



July 31, 2012

Honorable Scott E. Gessler  
Secretary of State of Colorado  
1700 Broadway, Suite 250  
Denver, CO 80290

Re: Colorado Ethics Watch Comments on Proposed Revisions to the Rules Regarding Campaign and Political Finance, 8 C.C.R. 1505-6.

Dear Secretary Gessler:

Colorado Ethics Watch (“Ethics Watch”), a project of Citizens for Responsibility and Ethics in Washington, is a nonpartisan, nonprofit watchdog group dedicated to ethics, transparency, and clean elections at the state and local level in Colorado. Ethics Watch respectfully submits these comments on the proposed changes to the Campaign and Political Finance Rules regarding home rule jurisdictions to be considered at the rulemaking hearing scheduled for July 31, 2012.

Ethics Watch supports proposed Rule 6.3.2 as a way to close the potential loophole in the recodified Campaign and Political Finance Rules that could have been exploited by political parties to transfer funds from their county committees in home rule jurisdictions to the state party.

Ethics Watch recommends amending proposed Rule 6.3.1. The draft rule states that a county political party committee is not required to file campaign finance reports to the Secretary of State if it committees “reports in accordance with Rule 14.4.”

Rule 14.4 does not contain any reporting requirement, so it is simply not possible for a committee to report in accordance with the rule.

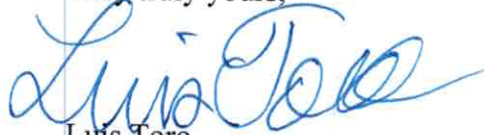
More importantly, the fact that a committee may raise (and report) funds pursuant to the laws of a home rule jurisdiction is not a reason to excuse that committee from reporting funds raised and spent on statewide elections, which would be the effect if Rule 6.1 did not apply to a county party committee that maintained a separate account under Rule 14.4. To respect the separate jurisdiction of home rule municipalities and counties, the Secretary should not require reporting of any amounts raised in a separate account for use in connection with an election governed by home rule campaign finance regulations. By the same token, however, funds raised or spent on statewide races such as races for the General Assembly, even by a party committee in a home rule jurisdiction, is a matter of statewide concern. That fundraising and spending should be disclosed.

To accommodate these concerns and clarify the rule, we respectfully submit the following proposed amendment to proposed Rule 6.3.1:

**6.3.1 ~~RULE 6.1 DOES NOT APPLY TO~~ A POLITICAL PARTY IN A HOME RULE JURISDICTION THAT ~~REPORTS~~ MAINTAINS A SEPARATE ACCOUNT IN ACCORDANCE WITH RULE 14.4 SHALL NOT INCLUDE CONTRIBUTIONS TO, OR EXPENDITURES MADE FROM, THAT SEPARATE ACCOUNT IN REPORTS FILED WITH THE SECRETARY OF STATE.**

We appreciate this opportunity to comment.

Very truly yours,



Luis Toro  
Director