

This is an amendment to 1.10.13 NMAC, Sections 2, 6 through 8, 10 through 13, 15, 18, 21 through 22, 25, 29 through 30, and 32, and new Section 33, effective 3/22/2022.

1.10.13.2 SCOPE: This rule applies to all persons, candidates and committees covered by the Campaign ~~[Practices]~~ Reporting Act, Sections ~~[1-19-1]~~ 1-19-25 through 1-19-37 NMSA 1978.
[1.10.13.2 NMAC - N, 10/10/2017; A, 3/22/2022]

1.10.13.6 OBJECTIVE: The objective of this rule is to provide clear guidance regarding the application and implementation of the provisions of the Campaign ~~[Practices]~~ Reporting Act, Sections ~~[1-19-1 through 1-19-37]~~ 1-19-25 through 1-19-36 NMSA 1978 to affected parties while also providing for clear and specific guidance to the secretary of state in administering and enforcing the law.
[1.10.13.6 NMAC - N, 10/10/2017; A, 10/29/2019; A, 3/22/2022]

1.10.13.7 DEFINITIONS:

~~A. ["Advertisement" pursuant to Subsection A of Section 1-19-26 NMSA 1978, means a communication referring to a candidate or ballot question that is published, disseminated, distributed or displayed to the public by print, broadcast, satellite, cable or electronic media, including recorded phone messages, internet videos, paid online advertising, recordings, or by printed materials, including mailers, handbills, signs and billboards, but "advertisement" does not include:~~

~~_____ (1) a communication by a membership organization or corporation to its current members, stockholders or executive or administrative personnel;~~

~~_____ (2) a communication appearing in a news story or editorial distributed through a print, broadcast, satellite, cable or electronic medium;~~

~~_____ (3) a candidate debate or forum, or a communication announcing a candidate debate or forum, paid for on behalf of the debate or forum sponsor; provided that two or more candidates for the same position have been invited to participate, or provided that the single candidate is invited in the event that there is only one candidate for that position;~~

~~_____ (4) nonpartisan voter guides allowed by the federal Internal Revenue Code of 1986 for Section 501(c)(3) organizations; or~~

~~_____ (5) statements made to a court or administrative board in the course of a formal judicial or administrative proceeding.~~

~~B.] "Agent" means a person with express or implied authorization to engage in campaign related activities on behalf of a candidate or committee.~~

~~C.] B. "Aggregate contributions" means the sum total of all contributions given to a candidate, campaign committee, or political committee by the same donor in [the same] a primary or general election cycle. Aggregate contributions may not exceed contribution limits.~~

~~D. "Ballot question" means a constitutional amendment, bond, tax or other question submitted to the voters in an election, as defined in Subsection C of Section 1-19-26 NMSA 1978.~~

~~E.] C. "Clearly identified" means: (1) the name of the candidate or ballot question appears; (2) a photograph or drawing of the candidate appears; or (3) the identity of the candidate or ballot question is otherwise apparent by unambiguous reference.~~

~~F.] D. "Committee" means a political committee or campaign committee covered under the Campaign Reporting Act.~~

~~G.] E. "Contribution or coordination political committee" means a type of political committee that makes contributions or coordinated expenditures to candidates or committees.~~

~~H. "Coordinated expenditure" means an expenditure that is made by a person other than a candidate or campaign committee at the request or suggestion of, or in cooperation, consultation, or concert with, a candidate, the candidate's campaign committee or a political party or any agent or representative of a candidate, campaign committee or political party, including a legislative caucus committee for the purpose of:~~

~~_____ (1) supporting or opposing the nomination or election of a candidate; or~~

~~_____ (2) paying for an advertisement that refers to a clearly identified candidate and is published and disseminated to the relevant electorate in New Mexico within 30 days before the primary election or 60 days before the general election in which the candidate is on the ballot.~~

~~I.] F. "Debt" means an outstanding expenditure or loan which is not fully paid at the time it is reported in the campaign finance information system and is therefore reported as unpaid debt.~~

~~J.] G. "Donor" means contributor.~~

~~[K.]~~ **L. “Earmarking”** means making a contribution in which the original donor expresses an intention for the contribution to pass through some other person to a specific candidate or committee or to be used for a specific purpose, such as funding independent expenditures.

~~[L.]~~ **“Election cycle”** for purposes of applying the disclosure of reporting requirements of the act and this rule, the definition of this term is the definition set forth in Subsection A of Section 1-1-3.1 NMSA 1978 and means the period beginning on January 1 after the last general election and ending December 31 after the general election.

~~[M.]~~ **L. “Expressly advocate”** means that the communication contains a phrase including, but not limited to, "vote for," "re-elect," "support," "cast your ballot for," "candidate for elected office," "vote against," "defeat," "reject," or "sign the petition for," or a campaign slogan or words that in context and with limited reference to external events, such as the proximity to the election, can have no reasonable meaning other than to advocate the election, passage, or defeat of one or more clearly identified ballot questions or candidates.

~~[N.]~~ **J. “Final report”** means the last report electronically filed under the Campaign Reporting Act in accordance with Subsection F of Section 1-19-29 NMSA 1978 indicating 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 accounts have been closed.

K. “Finding” means a determination made by the secretary of state based upon an administrative examination or inquiry.

~~[O.]~~ **L. “Foreign nationals”** means an individual who is not a citizen or a national of the United States (as defined in 8 U.S.C. §1101(a)(22)) and who is not lawfully admitted for permanent residence, as defined by 8 U.S.C. §1101(a)(20).

~~[P.]~~ **“General election cycle”** means the period beginning on the day after the primary election and ending December 31 after the general election.

