

**First Regular Session
Seventy-first General Assembly
STATE OF COLORADO**

REREVISED

*This Version Includes All Amendments
Adopted in the Second House*

LLS NO. 17-0288.01 Bob Lackner x4350

HOUSE BILL 17-1155

HOUSE SPONSORSHIP

Thurlow,

SENATE SPONSORSHIP

Gardner,

House Committees

State, Veterans, & Military Affairs

Senate Committees

State, Veterans, & Military Affairs

SENATE
Amended 3rd Reading
April 17, 2017

A BILL FOR AN ACT

101 **CONCERNING THE ABILITY TO CURE CAMPAIGN FINANCE REPORTING**
102 **DEFICIENCIES WITHOUT PENALTY.**

SENATE
Amended 2nd Reading
April 13, 2017

Bill Summary

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

HOUSE
3rd Reading Unamended
March 24, 2017

Upon receipt of a complaint alleging that a campaign finance disclosure report contains errors or omissions, the bill requires the secretary of state to give notice to the committee or party treasurer by e-mail of the deficiencies alleged in the complaint. Upon receipt of the notice from the secretary of state, the committee or party treasurer may request from the appropriate officer a postponement of a hearing on the

HOUSE
Amended 2nd Reading
March 23, 2017

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

complaint and, if such request is timely submitted, has 15 business days from the date of the notice to file an addendum to the relevant report that cures any such deficiencies.

Where the committee or party treasurer files an addendum that cures all deficiencies alleged in the complaint before the expiration of the 15-day period specified in the bill, the bill prohibits the appropriate officer from assessing a penalty against the committee or treasurer that otherwise would have been assessed for the for the deficiencies for the period from the first date of the alleged violation through the expiration of the cure period. Upon filing an addendum to the relevant report by the committee or party treasurer that cures all such deficiencies, the appropriate officer is required to set a hearing to determine whether all issues raised by the complaint have been resolved. If the committee or party treasurer fails to cure any such discrepancy, any penalty imposed for such deficiency continues to accrue until further resolution of the matter.

The bill's requirements only apply in the case of a good faith effort by a committee or party treasurer, as applicable, to make timely disclosure or where the disclosure report is in substantial compliance with governing legal requirements.

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

2 **SECTION 1.** In Colorado Revised Statutes, 1-45-109, **amend**
3 (4)(b); and **add** (4)(c) and (12) as follows:

4 **1-45-109. Filing - where to file - timeliness - definition.**

5 (4) (b) Any report that is deemed to be incomplete by the appropriate
6 officer shall be accepted on a conditional basis and the committee ~~or party~~
7 ~~treasurer shall~~ MUST be notified by mail as to any deficiencies found. If
8 an ~~electronic mail~~ E-MAIL address is on file with the secretary of state, the
9 secretary of state may also provide such notification by ~~electronic mail~~
10 E-MAIL. The committee ~~or party treasurer shall have~~ HAS fifteen business
11 days from the date such notice is sent, whether electronically or by United
12 States mail, to file an addendum that cures the deficiencies.

13 (c) (I) UPON RECEIPT OF A COMPLAINT BROUGHT UNDER SECTION
14 9 (2)(a) OF ARTICLE XXVIII OF THE STATE CONSTITUTION ALLEGING A

1 FAILURE TO FILE OTHER INFORMATION REQUIRED TO BE FILED OR
2 DISCLOSED PURSUANT TO ARTICLE XXVIII OF THE STATE CONSTITUTION
3 OR THIS ARTICLE 45, THE SECRETARY OF STATE SHALL GIVE NOTICE TO THE
4 COMMITTEE BY E-MAIL OF THE DEFICIENCIES ALLEGED IN THE COMPLAINT.
5 SERVICE OF THE NOTICE DOES NOT TOLL OR OTHERWISE AFFECT THE
6 THREE-DAY PERIOD DURING WHICH THE SECRETARY OF STATE IS REQUIRED
7 TO REFER A COMPLAINT TO AN ADMINISTRATIVE LAW JUDGE PURSUANT TO
8 SECTION 9 (2)(a) OF ARTICLE XXVIII OF THE STATE CONSTITUTION. UPON
9 RECEIPT OF THE NOTICE FROM THE SECRETARY OF STATE, THE COMMITTEE
10 MAY REQUEST FROM THE APPROPRIATE OFFICER A POSTPONEMENT OF THE
11 HEARING BROUGHT UNDER SECTION 9 (2)(a) OF ARTICLE XXVIII OF THE
12 STATE CONSTITUTION AND, IF SUCH REQUEST IS TIMELY SUBMITTED, HAS
13 FIFTEEN BUSINESS DAYS FROM THE DATE OF THE NOTICE TO FILE AN
14 ADDENDUM TO THE RELEVANT REPORT THAT CURES ANY SUCH
15 DEFICIENCIES IN THE DISCLOSURE SPECIFIED IN THE NOTICE. THE
16 COMMITTEE SHALL ALSO PROVIDE THE COMPLAINANT NOTICE OF THE
17 ENTITY'S INTENT TO CURE AND A COPY OF THE ADDENDUM ON THE SAME
18 DAY THAT THE ADDENDUM IS FILED WITH THE SECRETARY OF STATE.
19 WHERE THE COMMITTEE FILES AN ADDENDUM THAT CURES ALL
20 DEFICIENCIES ALLEGED IN THE COMPLAINT BEFORE THE EXPIRATION OF
21 THE FIFTEEN-DAY PERIOD SPECIFIED IN THIS SUBSECTION (4)(c)(I), THE
22 APPROPRIATE OFFICER SHALL NOT ASSESS A PENALTY AGAINST THE
23 COMMITTEE THAT OTHERWISE WOULD HAVE BEEN ASSESSED FOR THE
24 DEFICIENCIES FOR THE PERIOD FROM THE FIRST DATE OF THE ALLEGED
25 VIOLATION THROUGH THE EXPIRATION OF THE CURE PERIOD.

