23	judicial department subject to statewide elections and the
24	office of public regulation commissioner;
25	[E. "election cycle" means the primary and general

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1 elections for the same term of the same covered office, 2 beginning on the day after the last general election for the office and ending with the general election. The primary 3 election cycle begins on the first day of the election cycle 4 and ends on the day of the primary election. The general 5 election begins on the day after the primary election and ends 6 7 on the day of the general election;] G. "expenditure" means a payment, transfer or 8 distribution of, or a promise to pay, transfer or distribute, 9 any money or other thing of value for the purpose of supporting 10 or opposing the nomination or election of a candidate; 11 12 [F.] H. "fund" means the public election fund; [G. "noncertified candidate" means either a 13 candidate running for a covered office who does not choose to 14 participate in the Voter Action Act and who is not seeking to 15 be a certified candidate or a candidate who files a declaration 16 bracketed material] = delete of intent to participate but who fails to qualify; 17 H.] I. "qualifying contribution" means a donation 18 of five dollars (\$5.00) in the form of cash or a check or money 19 20 order payable to the fund in support of an applicant candidate that is: 21 made by a [registered] voter who is (1)22 eligible to vote for the covered office that the applicant 23 candidate is seeking; 24 (2) made during the designated qualifying 25 .211123.1 - 4 -

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1 period and obtained through efforts made with the knowledge and 2 approval of the applicant candidate; and acknowledged by a receipt that identifies 3 (3) the contributor's name and residential address on forms 4 provided by the bureau of elections and that is signed by the 5 contributor, one copy of which is attached to the list of 6 7 contributors and sent to the bureau of elections; [1.] J. "qualifying period" means: 8 9 (1) for [major party applicant candidates for covered offices] candidates who are seeking public financing 10 for a primary election or for both a primary and a general 11 12 election, the period beginning October 1 immediately preceding the election year and ending at 5:00 p.m. on the third Tuesday 13 of March of the election year; and 14 for [independent and minor party] (2) 15 candidates who are seeking public financing only for a general 16 election, the period beginning [February] January 1 of the 17 election year and ending that year at 5:00 p.m. on the [filing 18 date for independent or minor party candidates] twenty-third 19 day following the primary election for the office for which the 20 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

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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. <u>Except as provided in Subsection D of this</u> <u>section</u>, a [candidate] <u>person</u> shall not be eligible to become an applicant candidate if the [candidate] <u>person</u> has accepted contributions totaling [five hundred dollars (\$500) or more or made expenditures totaling five hundred dollars (\$500) or more .211123.1

1 between the beginning of the qualifying period and filing a 2 declaration of intent] more than one hundred dollars (\$100) from any one contributor during the election cycle in which the 3 4 person is running for office. D. A person who has accepted contributions of more 5 than one hundred dollars (\$100) from any one contributor during 6 7 the election cycle in which the person decides to run for a covered office is still eligible to become an applicant 8 9 candidate if: (1) the contributions were for a candidacy for 10 an office other than a covered office and no money was raised 11 12 for or expended on any campaign-related activity for a covered office during the time those contributions were made; 13 14 (2) the person does not solicit or accept contributions for a candidacy for an office other than a 15 covered office or for the purpose of supporting or opposing a 16 17 ballot measure or another candidate after the person declares candidacy for a covered office or becomes an applicant 18 19 candidate; (3) the person places all campaign account 20 money that was collected before the person became an applicant 21 candidate in a segregated bank account and does not transfer 22 any money into or out of that account for the duration of the 23 person's campaign for a covered office; and 24 (4) the person agrees that, if elected to the 25

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1 covered office, the person will transfer all money in the 2 campaign account to the fund." SECTION 4. Section 1-19A-6 NMSA 1978 (being Laws 2003, 3 4 Chapter 14, Section 6) is amended to read: "1-19A-6. 5 CERTIFICATION. --Upon receipt of a final submittal of qualifying 6 Α. 7 contributions by an applicant candidate, the secretary shall 8 determine from the applicant candidate's statement whether the 9 applicant candidate has: signed and filed a declaration of intent 10 (1)to obtain financing pursuant to the Voter Action Act in 11 12 accordance with the requirements of that act; collected and submitted the appropriate 13 (2) 14 number of qualifying contributions after filing a declaration of intent; 15 (3) [qualified as] met the qualifications to 16 17 be a candidate pursuant to other applicable state election law; (4) complied with [seed money] contribution 18 19 and expenditure restrictions; and 20 (5) otherwise met the requirements for obtaining financing pursuant to the Voter Action Act. 21 The secretary shall certify applicant candidates Β. 22 complying with the requirements of this section as certified 23 candidates as soon as possible and no later than ten days after 24 final submittal of qualifying contributions and certification 25 .211123.1 - 8 -

