ASSEMBLY BILL NO. 178-ASSEMBLYMAN HICKEY

FEBRUARY 27, 2013

JOINT SPONSOR: SENATOR BROWER

Referred to Committee on Legislative Operations and Elections

SUMMARY—Revises provisions relating to the disposition of unspent campaign contributions. (BDR 24-751)

FISCAL NOTE: Effect on Local Government: No.

Effect on the State: No.

EXPLANATION - Matter in bolded italics is new; matter between brackets formitted material is material to be omitted.

AN ACT relating to campaign practices; requiring certain persons who do not file declarations of candidacy, acceptances of candidacy or appear on an election ballot within a certain period to dispose of unspent contributions; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law provides that a person becomes a candidate if: (1) he or she files a declaration of candidacy or an acceptance of candidacy; (2) his or her name appears on an official ballot at any election; or (3) he or she receives contributions in excess of \$100. (NRS 294A.005) **Section 1** of this bill provides that a person who qualifies as a candidate by receiving contributions in excess of \$100 must dispose of the unspent contributions within 2 years after the qualifying event if the person does not: (1) file a declaration or acceptance of candidacy; or (2) appear on an official ballot at any election.

Under existing law, a former public officer may use unspent contributions in a future election. (NRS 294A.160) **Section 1** provides that a former public officer may not use unspent contributions in a future election unless, within 2 years after the expiration of his or her term of office, the former public officer: (1) files a declaration or acceptance of candidacy; or (2) appears on an official ballot at any election.



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THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 294A.160 is hereby amended to read as follows:

294A.160 1. It is unlawful for a candidate to spend money received as a campaign contribution for the candidate's personal use.

- 2. Notwithstanding the provisions of NRS 294A.286, a candidate or public officer may use campaign contributions to pay for any legal expenses that the candidate or public officer incurs in relation to a campaign or serving in public office without establishing a legal defense fund. Any such candidate or public officer shall report any expenditure of campaign contributions to pay for legal expenses in the same manner and at the same time as the report filed pursuant to NRS 294A.120, 294A.200 or 294A.360. A candidate or public officer shall not use campaign contributions to satisfy a civil or criminal penalty imposed by law.
- 3. Every candidate for a state, district, county, city or township office at a primary, general, primary city, general city or special election who is elected to that office and received contributions that were not spent or committed for expenditure before the primary, general, primary city, general city or special election shall dispose of the money through one or any combination of the following methods:
 - (a) Return the unspent money to contributors;
- (b) Use the money in the candidate's next election or for the payment of other expenses related to public office or his or her campaign, regardless of whether he or she is a candidate for a different office in the candidate's next election;
 - (c) Contribute the money to:
- (1) The campaigns of other candidates for public office or for the payment of debts related to their campaigns;
 - (2) A political party; or
- (3) Any combination of persons or groups set forth in subparagraphs (1) and (2);
 - (d) Donate the money to any tax-exempt nonprofit entity; or
- (e) Donate the money to any governmental entity or fund of this State or a political subdivision of this State. A candidate who donates money pursuant to this paragraph may request that the money be used for a specific purpose.
- 4. Every candidate for a state, district, county, city or township office at a primary, general, primary city, general city or special election who withdraws after filing a declaration of candidacy or an acceptance of candidacy or is defeated for that office and who





received contributions that were not spent or committed for expenditure before the primary, general, primary city, general city or special election shall, not later than the 15th day of the second month after the election, dispose of the money through one or any combination of the following methods:

- (a) Return the unspent money to contributors;
- (b) Contribute the money to:

- (1) The campaigns of other candidates for public office or for the payment of debts related to their campaigns;
 - (2) A political party; or
- (3) Any combination of persons or groups set forth in subparagraphs (1) and (2);
 - (c) Donate the money to any tax-exempt nonprofit entity; or
- (d) Donate the money to any governmental entity or fund of this State or a political subdivision of this State. A candidate who donates money pursuant to this paragraph may request that the money be used for a specific purpose.
- 5. Every candidate for a state, district, county, city or township office who withdraws after filing a declaration of candidacy or an acceptance of candidacy or is defeated for that office at a primary or primary city election and received a contribution from a person in excess of \$5,000 shall, not later than the 15th day of the second month after the election, return any money in excess of \$5,000 to the contributor.
- 6. Except as otherwise provided in [subsection 7, every] subsections 8 and 9, a person who qualifies as a candidate in accordance with the definition set forth in subsection 4 of NRS 294A.005 by receiving contributions in excess of \$100 but who, within 2 years after the qualifying event, does not:
- (a) File a declaration of candidacy or an acceptance of candidacy; or
 - (b) Appear on an official ballot at any election,
- ⇒ shall, not later than the 15th day of the month after the end of the 2-year period, dispose of all contributions that have not been spent or committed for expenditure through one or any combination of the methods set forth in subsection 4.
 - 7. A public officer who:
 - (a) Holds a state, district, county, city or township office;
- (b) Does not run for reelection to that office and is not a candidate for any other office; and
- (c) Has contributions that are not spent or committed for expenditure remaining from a previous election,
- shall, not later than the 15th day of the second month after the expiration of the public officer's term of office, dispose of those





contributions in the manner provided in *paragraph* (a), (c), (d) or (e) of subsection 3.

[7. A]

- 8. Subject to the restrictions set forth in subsection 9, a public officer who:
 - (a) Holds a state, district, county, city or township office;
- (b) Does not run for reelection to that office and is a candidate for any other office; and
- (c) Has contributions that are not spent or committed for expenditure remaining from a previous election,
- may use the unspent campaign contributions in a future election. Such a public officer is subject to the reporting requirements set forth in NRS 294A.120, 294A.125, 294A.128, 294A.200, 294A.360 and 294A.362 for as long as the public officer is a candidate for any office.
- 9. If, within 2 years after the expiration of his or her term of office, a former public officer described in subsection 8 does not:
 - (a) File a declaration of candidacy or an acceptance of candidacy; or
 - (b) Appear on an official ballot at any election,
 - the former public officer shall, not later than the 15th day of the month after the end of the 2-year period, dispose of all contributions that have not been spent or committed for expenditure through one or any combination of the methods set forth in paragraphs (a), (c), (d) and (e) of subsection 3.
 - [8.] 10. In addition to the methods for disposing of the unspent money set forth in subsections 3, 4, 5 and 7,] this section, a Legislator may donate not more than \$500 of that money to the Nevada Silver Haired Legislative Forum created pursuant to NRS 427A.320.
 - [9.] 11. Any contributions received before a candidate for a state, district, county, city or township office at a primary, general, primary city, general city or special election dies that were not spent or committed for expenditure before the death of the candidate must be disposed of in the manner provided in subsection 3.
 - [10.] 12. The court shall, in addition to any penalty which may be imposed pursuant to NRS 294A.420, order the candidate or public officer to dispose of any remaining contributions in the manner provided in this section.
 - [11.] 13. As used in this section, "contributions" include any interest and other income earned thereon.
 - **Sec. 2.** 1. A former public officer shall, on or before September 30, 2015:
 - (a) File a declaration of candidacy or acceptance of candidacy;





- (b) Appear on an official ballot at any election held in the State; or
 - (c) Dispose of unspent contributions through one or any combination of the methods set forth in paragraphs (a), (c), (d) and (e) of subsection 3 of NRS 294A.160.
 - 2. A former public officer is subject to the reporting requirements set forth in chapter 294A of NRS for as long as the former public officer has unspent contributions. The provisions of this subsection apply to contributions remaining from a previous election and contributions that the former public officer has received since the expiration of his or her term of office.
 - 3. A former public officer who violates a provision of this section is subject to the same penalties and procedure as if the person had violated the provisions of chapter 294A of NRS. In enforcing the provisions of this section, the Secretary of State has the powers prescribed in NRS 294A.410 and 294A.420.
 - 4. As used in this section:

- (a) "Contributions" include any interest and other income earned thereon.
- (b) "Former public officer" means a person who, as of October 1, 2013:
- (1) Previously held a state, district, county, city or township office:
 - (2) Does not currently hold that or any other office; and
- (3) Has contributions that are not spent or committed for expenditure remaining from a previous election.