~~[Q.]~~ **“Independent expenditure”** pursuant to Subsection N of Section 1-19-26 NMSA 1978, means an expenditure that is:

- (1) made by a person other than a candidate or campaign committee;
- (2) not a coordinated expenditure as defined in the Campaign Reporting Act; and
- (3) made to pay for an advertisement that:
 - (a) expressly advocates for the election or defeat of a clearly identified candidate or the passage or defeat of a clearly identified ballot question;
 - (b) is susceptible to no other reasonable interpretation than as an appeal to vote for or against a clearly identified candidate or ballot question; or
 - (c) refers to a clearly identified candidate or ballot question and is published and disseminated to the relevant electorate in New Mexico within 30 days before the primary election or 60 days before the general election in which the candidate or ballot question is on the ballot.

~~[R.]~~ **M. “In-kind contributions”** means goods or services or anything of value contributed to a candidate or committee other than money. The provision of any goods or services without charge or at a charge that is less than the usual and normal charge for such goods or services is an in-kind contribution. Examples of such goods or services include, but are not limited to: securities, facilities, equipment, supplies, personnel, advertising services, membership lists, and mailing lists.

~~[S.]~~ **N. “Legislative Caucus Committee”** means a political committee established by the members of a political party in a chamber of the legislature pursuant to the provisions of Subsection O of Section 1-19-26 NMSA 1978 and Section 2-21-1 NMSA 1978. A legislative caucus committee is also a political committee pursuant to Subsection Q of Section 1-19-26 NMSA 1978.

~~[T.]~~ **O. “Loan”** means an extension of credit to a candidate or committee by any person, including the candidate themselves, for use as monies spent toward the election of a candidate or other political purpose.

~~[U.]~~ **P. “Members”** means all persons who are currently satisfying the requirements for membership in a membership organization, affirmatively accept the membership organization's invitation to become a member, and either:

- (1) have some financial attachment to the membership organization; or
- (2) pay membership dues at least annually, of a specific amount predetermined by the organization; or
- (3) have an organizational attachment to the membership organization that includes: affirmation of membership on at least an annual basis and direct participatory rights in the governance of the

organization. For example, such rights could include the right to vote directly or indirectly for at least one individual on the membership organization's highest governing board; the right to vote on policy questions where the highest governing body of the membership organization is obligated to abide by the results; the right to approve the organization's annual budget; or the right to participate directly in similar aspects of the organization's governance.

~~[V.]~~ **Q.** “**Membership organization**” means an unincorporated association, trade association, cooperative, corporation without capital stock, or a local, national, or international labor organization that:

- (1) is composed of members;
- (2) expressly states the qualifications and requirements for membership in its articles, bylaws, constitution or other formal organizational documents;
- (3) makes its articles, bylaws, constitution or other formal organizational documents available to its members;
- (4) expressly solicits persons to become members;
- (5) expressly acknowledges the acceptance of membership, such as by sending a membership card or including the member's name on a membership newsletter list; and
- (6) is not organized primarily for the purpose of influencing the nomination for election, or election, of any individual for offices covered under the Campaign Reporting Act.

~~[W.]~~ **R.** “**Mixed purpose political committee**” means a type of political committee that makes independent expenditures and coordinated expenditures or contributions and that segregates funds used for coordinated expenditures and contributions subject to contribution limits into a separate bank account from funds used for independent expenditures.

~~[X.]~~ “**Person**” means individual or entity pursuant to Subsection P of Section 1-19-26 NMSA 1978.

~~—~~ ~~[Y.]~~ **S.** “**Pledge**” means a promise from a contributor to send or deliver a contribution by a specified time.

~~[Z.]~~ “**Political party**” means an association that has qualified as a political party pursuant to the provisions of Section 1-7-2 NMSA 1978.

~~—~~ ~~AA.~~ “**Primary election cycle**” means the period beginning January 1 after the last general election and ending on the day of the primary election.

~~—~~ ~~BB.]~~ **T.** “**Primary purpose**” means the purpose for which an entity or committee:

- (1) was created, formed or organized; or
- (2) has made more than fifty percent of its expenditures during the current election cycle exclusive of salaries and administrative costs; or
- (3) has devoted more than fifty percent of the working time of its personnel during the current election cycle.

~~[CC.]~~ **U.** “**Relevant electorate**” means the constituency eligible to vote for the candidate or ballot question.

~~[DD.]~~ “**Reporting individual**” means a public official, candidate or treasurer of a campaign committee or a treasurer of a political committee pursuant to Subsection V of Section 1-19-26 NMSA 1978.

~~—~~ ~~EE.]~~ **V.** “**Solicit**” means to ask that another person make a contribution, donation, transfer of funds, or otherwise provide anything of value, whether it is to be made or provided directly to the candidate or committee, or through a conduit or intermediary.

~~[FF.]~~ **W.** “**Sponsoring organization**” means an organization that has provided more than twenty-five percent of the total contributions to a political committee as of the time the committee is required to register under this rule.

~~[GG.]~~ **X.** “**Special event**” means a barbeque, tea, coffee, dinner, reception, dance, concert or similar fundraiser where tickets costing twenty-five dollars (\$25) or less are sold and no more than one thousand dollars (\$1,000) net contributions are received.

~~[HH.]~~ **Y.** “**Statement of no activity**” means the prescribed form used by a reporting individual to indicate that no contributions were raised or expenditures were made during a particular reporting period.

~~[H.]~~ **Z.** “**Treasurer**” means an individual explicitly designated by a candidate or committee to authorize disbursements, receive contributions, maintain a proper record of the campaign finances, and who, along with the candidate, is personally liable for discrepancies in the finances and reports of the committee.

~~—~~ ~~AA.~~ “**Unresolved discrepancy**” means a finding of an actual or perceived inconsistency, conflict, or contradiction that is not resolved after attempts to seek voluntary compliance.

