

**STATE OF COLORADO**  
**Department of State**

1700 Broadway  
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**Gigi Dennis**  
Secretary of State

**William A. Hobbs**  
Deputy Secretary of State

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## **NOTICE OF ADOPTION**

Pursuant to sections 1-1-107(2)(a) and 1-1.5-104(1)(e), C.R.S. (2006) and the rulemaking provisions of the State Administrative Procedure Act, section 24-4-103, C.R.S. (2006), I, Ginette Dennis, Colorado Secretary of State, do hereby adopt and give NOTICE of the permanent rule adoption this 10th day of October, 2006, of the amendments and revisions to the following Secretary of State Campaign and Political Finance Rules (8 CCR 1505-6), as follows (~~striketrough~~ text represents deletions from the current rules and text in SMALL CAPS represents additions to the rules):

Emergency Rule 3.8 is adopted on a permanent basis as follows:

- 3.8 **MULTI-PURPOSE ISSUE COMMITTEES – TERMINATION OF STATUS.** IN THE CASE OF AN ISSUE COMMITTEE WHOSE PURPOSES ARE NOT LIMITED TO SUPPORTING OR OPPOSING BALLOT ISSUES OR BALLOT QUESTIONS (A “MULTI-PURPOSE ISSUE COMMITTEE”), SUCH MULTI-PURPOSE ISSUE COMMITTEE MAY TERMINATE ITS STATUS AS AN ISSUE COMMITTEE BY FILING A TERMINATION STATEMENT OF CONTRIBUTIONS AND EXPENDITURES WITH THE APPROPRIATE FILING OFFICER. IN ACCORDANCE WITH RULE 3.4, A TERMINATION STATEMENT MAY BE FILED AT ANY TIME IF THE FOLLOWING CONDITIONS ARE MET:
- A. THE MULTI-PURPOSE ISSUE COMMITTEE NO LONGER HAS A MAJOR PURPOSE OF SUPPORTING OR OPPOSING ANY BALLOT ISSUE OR BALLOT QUESTION AND NO LONGER INTENDS TO ACCEPT OR MAKE CONTRIBUTIONS OR EXPENDITURES TO SUPPORT OR OPPOSE A BALLOT ISSUE OR BALLOT QUESTION; AND
  - B. THE COMMITTEE'S SEPARATE ACCOUNT MAINTAINED IN ACCORDANCE WITH ARTICLE XXVIII, SECTION 3(9) HAS ACHIEVED A ZERO BALANCE BY HAVING NO CASH ON HAND AND NO OUTSTANDING DEBTS OR OBLIGATIONS.

New Rule 3.9 is adopted as follows:

- 3.9 **CONTRIBUTIONS WHERE THE IDENTITY OF THE CONTRIBUTOR IS UNKNOWN.**
- A. CONTRIBUTIONS RECEIVED BY A CANDIDATE COMMITTEE, POLITICAL COMMITTEE, POLITICAL PARTY COMMITTEE, OR SMALL DONOR COMMITTEE, OF ANY AMOUNT, WHERE THE IDENTITY OF THE CONTRIBUTOR IS UNKNOWN, SHALL NOT BE RETAINED. SUCH CONTRIBUTIONS MUST, WITHIN THIRTY (30) DAYS, BE DONATED TO ANY CHARITABLE ORGANIZATION RECOGNIZED BY THE INTERNAL REVENUE SERVICE, OR

TRANSMITTED TO THE STATE TREASURER FOR DEPOSIT INTO THE UNCLAIMED PROPERTY FUND OR SUCH OTHER FUND AS THE STATE TREASURER MAY DIRECT.

- B. CONTRIBUTIONS RECEIVED BY AN ISSUE COMMITTEE IN EXCESS OF TWENTY DOLLARS (\$20) WHERE THE IDENTITY OF THE CONTRIBUTOR IS UNKNOWN, SHALL NOT BE RETAINED. SUCH CONTRIBUTIONS MUST, WITHIN THIRTY (30) DAYS, BE DONATED TO ANY CHARITABLE ORGANIZATION RECOGNIZED BY THE INTERNAL REVENUE SERVICE, OR TRANSMITTED TO THE STATE TREASURER FOR DEPOSIT INTO THE UNCLAIMED PROPERTY FUND OR SUCH OTHER FUND AS THE STATE TREASURER MAY DIRECT.