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1 as a candidate pursuant to other applicable state election law. 2 C. A certified candidate shall comply with all requirements of the Voter Action Act after certification and 3 throughout the primary election and general election cycles. A 4 certified candidate who accepts public campaign finance funds 5 for the primary election shall comply with all the requirements 6 7 of the Voter Action Act for the remainder of the election cycle in question, even if [he] the certified candidate decides not 8 9 to accept such funds for the general election." SECTION 5. Section 1-19A-7 NMSA 1978 (being Laws 2003, 10 Chapter 14, Section 7, as amended) is amended to read: 11 12 "1-19A-7. GUIDELINES AND RESTRICTIONS FOR CONTRIBUTIONS TO AND EXPENDITURES OF CERTIFIED CANDIDATES .--13 14 Α. All money distributed to a certified candidate shall be used only for that candidate's campaign-related 15 16 purposes in the election [cycle] in which the money was 17 distributed. B. Money from the fund received by a candidate 18 19 shall not be used for: 20 (1) the candidate's personal living expenses or compensation to the candidate or the candidate's spouse, 21 children or stepchildren; 22 (2) a contribution to another campaign of the 23 candidate or a payment to retire debt from another such 24 25 <u>campaign;</u> .211123.1

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1	(3) a contribution to the campaign of another
2	candidate or to a political party or political committee or to
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 a fine levied by a court or the
9	secretary; or
10	(6) a gift or transfer for which compensating
11	value is not received.
12	$[B_{\bullet}]$ <u>C.</u> A certified candidate shall return to the
13	fund any amount that is unspent or unencumbered at the time
14	that person ceases to be a candidate before a primary or
15	general election for which the fund money was distributed.
16	[C.] <u>D.</u> A certified candidate shall limit total
17	campaign expenditures [and debts] to the amount of money
18	distributed to that candidate from the fund, money received
19	from a political party pursuant to Section 1-19A-8 NMSA 1978
20	and contributions collected pursuant to Section 8 of this 2019
21	<u>act</u> . A certified candidate shall not accept contributions [or
22	loans] from any other source except the certified candidate's
23	political party, as specified in Section 1-19A-8 NMSA 1978 <u>and</u>
24	contributions collected pursuant to Section 8 of this 2019 act.
25	[D.] <u>E.</u> A certified candidate <u>who does not remain a</u>

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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 2019 act that 6 7 <u>remains</u> unspent or unencumbered by the date of the primary 8 election. [for direct deposit into the fund. 9 E.] F. 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 14 contributors pursuant to Section 8 of this 2019 act that remains unspent or unencumbered by the date of the general 15 election [for direct deposit into the fund]. 16 G. If a certified candidate ceases to be a 17 certified candidate for any reason, the previously certified 18 candidate or candidate's campaign committee shall, within 19 20 thirty days thereafter, transfer to the secretary for deposit in the fund any amount received from the fund, from a political 21 party pursuant to Section 1-19A-8 NMSA 1978 or from private 22 contributors pursuant to Section 8 of this 2019 act that 23 remains unspent or unencumbered by the date the candidate 24 ceases to be a certified candidate." 25

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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 September 1, 2019.
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."
17	SECTION 7. Section 1-19A-10 NMSA 1978 (being Laws 2003,
18	Chapter 14, Section 10, as amended) is amended to read:
19	"1-19A-10. PUBLIC ELECTION FUNDCREATIONUSE
20	A. There is created in the state treasury the
21	"public election fund" solely for the purposes of:
22	(1) financing the election campaigns of
23	certified candidates for covered offices;
24	(2) paying administrative and enforcement
25	costs of the Voter Action Act; and
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1 carrying out all other specified (3) 2 provisions of the Voter Action Act. The state treasurer shall invest the funds as 3 Β. other state funds are invested, and all income derived from the 4 fund shall be credited directly to the fund. Remaining 5 balances at the end of a fiscal year shall remain in the 6 7 [election] fund and not revert to the general fund. Money received from the following sources shall 8 C. 9 be deposited directly into the fund: (1) qualifying contributions that have been 10 submitted to the secretary; 11 12 (2) any recurring balance of unspent fund money distributed to a certified candidate who does not remain 13 14 a candidate through the primary or general election period for which the money was distributed; 15 (3) money that remains unspent or unencumbered 16 by a certified candidate following the date of the primary 17 election; 18 19 (4) money that remains unspent or unencumbered 20 by a certified candidate following the date of the general election; 21 (5) unspent [seed money that cannot be used 22 for any other purpose] contributions to a candidate; 23 money distributed to the fund from funds (6) 24 received pursuant to the Uniform Unclaimed Property Act (1995); 25 .211123.1 - 14 -

1 and 2 (7) money appropriated by the legislature or as otherwise provided by law. 3 D. A subaccount shall be established in the fund, 4 and money in the subaccount shall only be used to pay the costs 5 of carrying out the provisions of the Voter Action Act related 6 7 to public regulation commission elections. Two hundred thousand dollars (\$200,000) per year 8 Ε. 9 shall be collected and deposited in the subaccount for public regulation commission elections as follows: 10 one hundred thousand dollars (\$100,000) (1) 11 12 from inspection and supervision fees collected pursuant to Section 62-8-8 NMSA 1978; and 13 one hundred thousand dollars (\$100,000) 14 (2) from utility and carrier inspection fees collected pursuant to 15 Section 63-7-20 NMSA 1978." 16 SECTION 8. A new section of the Voter Action Act is 17 18 enacted to read: 19 "[NEW MATERIAL] ALLOWABLE CONTRIBUTIONS .--20 Α. An applicant candidate may collect contributions during the sixty days immediately preceding the qualifying 21 period and throughout the qualifying period from qualified 22 electors registered to vote in the state. An applicant 23 candidate shall not accept contributions from any other source. 24 B. A certified candidate may collect contributions 25 .211123.1

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from qualified electors registered to vote in the state. A certified candidate shall not accept contributions from any other source, except as allowed pursuant to Section 1-19A-8 NMSA 1978.