[1.10.13.7 NMAC - N, 10/10/2017; A, 10/29/2019; A, 3/22/2022]

1.10.13.8 CANDIDATE CAMPAIGN COMMITTEE REGISTRATIONS:

A. A candidate for a non-statewide office shall register the candidate's campaign committee with the secretary of state within 10 days of receiving contributions or expending one thousand dollars (\$1,000) or more for campaign expenditures or filing a declaration of candidacy; whichever occurs earlier.

B. A candidate for statewide office shall register the candidate's campaign committee with the secretary of state within 10 days of receiving contributions or expending three thousand dollars (\$3,000) or more or filing a declaration of candidacy; whichever occurs earlier.

C. All candidates shall complete a campaign committee registration form ~~[and submit the completed form to the secretary of state, or otherwise with the proper filing officer, if completed at the time the declaration of candidacy is submitted]~~ online via the registration process in the campaign finance information system (CFIS). Following acceptance of the campaign committee registration form, the secretary of state will create a user account for the candidate in ~~[the campaign finance information system (CFIS)]~~ CFIS and will issue the candidate a unique CFIS user identification ~~[and password].~~

D. A candidate is responsible for entering accurate and current contact information in CFIS, including mailing address and email address. Failure to provide accurate or current contact information does not limit the candidate's liability regarding fines and civil actions against the candidate or public official related to campaign reporting.

E. Section 1-19-27 NMSA 1978 requires that all campaign finance reports be filed electronically with the secretary of state's office. In order to file electronically, the candidate must, at all times, maintain a valid email address on file with the secretary of state.

F. A candidate may serve as the candidate's own treasurer. If the candidate does not serve as the candidate's own treasurer, then the candidate shall appoint a treasurer who shall be jointly responsible as a reporting individual with the candidate for the campaign committee.

G. If the candidate does not serve as the candidate's own treasurer, in the event of a vacancy in the position of treasurer, the candidate shall appoint a successor treasurer within 10 days of the vacancy by updating the information electronically in CFIS.

H. The candidate is deemed to have authorized and approved each report entry submitted to CFIS.

I. A candidate may only have one campaign committee at a time ~~[Any candidate campaign committee registration form received will result in the secretary of state moving the last reported campaign balance, including debts, to the new campaign committee account in CFIS]~~ unless the candidate is seeking public financing and must keep a previous campaign account open and separated.

J. A candidate seeking re-election to the same office is not required to submit a new campaign committee registration form if the candidate already has an open campaign account.

K. A candidate seeking election to a new office covered by the campaign reporting act than what the candidate previously registered is required to submit a new campaign committee registration form. If a new candidate campaign committee registration form is submitted by a candidate with an open campaign committee for a new office, the candidates shall expend all funds in accordance with the Campaign Reporting Act or transfer any remaining funds from the old campaign committee to the new campaign committee and file a final report to close the old campaign committee within ten days from the date the registration form is accepted by the secretary of state unless the candidate is seeking public financing and must keep a previous campaign account open and separated.
[1.10.13.8 NMAC - N, 10/10/2017; A, 10/29/2019; A, 3/22/2022]

1.10.13.10 POLITICAL COMMITTEE REGISTRATIONS:

A. Registration.

(1) Prior to receiving or making any contribution or expenditure for a political purpose. All political committees shall complete a political committee registration form/statement of organization online via the registration process in CFIS and submit the completed form, along with a fifty dollar (\$50) filing fee, to the secretary of state. The form shall include:

(a) the full name of the political committee, which shall fairly and accurately reflect the identity of the committee, including any sponsoring organization;

(b) the physical address of the political committee, a mailing address if different from the physical address, and an email address;

(c) a statement of the purpose for which the political committee was organized; under this section, the committee shall designate the type of expenditures it will be making; the committee will have the option of registering as:

(i) an independent expenditure political committee;

(ii) a contribution or coordination political committee; or

~~(iii) a mixed purpose political committee; [or
(iv) other; if a political committee selects other, then the political committee shall submit a written explanation to the secretary of state as to why the categories of independent expenditure political committee, contribution or coordination political committee, and mixed purpose political committee do not apply]~~

(d) the names and addresses of the officers of the committee;

(e) an identification of the bank(s) used by the committee for all expenditures or contributions made or received; this shall include the name of the bank(s), business address(es) of the branch office(s) where the account(s) was/were opened, and telephone number for the bank(s); and

(f) the treasurer's name, mailing address, email address, and contact information.

(2) Following acceptance of the political committee registration form, the secretary of state ~~[will create a user account for the political committee in the (CFIS) and]~~ will issue the treasurer a unique CFIS user identification ~~[and password]~~.

(3) The provisions of this section do not apply to a political committee that is located in another state and is registered with the federal election commission (FEC). If the political committee is located in another state and reports to the FEC, the committee shall file 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 with the secretary of state within 10 days of filing the report to the FEC.

(4) If a political committee is located in another state and is making contributions and expenditures to New Mexico reporting individuals, but is not registered with the FEC, then the out-of-state political committee must register and report its New Mexico contributions and expenditures in accordance with the provisions of the Campaign Reporting Act and this rule.

(5) If a political committee is located in New Mexico and is required to register as a political committee under this rule, the political committee must register with the secretary of state even if it is also registered with the FEC.

(6) The political committee's treasurer is responsible for carrying out the duties described in the Campaign Reporting Act and this rule ~~[-and should understand the responsibilities and potential liabilities associated with those duties. Under the Campaign Reporting Act, the treasurer is a reporting individual who can be named in a complaint or official action by the secretary of state. Additionally, a treasurer may be found]~~ and may be personally liable if he or she knowingly and willfully violates the Campaign Reporting Act.