26 (II) UPON FILING AN ADDENDUM TO THE RELEVANT REPORT BY THE
27 COMMITTEE THAT CURES ALL SUCH DEFICIENCIES IN ACCORDANCE WITH

1 SUBSECTION (4)(c)(I) OF THIS SECTION, THE APPROPRIATE OFFICER SHALL
2 SET A HEARING WITHIN THIRTY DAYS OF THE NOTICE TO DETERMINE
3 WHETHER ALL ISSUES RAISED BY THE COMPLAINT HAVE BEEN RESOLVED.
4 IF THE COMMITTEE FAILS TO CURE ANY SUCH DEFICIENCY, ANY PENALTY
5 IMPOSED FOR THE DEFICIENCY CONTINUES TO ACCRUE UNTIL FURTHER
6 RESOLUTION OF THE MATTER. NOTWITHSTANDING ANY OTHER PROVISION
7 OF LAW, SUBSECTION (4)(c)(I) OF THIS SECTION ONLY APPLIES IN THE CASE
8 OF A GOOD FAITH EFFORT BY A COMMITTEE TO MAKE A TIMELY
9 DISCLOSURE IN ACCORDANCE WITH ARTICLE XXVIII OF THE STATE
10 CONSTITUTION OR THIS ARTICLE 45 OR WHERE THE DISCLOSURE MADE BY
11 THE COMMITTEE IS IN SUBSTANTIAL COMPLIANCE WITH SUCH LEGAL
12 REQUIREMENTS. THE COMMITTEE HAS THE BURDEN OF DEMONSTRATING
13 GOOD FAITH OR SUBSTANTIAL COMPLIANCE UNDER THIS SUBSECTION
14 (4)(c)(II) BY A PREPONDERANCE OF THE EVIDENCE IN THE HEARING HELD
15 BY THE APPROPRIATE OFFICER UNDER SECTION 9 (2)(a) OF ARTICLE
16 XXVIII OF THE STATE CONSTITUTION. WHERE THE COMMITTEE FAILS TO
17 SATISFY ITS BURDEN OF DEMONSTRATING EITHER GOOD FAITH OR
18 SUBSTANTIAL COMPLIANCE, THE ADMINISTRATIVE LAW JUDGE SHALL
19 ENTER OR IMPOSE ANY APPROPRIATE ORDER, SANCTION, OR RELIEF
20 AUTHORIZED BY ARTICLE XXVIII OF THE STATE CONSTITUTION OR THIS
21 ARTICLE 45.

22 (12) FOR PURPOSES OF SUBSECTION (4)(c) OF THIS SECTION,
23 "APPROPRIATE OFFICER" MEANS A HEARING OFFICER OR AN
24 ADMINISTRATIVE LAW JUDGE.

25 **SECTION 2. Act subject to petition - effective date -**
26 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
27 the expiration of the ninety-day period after final adjournment of the

1 general assembly (August 9, 2017, if adjournment sine die is on May 10,
2 2017); except that, if a referendum petition is filed pursuant to section 1
3 (3) of article V of the state constitution against this act or an item, section,
4 or part of this act within such period, then the act, item, section, or part
5 will not take effect unless approved by the people at the general election
6 to be held in November 2018 and, in such case, will take effect on the
7 date of the official declaration of the vote thereon by the governor.

8 (2) This act applies to the disclosure of campaign finance
9 information made on or after the effective date of this act.