C. Total contributions from a qualified elector to a candidate shall not exceed one hundred dollars (\$100) per election cycle."

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.--

A. By [August 1, 2007] September 1 of each oddnumbered 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.

B. For contested primary elections, the amount of money to be distributed to a certified candidate is equal to the following:

(1) for the office of public regulation commissioner, twenty-five cents (\$.25) for each voter of the candidate's party in the district of the office for which the candidate is running; and

(2) for the office of justice of the supreme court and judge of the court of appeals, fifteen cents (\$.15) .211123.1 - 16 -

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1 for each voter of the candidate's party in the state.

C. For uncontested primary elections <u>in which</u>
<u>another candidate has filed a declaration of candidacy for</u>
<u>nomination in another party's primary for the same office</u>, the
amount of money to be distributed to a certified candidate is
equal to [fifty] twenty percent of the amount specified in
Subsection B of this section.

8 D. For contested general elections, the amount of
9 money to be distributed to a certified candidate is equal to
10 the following:

(1) for the office of public regulation commissioner, twenty-five cents (\$.25) for each voter in the district of the office for which the candidate is running; and

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

E. [For uncontested general elections, except as provided in Subsection I of this section, the amount of money to be distributed to a certified candidate is equal to fifty percent of the amount specified in Subsection D of this section.] If a general election race that is initially uncontested later becomes contested because of the qualification of an independent or minor party candidate to appear on the ballot for that race, an [additional] amount of money shall be distributed to the certified candidate to make .211123.1

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that candidate's [total] distribution amount equal to the amount distributed pursuant to Subsection D of this section.

Once the certification for candidates for the F. 3 primary election has been completed, the secretary shall 4 calculate the total amount of money to be distributed in the 5 primary election cycle, based on the number of certified 6 7 candidates and the allocations specified in this section. [The secretary shall increase the total amount by twenty percent to 8 9 provide funds for additional matching funds in the primary election.] The secretary shall also prepare an estimate of the 10 total amount of money that might be distributed in the general 11 12 election cycle. [This estimate shall be increased by twenty percent to provide funds for additional matching funds in the 13 general election.] If the total amount to be distributed in the 14 primary election cycle [plus the added twenty percent] and the 15 estimated total amount to be distributed in the general 16 election cycle [plus the added twenty percent, all] taken 17 together exceed the amount expected to be available in the 18 19 fund, the secretary shall allocate the amount available between 20 the primary and general election cycles. This allocation shall be based on the ratio of the two total amounts. 21

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

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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.

At least every two years after January 1, 2007, 4 н. 5 the secretary shall evaluate and modify as necessary the dollar values originally determined by Subsections B through E of this 6 7 section and shall [consider and account for inflation in the evaluations] increase the amounts by the percentage of the 8 preceding two calendar years' increase of the consumer price 9 index for all urban consumers, United States city average for 10 all items, published by the United States department of labor. 11

I. No money shall be distributed to candidates in judicial retention elections [No money shall be distributed to judicial candidates in uncontested general elections; provided that if a general election race that is initially uncontested later becomes contested, the certified judicial candidate shall receive a distribution in accordance with Subsection D of this section], and except as provided in Subsections C and E of this section, no money shall be distributed to a candidate in an uncontested election."

SECTION 10. Section 1-19A-17 NMSA 1978 (being Laws 2003, Chapter 14, Section 17) is amended to read:

"1-19A-17. PENALTIES.--

A. In addition to other penalties that may be applicable, a person who violates a provision of the Voter .211123.1 - 19 -

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1 Action Act is subject to a civil penalty of up to ten thousand 2 dollars (\$10,000) per violation. In addition to a fine, a certified candidate found in violation of that act may be 3 required to return to the fund all amounts distributed to the 4 candidate from the fund. If the secretary makes a 5 determination that a violation of that act has occurred, the 6 secretary shall impose a fine [or] and transmit the finding to 7 8 the attorney general for <u>criminal</u> prosecution <u>pursuant to</u> 9 Subsection B of this section. In determining whether a certified candidate is in violation of the expenditure limits 10 of that act, the secretary may consider as a mitigating factor 11 12 any circumstances out of the candidate's control.

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 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 11. REPEAL.--Sections 1-19A-5 and 1-19A-14 NMSA 1978 (being Laws 2003, Chapter 14, Sections 5 and 14, as amended) are repealed.

SECTION 12. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2019.

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