(7) ~~[If a change is made to a treasurer of a political committee, the political committee shall appoint a successor treasurer within 10 days of the vacancy by updating the information]~~ An individual who resigns as treasurer of a political committee shall submit a resignation statement on a form prescribed by the secretary of state. An individual's resignation is not effective until a replacement treasurer is appointed, and the treasurer's information is updated electronically in CFIS.

(8) A political committee shall not continue to receive or make any contributions or expenditures unless the name of the current treasurer is on file with the secretary of state by ~~[filing an updated political committee registration form]~~ updating the information in CFIS.

(9) A political committee is responsible for entering accurate and current contact information in CFIS, including mailing address and email address. Failure to provide accurate or current contact information does not limit the political committee's liability regarding fines and civil actions related to campaign reporting.

(10) Any changes to the information provided in the registration form/statement of registration shall be ~~[reported to the secretary of state]~~ filed in CFIS within 10 days.

B. Section 1-19-27 NMSA 1978 requires that all campaign finance reports be filed electronically with the secretary of state's office. In order to file electronically, the political committee must maintain a valid email address on file with the office.

C. Political party registration: Qualified political parties that file rules in accordance with Article 7 of the Election Code with the secretary of state or county clerk are required to complete and file the political committee registration form with the secretary of state and must adhere to the provisions of the Campaign Reporting Act and this rule.

D. Legislative caucus committee registration: a legislative caucus committee is required to complete and file the political committee registration form with the secretary of state and must adhere to the provisions of the Campaign Reporting Act.

E. Notice of cancellation:

(1) A political committee, other than a political party or a legislative caucus committee, that has not received any contribution or made any coordinated or independent expenditures for a continuous period of at

least one year [~~may cancel its registration as a political committee by completing and submitting a prescribed cancellation form to the secretary of state]~~ pursuant to Subsection G of Section 1-19-29 NMSA 1978 shall be advised of their right to cancel the political committee's registration without obligation to file a final report. The political committee shall notify the secretary of state of the political committee's intention to remain active or will otherwise be marked as inactive by January 1 of the next even numbered year.

(2) A political committee that has cancelled its registration pursuant to Subsection G of Section 1-19-29 NMSA 1978, shall submit a new registration [~~in the event that its future activities meet the~~ prerequisites for registration pursuant to Section 1-19-26.1 NMSA 1978.

~~(a)~~ a political committee submitting a new registration must file with the secretary of state] within 24 hours of receiving any contribution or making any expenditure for a political purpose.

~~(b)~~ a] A new registration shall include:

~~(i)~~ (a) current bank account balance(s); and

~~(ii)~~ (b) a certification that no contributions have been received or any expenditures made for a political purpose during the period wherein the political committee's registration was cancelled pursuant to Subsection G or Section 1-19-29 NMSA 1978.

[1.10.13.10 NMAC - N, 10/10/2017; A, 10/29/2019; A, 3/22/2022]

1.10.13.11 REPORTING OF INDEPENDENT EXPENDITURES:

~~A.~~ A person who makes an independent expenditure not otherwise required to be reported under the Campaign Reporting Act shall file a prescribed report with the secretary of state within:

~~(1)~~ three days of making the expenditure if the expenditure, by itself or aggregated with all independent expenditures made by the same person during the election cycle, exceeds one thousand dollars (\$1,000) in a non-statewide election(s) or question(s) or in an amount that exceeds three thousand dollars (\$3,000) in a statewide race(s) or ballot measure(s).

~~(2)~~ 24 hours of making the expenditure if the expenditure is in an amount of three thousand dollars (\$3,000) or more and is made within seven days before a non-statewide election.

~~B.~~ The report required by Subsection A of this section shall include:

~~(1)~~ The name and address of the person who made the independent expenditure.

~~(2)~~ The name and address of the person to whom the independent expenditure was made and the amount, date and purpose of the independent expenditure. If no reasonable estimate of the monetary value of a particular expenditure is practicable, a description of the services, property or rights furnished through the expenditure;

~~(3)~~ The source of the contributions used to make the independent expenditure as provided in Subsections C and D of this section.

~~C.~~ A person who makes independent expenditures totaling three thousand dollars (\$3,000) or less in a non-statewide election or ballot question, or nine thousand dollars (\$9,000) or less in a statewide election or ballot question, shall report the name and address of each person who has made contributions of more than a total of two hundred dollars (\$200) in the previous 12 months that were earmarked or made in response to a solicitation to fund independent expenditures, and shall report the amount of each such contribution made by that person. For purposes of this Subsection C, of 1.10.13.11 NMAC, a contribution is earmarked or made in response to a solicitation to fund independent expenditures, if the person making the contribution:

~~(1)~~ designates, requests, or suggests that the amounts be used for independent expenditures. A person "designates, requests, or suggests" that amounts be used for independent expenditures if, at any time, there is an agreement, suggestion, designation, instruction, or encumbrance, whether direct or indirect, express or implied, oral or written, that all or any part of the transfer or payment be used to fund independent expenditures;

~~(2)~~ provided the amounts in response to a solicitation or other request, whether direct or indirect, express or implied, oral or written, for a transfer or payment to fund independent expenditures; or

~~(3)~~ knew or had reason to know from the surrounding circumstances that the amounts would be used to fund independent expenditures.