Rule 4.5 is amended as follows:

4.5 LOANS RECEIVED BY A COMMITTEE OR PARTY

- A. All loans received by a committee or party must be reported continuously until repaid. [Article XXVIII, Section 3(8)]
- B. NOTWITHSTANDING ARTICLE XXVIII, SECTION 3(8), A CANDIDATE MAY MAKE A LOAN TO HIS OR HER CANDIDATE COMMITTEE. SUCH LOAN SHALL BE AT NO INTEREST. IN ACCORDANCE WITH THE DEFINITION OF “CONTRIBUTION” IN ARTICLE XXVIII, SECTION 2(5), THE AMOUNT OF THE LOAN IS A CONTRIBUTION FROM THE CANDIDATE TO THE COMMITTEE, BUT THE INTEREST-FREE USE OF SUCH LOAN BY THE COMMITTEE IS NOT A CONTRIBUTION TO THE COMMITTEE.
- C. ANY REPAYMENT OF A LOAN SHALL BE CONSIDERED A RETURNED CONTRIBUTION, EXCEPT THAT INTEREST REPAYED FOR A LOAN MADE PURSUANT TO ARTICLE XXVIII, SECTION 3(8) SHALL BE REPORTED AS AN EXPENDITURE BY THE CANDIDATE COMMITTEE.
- D. A LOAN MADE BY A CANDIDATE TO THE CANDIDATE’S OWN COMMITTEE MAY BE FORGIVEN BY THE CANDIDATE. THE AMOUNT OF UNPAID DEBT FORGIVEN BY THE CANDIDATE SHALL REMAIN A CONTRIBUTION AND SHALL NOT BE CONSIDERED A RETURNED CONTRIBUTION.
- E. LOANS MADE FROM A FINANCIAL INSTITUTION TO A CANDIDATE COMMITTEE PURSUANT TO ARTICLE XXVIII, SECTION 3(8) SHALL NOT BE FORGIVEN.

Rule 4.6 is amended as follows:

4.6 Contributions by candidate – voluntary spending limits – LOANS.

- a. Contributions to a candidate’s own committee by a candidate who does not accept voluntary spending limits shall not be subject to the contribution limits of Article XXVIII, Section 3.
- b. Contributions to a candidate’s own committee by a candidate who does accept voluntary spending limits shall be counted toward the limit on political party contributions set forth in Article XXVIII, Section 3(3)(d), and Section 4(2).

- C. CANDIDATES WHO HAVE ACCEPTED VOLUNTARY SPENDING LIMITS MAY MAKE LOANS TO HIS OR HER CANDIDATE COMMITTEE WHOSE AGGREGATE TOTAL MAY EXCEED THE ALLOWABLE LIMIT ESTABLISHED IN ARTICLE XXVIII, SECTION 3 AND SECTION 4(2) SO LONG AS THE UNPAID BALANCE OF ANY LOANS DOES NOT EXCEED THE ALLOWABLE LIMIT AT ANY TIME.

Rule 4.15 is amended as follows:

- 4.15 Membership dues transferred to small donor committees, AND POLITICAL COMMITTEES.
  - a. Membership organizations transferring a portion of a member's dues to a small donor committee OR POLITICAL COMMITTEE shall provide the ~~small-donor~~ RESPECTIVE committee with the member's name, address, amount of dues transferred, and the date of the dues transfer.
  - b. ~~A~~ EACH SMALL DONOR ~~ANY~~ committee AND POLITICAL COMMITTEE shall keep records of all contributions received in the form of membership dues transferred by a membership organization to the ~~small-donor~~ committee. Such records shall include each contributing member's name, address, and amount of the dues transferred. [C.R.S. 1-45-108(1)(a)(I)]
  - c. ~~A~~ EACH small donor COMMITTEE AND POLITICAL committee shall itemize and report the name and address of each person who has contributed \$20 or more in a reporting period, including but not limited to contributions received in the form of membership dues transferred by a membership organization to the ~~small-donor~~ committee. [Article XXVIII, Section 2(14)(a); C.R.S. 1-45-108(1)(a)]
  - d. On each disclosure report, the candidate or registered agent of a candidate committee, political party committee, political committee, small donor committee, or issue committee shall certify and declare, under penalty of perjury, that to the best of his or her knowledge or belief all contributions received in a reporting period, including contributions received in the form of membership dues transferred by a membership organization, are from permissible sources. [Article XXVIII, Section 3.]

Emergency Rule 4.16 is adopted on a permanent basis as follows:

- 4.16 MULTI-PURPOSE ISSUE COMMITTEES. IN THE CASE OF AN ISSUE COMMITTEE WHOSE PURPOSES ARE NOT LIMITED TO SUPPORTING OR OPPOSING BALLOT ISSUES OR BALLOT QUESTIONS (A "MULTI-PURPOSE ISSUE COMMITTEE"):
  - A. SUCH MULTI-PURPOSE ISSUE COMMITTEE SHALL REPORT ONLY THOSE CONTRIBUTIONS ACCEPTED, EXPENDITURES MADE, AND OBLIGATIONS ENTERED INTO FOR THE PURPOSE OF SUPPORTING OR OPPOSING BALLOT ISSUES OR BALLOT QUESTIONS. A MULTI-PURPOSE ISSUE COMMITTEE SHALL NOT BE REQUIRED TO REPORT DONATIONS, MEMBERSHIP DUES, OR ANY OTHER RECEIPTS EXCEPT TO THE EXTENT THEY ARE DESIGNATED OR INTENDED TO BE USED FOR THE PURPOSE OF SUPPORTING OR OPPOSING ONE OR MORE BALLOT ISSUES OR BALLOT QUESTIONS.