~~D.~~ A person who makes independent expenditures totaling more than three thousand dollars (\$3,000) for a non-statewide election or ballot question or more than nine thousand (\$9,000) for a statewide election or ballot question during an election cycle, in addition to reporting the information specified in Subsection C of this section, shall report the following information:

~~(1)~~ if the expenditures were made exclusively from a segregated bank account that contains only funds contributed to the account by individuals for the purpose of making independent expenditures, the name

and address of, and the amount of each contribution not previously reported for, each contributor who contributed more than two hundred dollars (\$200) in the aggregate to the account in the election cycle; or
~~(2) if the expenditures were made in whole or in part from funds other than a bank account of the kind described in Paragraph (1), the name and address of, and amount of each contribution made by, each contributor who contributed more than a total of five thousand dollars (\$5,000) during the election cycle, to the person making the independent expenditures; provided, however, that a contribution is exempt from reporting pursuant to this paragraph if the contributor requested in writing that the contribution not be used to fund independent or coordinated expenditures or make contributions to a candidate, campaign committee or political committee.~~

~~E.] A.~~ A person reporting an independent expenditure [under this section] that is not otherwise required to register as a political committee or report under the Campaign Reporting Act shall complete the online registration process [prescribed by the secretary of state in order to access the required disclosure reporting system. All reports of independent expenditures under this section shall be filed using the required system.] in CFIS for setting up an account as an independent expenditure filer.

~~[F.] B.~~ Time requirements:

~~(1) An independent expenditure is considered to be made on the first date on which the communication or advertisement is published, broadcast or otherwise publicly disseminated.~~

~~(2) If any person making independent expenditures incurs subsequent independent expenditures, the person shall report such expenditures pursuant to this section.~~

~~G.] C.~~ No person may make contributions or expenditures with an intent to conceal the names of persons who are the true source of funds used to make independent expenditures, or the true recipients of the expenditure.

~~H.] D.~~ Both a person who makes an independent expenditure pursuant to Section 1-19-27.3 or a registered political committee that files reports in accordance with Section 1-19-29 NMSA 1978 is required to disclose the candidate(s) or ballot question(s) being supported or opposed by each independent expenditure made.

E. If a person declines to identify a contributor pursuant to Paragraph (2) of Subsection D of Section 1-19-27.3 NMSA 1978 on the basis that the contributor requested in writing that the contribution not be used to fund independent or coordinated expenditures or to make contributions to a candidate, campaign committee, or political committee, the person making the independent expenditure shall, contemporaneously with the filing of the report required under this Section and Section 1-19-27.3 NMSA 1978, submit to the secretary of state a statement under penalty of perjury that:

(1) a contributor requested that a contribution not be used to fund independent or coordinated expenditures or to make contributions to a candidate, campaign committee, or political committee; and

(2) the person making the independent expenditure, coordinated expenditures, or contributions to a candidate, campaign committee or political committee did not use any of the funds received from the contributor for those purposes.

[1.10.13.11 NMAC - N, 10/10/2017; A, 10/29/2019; A, 3/22/2022]

1.10.13.12 GENERAL REPORTING RULES:

A. Candidate campaign committees.

(1) All campaign committees shall file reports according to the schedule set forth in Section 1-19-29 NMSA 1978. Reports shall be accepted until midnight mountain time on the date of filing without penalty. In the event that a filing deadline falls on a state holiday, the report shall be made on the following day. Beginning after 12:01 a.m. mountain time on the day after the due date of the report, penalties for late filing shall begin to accrue.

(2) Campaign committees shall report all contributions, in-kind contributions known to the campaign committee, loans, expenditures, loan repayments, and debt forgiven by the lender.

(3) Coordinated expenditures made on behalf of the candidate or campaign committee shall be reported by the campaign committee as in-kind contributions received from the coordinating political committee and are subject to contribution limits. Any committee reporting an expenditure that is in-kind to another committee registered pursuant to the Campaign Reporting Act is required to disclose the name of the committee benefiting from the in-kind contribution.

(4) Candidates must file all required reports while they are an active candidate and continue to file timely reports until such time as they meet the requirements to file a final report. For example, a primary election candidate that loses the primary election must file all reports included in the primary election cycle and continue to file reports until the candidate files a final report. Losing an election does not terminate a candidate's requirement to file under the Campaign Reporting Act.

(5) A candidate's personal funds spent in support of a candidate's own campaign are considered a contribution and shall be disclosed by filing the required reports in CFIS; however, these funds are not subject to contribution limits.

(6) Upon request by the secretary of state, the campaign committee shall provide a copy of bank statements, for all accounts, for any reporting period.

(7) Candidates benefiting from independent expenditures or in-kind contributions the candidate has no knowledge of have no obligation to report the [~~independent expenditure~~] item as a contribution to the candidate's campaign committee.

B. Political committees.

(1) [~~All political~~] Political committees shall file reports according to the schedule set forth in Section 1-19-29 NMSA 1978. Reports shall be accepted until midnight on the date of filing deadline without penalty. In the event that a filing deadline falls on a state holiday, the report shall be made on the following day. Beginning after 12:01 a.m. mountain time on the date after the filing deadline of the report, penalties for late filing shall begin to accrue.

(2) Political committees shall report all contributions, in-kind contributions known to the political committee, loans, expenditures, loan repayments, and debt forgiven by the lender.

(3) In addition to disclosing the information required by the Campaign Reporting Act for expenditures, a political committee making coordinated expenditures, including in-kind, shall also disclose the name of the candidate, campaign committee, or political committee with whom the expenditure is being coordinated or is benefiting.

(4) Upon request by the secretary of state, the political committee shall provide a copy of bank statements, for all accounts, for the political committee for any reporting period.

C. Hardship waivers.

(1) All reports required by these rules shall be filed electronically in the manner and on forms as prescribed by the secretary of state. Reporting individuals required to file reports may apply to the secretary of state for exemption from electronic filing in case of hardship by submitting a hardship waiver request form prescribed by the secretary of state. The secretary of state may approve or deny this request. Approval may be granted at the discretion of the secretary of state only if the reporting individual has no way to access CFIS.

(2) Upon approval of a hardship waiver, the reporting individual shall submit the report on a prescribed paper form. Approval of a hardship waiver by the secretary of state, authorizes the secretary of state to enter the report into the electronic system on behalf of the reporting individual. A copy of the electronic report entered by the secretary of state will be mailed to the reporting individual once it has been entered into CFIS.

(3) Submission of a hardship waiver request does not constitute meeting the reporting requirements including the statutory reporting deadlines. Failure to adhere to a report deadline may still result in fines pursuant to Section 1-19-35 NMSA 1978. Reporting individuals shall make arrangements for hardship approval with the secretary of state in advance of report deadlines to ensure timely filing.

[1.10.13.12 NMAC - N, 10/10/2017; A, 10/29/2019; A, 3/22/2022]

1.10.13.13 NO ACTIVITY:

A. All candidates are required to register and file reports in CFIS according to the reporting schedule outlined in the Campaign Reporting Act once a declaration of candidacy has been filed, even if the candidate does not raise or spend any funds. Candidates who have collected no contributions and made no expenditures shall file a statement of no activity.

B. Candidates who do not raise funds are not required to open a campaign bank account.

C. Receiving funds as a publicly financed candidate pursuant to the Voter Action Act is considered raising funds for the purpose of this rule.

D. Candidates who maintain a zero balance in CFIS for the duration of a primary or general election cycle shall be administratively closed by the secretary of state.

[1.10.13.13 NMAC - N, 10/10/2017; A, 3/22/2022]

1.10.13.15 LATE FILING OF REPORTS:

A. If a reporting individual or person required to file a report [~~under 1.10.13.11 NMAC~~] pursuant to Section 1-19-27.3 NMSA 1978 fails to timely file a report in CFIS, or fails to file a report, a written notice will be sent by the secretary of state to the reporting individual or person required to file a report explaining the violation and the fine imposed.

B. The reporting individual or person required to file a report is afforded 10 working days from the date of the written notice to file, if needed, and provide a written explanation within CFIS indicating why the violation occurred.

C. If a timely explanation is provided and the report is filed within the timeframe provided by the notice, the secretary of state will make a determination whether good cause exists to fully or partially waive the fine.

D. If the reporting individual or person required to file the report fails to provide a written response or fails to file a report within the timeframe provided by the notice, the secretary of state shall issue a notice of final action requiring the reporting individual or person required to file the report to file the late report, provide a written explanation of why the violation occurred, and pay the fine owed.

E. Fines for late filing will accrue beginning the day after the filing deadline until the report is filed at the statutory rate of fifty dollars (\$50) per day up to a maximum fine ~~[of five thousand dollars (\$5,000)]~~ pursuant to Subsection H of Section 1-19-35 NMSA 1978 per report. Candidates required to file supplemental reports are subject to additional fines pursuant to Subsection C of Section 1-19-35 NMSA 1978.

~~[F. The reporting individual or person required to file the report may challenge the imposition of a fine within 10 working days of the date of the notice of final action by filing a request for arbitration on the prescribed arbitration request form. The arbitrator shall conduct the hearing within 30 days of the request for arbitration. The arbitrator may schedule the arbitration beyond the 30-day timeframe with the agreement of the parties.~~

~~G. The arbitrator shall issue a binding written decision in accordance with Subsection F of Section 1-19-34.4 NMSA 1978, which shall be a public record. The decision shall be issued and filed with the secretary of state within 30 days of the arbitration hearing.]~~

F. If a reporting individual or person required to file a report desires to come into voluntary compliance after a notice of final action has been issued but prior to a referral pursuant to Section 1-19-34.6 NMSA 1978, the secretary of state may, at the secretary of state's sole discretion, file a petition with the court requesting the court to waive fines for good cause.

~~[H.]~~ G. Failure to respond to the notice of final action ~~[may]~~ shall result in a referral to the ~~[attorney general's office or district attorney's office, or effective January 1, 2020, the]~~ state ethics commission.

[1.10.13.15 NMAC - N, 10/10/2017; A, 10/29/2019; A, 3/22/2022]

1.10.13.18 IN-KIND CONTRIBUTIONS:

A. In-kind contributions must be reported with the actual value of the contribution. If an actual value is not available, an estimated value of the contribution may be used.

B. Coordinated expenditures are treated as in-kind contributions and must be reported as such.

C. If a committee or person makes an in-kind contribution that benefits multiple candidates, each candidate must report the estimated benefit received per person.

D. Goods, such as facilities, equipment, or supplies, are valued at the price the item or facility would have cost, given its age and condition, at the time the contribution was made.

E. If goods or services are provided at less than the usual and normal charge, the amount of the in-kind contribution is the difference between the usual and normal charge for the goods or services at the time of the contribution and the amount charged to the candidate or committee.

F. The value of in-kind contributions from a political party or legislative caucus committee to a candidate nominated by that party in a general election cycle do not apply to the limitations on contributions to candidates or campaign committees.

G. If a committee makes an expenditure that is reported as coordinated or in-kind to another campaign or political committee, the committee making the expenditure must disclose the candidate or political committee that is benefitting from the expenditure.