- B. CONTRIBUTIONS ACCEPTED FOR THE PURPOSE OF SUPPORTING OR OPPOSING BALLOT ISSUES OR BALLOT QUESTIONS SHALL BE DEPOSITED IN AN ACCOUNT SEPARATE FROM OTHER FUNDS OF THE ISSUE COMMITTEE IN ACCORDANCE WITH ARTICLE XXVIII, SECTION 3(9). IF THE ISSUE COMMITTEE ACCEPTS CONTRIBUTIONS RELATING TO MORE THAN ONE BALLOT ISSUE OR BALLOT QUESTION, SUCH CONTRIBUTIONS MAY BE DEPOSITED IN A SEPARATE ACCOUNT FOR EACH BALLOT ISSUE OR BALLOT QUESTION.
- C. IF A MULTI-PURPOSE ISSUE COMMITTEE RECEIVES GENERAL, NON-EARMARKED DONATIONS, MEMBERSHIP DUES, OR OTHER PAYMENTS, AND LATER CHOOSES TO ALLOCATE SOME OR ALL OF SUCH NON-EARMARKED CONTRIBUTIONS TO SUPPORT OR OPPOSE A BALLOT ISSUE OR BALLOT QUESTION, THEN THE COMMITTEE MUST TRANSFER THE FUNDS INTO A SEPARATE CAMPAIGN ACCOUNT MAINTAINED IN ACCORDANCE WITH ARTICLE XXVIII, SECTION 3(9) AND REPORT THE TRANSFER AS A CONTRIBUTION FROM THE COMMITTEE ITSELF.

New Rule 4.17 is adopted as follows:

- 4.17 UNTIL TERMINATED IN ACCORDANCE WITH THESE RULES, A COMMITTEE SHALL FILE A DISCLOSURE REPORT FOR EVERY REPORTING PERIOD, EVEN IF THE COMMITTEE HAS NO ACTIVITY (EXPENDITURES OR CONTRIBUTIONS) TO REPORT DURING THE REPORTING PERIOD

The permanent adoption of these rules shall take effect twenty (20) days after publication in the Colorado Register in accordance with the State Administrative Procedures Act.

Dated this 10th Day of October, 2006.

/s/ Ginette Dennis  
Ginette Dennis  
Colorado Secretary of State

**STATE OF COLORADO**  
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## **Statements of Basis, Purpose and Specific Statutory Authority**

**Office of the Secretary of State**  
**Amended and Revised Rules (Rules: 3.8, 3.9, 4.5, 4.6, 4.15, 4.16, and 4.17)**  
**Colorado Secretary of State Rules Concerning Campaign and Political Finance**  
**As Amended October 10, 2006**

### **1. Basis and Purpose**

This statement pertains to the amendments and revisions to the Colorado Secretary of State Rules Concerning Campaign and Political Finance for the administration of Colorado State Constitution, Article XXVIII, and Article 45, Title 1 of the Colorado Revised Statutes. The amendments and revisions are implemented to achieve the uniform and proper administration and enforcement of the election laws of the State of Colorado.

The amendments and revisions to these rules are necessary for the implementation of Article XXVIII of the Colorado Constitution and Article 45, Title 1 of the Colorado Revised Statutes. The proposed changes address questions that have arisen and make technical corrections and clarifications. The Secretary of State therefore finds that in order to ensure the uniform and proper administration and enforcement of the election laws, the permanent adoption of the amendments and revisions to the Campaign and Political Finance Rules is necessary both to comply with law and to preserve the public welfare generally.

### **2. Statutory Authority**

Amendments and revisions to the "Secretary of State Rules Concerning Campaign and Political Finance" are adopted pursuant to the following statutory and constitutional provisions:

1. Section 1-1-107(2)(a), C.R.S. (2006), which authorizes the Secretary of State:  
"To promulgate, publish, and distribute . . . such rules as the secretary of state finds necessary for the proper administration and enforcement of the election laws."
2. Section 1-45-111.5(1), C.R.S. (2006), which authorizes the Secretary of State to:  
"[P]romulgate such rules as . . . as may be necessary to enforce and administer any provision of [Article 45 of Title 1, C.R.S.]."
3. Article XXVIII, Section 9(1)(b), Colorado State Constitution, which authorizes the Secretary of State to:  
"Promulgate such rules, in accordance with Article 4 of Title 24, C.R.S., or any successor section, as may be necessary to administer and enforce any provision of [Article XVIII of the Colorado State Constitution]."