[1.10.13.18 NMAC - N, 10/10/2017; A, 10/29/2019; A, 9/28/2021; A, 3/22/2022]

1.10.13.21 CANDIDATE DESIGNATIONS OF CONTRIBUTIONS OVER THE LIMIT:

[RESERVED]

~~A. When a person makes a contribution above the contribution limits to a candidate in the primary cycle, the candidate may re-designate the excessive portion to the general election cycle if the contribution:~~

- ~~(1) is made during that candidate's primary election cycle;~~
- ~~(2) is not designated in writing for a particular election;~~
- ~~(3) would be excessive if treated as a primary election contribution; and~~
- ~~(4) if re-designated, does not cause the contributor to exceed any contribution limit.~~

~~_____ B. _____ If a candidate receives a contribution for the general election prior to the start of the general election cycle that candidate must segregate those funds and not use them until the start of the general election cycle.~~

~~_____ C. _____ A candidate who receives funds in the primary election cycle that are designated for use in the general election cycle and who loses the primary election must return the funds to the original donor or must donate the excessive contribution to the public election fund. A candidate or committee must disclose refunds of contributions in reports filed in CFIS using the refund contributions option.]~~

[1.10.13.21 NMAC - N, 10/10/2017; Repealed, 3/22/2022]

1.10.13.22 EXCESSIVE OR PROHIBITED CONTRIBUTIONS:

A. Excessive or prohibited contributions ~~shall may~~ be returned to the donor upon receipt, without penalty to the reporting individual, ~~if the candidate or committee voluntarily returns the contribution without a finding of violation by the secretary of state.~~ However, if the secretary of state discovers a discrepancy or otherwise makes a [formal] finding that an excessive or illegal contribution has been received by a candidate or committee, the candidate or committee shall forfeit the excessive or illegal contribution in accordance with [Subsection D of Section 1-19-34 NMSA 1978 or] Subsection G of Section 1-19-34.7 NMSA 1978. A candidate or political committee shall disclose refunds of contributions or expenditures to the public election fund in CFIS in the reporting period in which the refund was made.

B. Excess anonymous funds pursuant to Subsections B and C of Section 1-19-34 NMSA 1978 shall be donated pursuant to the requirements of Subsection D of Section 1-19-34 NMSA 1978. The candidate or political committee shall disclose the details of the disbursement of excess anonymous funds in CFIS in the reporting period in which the disbursement was made.

~~[B.]~~ **C.** The reporting individual must check committee records regularly to reasonably ensure that aggregate contributions from one contributor do not exceed the contribution limits of the Campaign Reporting Act.

~~[C.]~~ **D.** When an excessive contribution is made via written instrument with more than one individual's name on it, but only has one signature, the permissible portion may be attributed to the signer and the excessive portion may be attributed to the other individual whose name is printed on the written instrument, without obtaining a second signature. This may be done so long as the reattribution does not cause the other contributor to exceed any contribution limit.

~~[D.]~~ **E.** An excessive contribution which is not designated for either the primary or general election cycle, and which is made after the primary, but before the general election, may be applied to the outstanding debts from the primary election cycle if the campaign committee has more net debts outstanding from the primary election cycle than the excessive portion of the contribution. The re-designation must not cause the contributor to exceed any contribution limits.

~~[E.]~~ **F.** Contributions and donations may not be solicited, accepted, received from, or made directly or indirectly by, foreign nationals who do not have permanent residence in the United States.

[1.10.13.22 NMAC - N, 10/10/2017; A, 10/29/2019; A, 3/22/2022]

1.10.13.25 CANDIDATE EXPENDITURES:

A. Candidates who use the candidate's own personal funds for expenditures of the campaign committee must report the funds as either contributions to the campaign committee, which cannot be repaid to the candidate, or as loans to the campaign committee, which can be repaid from other campaign contributions received by the campaign committee. A candidate may also pay for expenditures of the campaign committee out of personal funds and obtain reimbursement from the campaign committee, but the campaign committee must itemize the expenditures reimbursed and otherwise comply with the disclosure requirements of Section 1-19-31 NMSA 1978 including disclosure of the original payee. A candidate may not, for instance, report a single payment to a credit card in lieu of reporting each individual expenditure paid for out of personal funds. Use of a credit card specifically designated for campaign expenses is permissible but expenditures must be itemized when reported.

B. Permissible expenditures.

(1) Use of campaign funds must be in accordance with Section 1-19-29.1 NMSA 1978. Candidates and committees must provide a purpose or description detailed enough to associate the expense to the campaign. For example, an expense of "taxi" is not appropriately descriptive to determine that it is related to a campaign. Such an expense should be reported as "taxi for travel to campaign meeting."

(2) Expenditures that are reasonably attributable to the candidate's campaign and not to personal use or personal living expenses are permissible campaign expenditures. Personal use of campaign funds is any use of funds in a campaign account to fulfill a commitment, obligation or expense of any candidate or legislator that would exist regardless of the candidate's campaign or responsibilities as a legislator. If the expense would exist

even in the absence of the candidacy, or even if the legislator were not in office, then it is not considered to be a campaign-related expenditure. The following is a non-exhaustive list of items considered to be per se personal use and are, therefore, not allowable expenditures:

- (a) household food items or supplies;
 - (b) funeral, cremation, or burial expenses except those incurred for a candidate or an employee or volunteer of an authorized committee whose death arises out of, or in the course of, campaign activity;
 - (c) clothing, other than items of de minimis value that are used in the campaign, such as campaign t-shirts or caps with campaign slogans;
 - (d) tuition payments, other than those associated with training campaign staff;
 - (e) mortgage, rent or utility payments:
 - (1) for any part of any personal residence of the candidate or a member of the candidate's family; or
 - (2) for real or personal property that is owned by the candidate or a member of the candidate's family and is used for campaign purposes, to the extent the payments exceed the fair market value of the property usage.
 - (f) admission to a sporting event, concert, theater or other form of entertainment, unless part of a specific campaign or officeholder activity;
 - (g) dues, fees, or gratuities at a country clubs, health club, recreational facility or other nonpolitical organizations, unless they are part of the costs of a specific fundraising event that takes place on the organization's premises;
 - (h) payments to candidate's family unless the family member is providing a bona fide service to the campaign. If a family member provides bona fide services to the campaign, any salary payment in excess of the fair market value of the services provided is personal use; and
 - (i) a vacation.
- ~~(3) [Legal expenses specifically related to the campaign or legislative office are permissible uses of campaign funds. Such expenses include, but are not limited to, presenting a legal challenge to an opponent's qualifications for election, participating in such a challenge or defending such a challenge. Permissible legal expenditures also include defending or filing a complaint with the office of secretary of state or any ethics authority.~~
- ~~(4) Candidates and public officials shall not use campaign funds to pay any fine or penalty imposed by the secretary of state or any court of competent jurisdiction.] Legal expenses reasonably attributable to the candidate's campaign are permissible campaign expenditures.~~
- ~~(5) (4) Candidates and political committees may use campaign funds to [pay fines and penalties imposed by the secretary of state] satisfy fines and other non-criminal penalties as a result of violating a provision of the Campaign Reporting Act.~~
- ~~(6) (5) Wear and tear on a vehicle is a permissible expense of the campaign and candidates shall claim mileage rather than actual repairs for travel solely related to the campaign. Mileage shall be calculated at no more than the published rate pursuant to the Mileage and Per Diem Act. Candidates must keep a log for the candidate's own records regarding miles traveled for campaign purposes and calculate the per diem based on this log. Mileage rates are meant to account for both wear and tear on a vehicle as well as costs for gas; therefore, candidates may not charge for both gas and mileage.~~
- ~~(7) A candidate, candidate's agent, or committee's agent may seek an agency opinion or declaratory ruling from the secretary of state on the lawfulness of expenditures made prior to the campaign committee facing an enforcement action. A declaratory ruling made by the secretary of state shall be issued in accordance with the Administrative Procedures Act, Section 12-8-9 NMSA 1978. To the extent that an expenditure is determined unlawful pursuant to an agency declaratory ruling, the campaign committee shall be given the opportunity to amend any inconsistent reports and take other necessary steps to come into voluntary compliance] [1.10.13.25 NMAC - N, 10/10/2017; A, 3/22/2022]~~

1.10.13.29 RECORDS RETENTION:

A. A reporting individual shall obtain and preserve all records, including bank statements and receipts, necessary to substantiate the campaign finance reports required pursuant to the Campaign Reporting Act for a period of two years from the date of the filing of the report containing such items.

B. A reporting individual shall make such records available to the secretary of state, state ethics commission, attorney general or district attorney upon written request.

[1.10.13.29 NMAC - N, 10/10/2017; A, 3/22/2022]

1.10.13.30 RANDOM REPORT SELECTION AND REPORT REVIEW PROCESS:

A. Pursuant to Section 1-19-32.1 NMSA 1978, a randomly selected list of current and past candidates and political committees is computer generated by the secretary of state.

B. The secretary of state conducts a review of the reports filed during the election year or reporting period being reviewed for compliance with 1.10.13 NMAC and the Campaign Reporting Act. Areas of review during the report examination include:

- (1) Campaign committees or political committees who fail to register or fail to register timely.
- (2) Contributions, including loans and anonymous contributions, which exceed allowable contribution limits.
- (3) Expenditures that may not be permissible.
- (4) To the extent possible, cross checking with other reporting entities including those filing under the Lobbyist Regulation Act.
- (5) Other report errors such as incomplete reporting or failure to disclose the originating donor of a contribution.

C. Pursuant to Section 1-19-32.1 NMSA 1978, the secretary of state shall notify potential violators that a possible discrepancy has been found and allow the candidates or committees 10 working days from the date of the notice to submit a written explanation and come into voluntary compliance.

~~**D.** After a written response is received, the secretary of state will issue a notice of final action which may include dismissal of the finding upon explanation or correction or could include a penalty pursuant to Section 1-19-34.4 NMSA 1978.~~

~~**E.** Upon **D.** After the secretary of state deems efforts at voluntary compliance have been exhausted and upon completion of the random review, the secretary of state shall ~~generate a report that details the findings and actions taken by the candidates, committees, and the secretary of state which shall be made publicly available~~ prepare a report that includes the committees included in the random examination, the outcome of voluntary compliance efforts, and any unresolved discrepancies. The report shall be maintained and forwarded pursuant to the requirements set forth in Subsection B of Section 1-19-32.1 NMSA 1978.~~

[1.10.13.30 NMAC - N, 10/10/2017; A, 3/22/2022]

1.10.13.32 LEGISLATIVE CAUCUS COMMITTEE:

A. Only one legislative caucus committee may exist for the majority and minority of each legislative chamber.

B. The speaker and the minority floor leader of the house of representatives and the majority floor leader and the minority floor leader of the senate shall be the designated leaders of the legislative caucus committees for the members of their political party in their legislative chamber unless:

- (1) two-thirds of the members of a political party in a legislative chamber vote to designate a different leader from among their members; and
- (2) the results of that vote are recorded with the secretary of state.

C. A legislative caucus committee must comply with all statutes and rules applicable to political committees, with the exception of in-kind contributions from a legislative caucus committee to a candidate nominated by that party in a general election cycle, which do not apply to limitation on contributions.

D. No funds belonging to a legislative caucus committee shall be expended by the committee unless a current designated leader of the committee is on file with the secretary of state using the campaign registration form prescribed by the secretary of state.

E. Funds belonging to a legislative caucus committee shall be managed by the designated leader or the leader's designee as designated on the campaign registration form prescribed by the secretary of state.

F. A legislative caucus committee cannot be dissolved or cancel its registration as a political committee pursuant to Subsection G of Section 1-19-29 NMSA 1978.

[1.10.13.32 NMAC – N, 10/29/2019; A, 3/22/2022]

1.10.13.33 PROHIBITED PERIOD: Candidates and officeholders impacted by the prohibited period pursuant to Section 1-19-34.1 NMSA 1978 are not required to cancel or pause automatic recurring contributions that were solicited and established prior to the start of the prohibited period.

[1.10.13.33 NMAC – N, 3/22/2022]

HISTORY OF 1.10.13 NMAC: [RESERVED]