Initiative 2025-2026 #84
Campaign Finance Oversight Commission

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SECTION 1: TITLE

This Act shall be known as the "Colorado Campaign Finance Integrity and Transparency Act"

SECTION 2: PURPOSE

The purpose of this Act is to:

1. Increase transparency in campaign finance by requiring full disclosure of all donations and expenditures;
2. Prohibit the use of undisclosed financial contributions from entities that do not comply with donor disclosure requirements;
3. Prevent the dissemination of synthetic media and deceptive communications that undermine democratic processes;
4. Impose criminal penalties, including incarceration, for willful violations of campaign finance and campaign integrity laws;
5. Restrict state-administered primary ballot access for candidates who fail to comply with campaign finance transparency requirements (in a manner consistent with the U.S. Constitution);
6. Ensure the financial sustainability of enforcement mechanisms through fines, penalties, and voter-approved funding structures in compliance with the Taxpayer Bill of Rights (TABOR).

SECTION 3: DEFINITIONS

For the purposes of this Act:

1. **"Dark Money Group"** – means any organization, political committee, or entity that expends in excess of ten thousand dollars ($10,000) in an election cycle and fails to disclose the sources of its contributions in compliance with state law.
2. **"Foreign-Influenced Entity"** – means any corporation, limited liability company, or nonprofit organization in which one or more foreign nationals, foreign-owned business entities, or foreign governments directly or indirectly hold an aggregate ownership interest of five percent (5%) or more.
3. **"Super PAC"** – means a political committee that may raise and expend unlimited funds for independent expenditures but is prohibited from coordinating with a candidate or candidate committee.
4. **"Pass-Through Contribution"** – means a financial contribution that originates from one entity but is transmitted through one or more intermediaries with the intent or effect of concealing the identity of the true source.
5. **"Willful Violation"** – means a violation committed knowingly, intentionally, or with reckless disregard of applicable legal requirements.
6. **"Whistleblower"** – means any individual who, in good faith, reports suspected violations of this Act and furnishes material evidence to an appropriate enforcement authority.

7. **"Shell Company"** – means any legal entity established or maintained for the primary purpose of financial anonymity, lacking substantial business activity, failing to disclose beneficial ownership, or otherwise used to obscure the origin of funds.
8. **"Synthetic Media"** – means any image, video, audio, or text that is generated or substantially altered using artificial intelligence or other digital technologies to falsely represent the speech or conduct of an identifiable individual.
9. **"Coordination"** – means any direct or indirect communication, collaboration, or strategic alignment between a candidate or candidate committee and an outside entity with respect to political messaging, expenditures, targeting, or media placement. Coordination shall not be inferred solely from shared messaging themes or political positions. Evidence of coordination may include shared vendors, common staff, prearranged strategies, or direct communications. This definition shall be interpreted consistent with applicable case law, including *FEC v. Christian Coalition*, 52 F. Supp. 2d 45 (D.D.C. 1999), and subsequent judicial interpretations.

SECTION 4: CAMPAIGN FINANCE TRANSPARENCY REQUIREMENTS

1. **Real-Time Disclosure Requirements**
    - **a.** Any contribution exceeding two hundred dollars ($200) made to a candidate, political action committee (PAC), or independent expenditure committee (Super PAC) shall be disclosed to the Colorado Secretary of State within forty-eight (48) hours of receipt.
    - **b.** Contributions exceeding five thousand dollars ($5,000) shall be accompanied by a sworn disclosure including the following information:
        i. The full legal name of the donor and the donor's primary employer or principal place of business; and
        ii. Any direct or indirect financial relationship between the donor and a foreign national, foreign-influenced entity, or foreign government; and
        iii. Whether the contribution originated from, was transmitted through, or was facilitated by a third-party intermediary, including but not limited to shell companies or pass-through entities.
2. **Prohibition on Foreign and Corporate Contributions**
    a. No foreign national, foreign-influenced entity, or corporation with five percent (5%) or more foreign ownership shall make any contribution in connection with a Colorado election.
    b. Any such contribution shall be deemed void and subject to forfeiture.
3. **Disclosure by Dark Money Groups**
    a. Any entity engaging in political expenditures exceeding ten thousand dollars ($10,000) in any election cycle shall disclose:
        i. Its top five (5) contributors; and
        ii. The full legal names and beneficial ownership information for all contributors whose cumulative donations exceed ten thousand dollars ($10,000) in the same cycle.
    b. Failure to provide such disclosure shall render the entity ineligible to make political expenditures until full compliance is achieved.
4. **Disclosure of Synthetic Media**

a. Any campaign-related communication that includes synthetic media shall contain a clear and conspicuous disclosure as follows:
"This content includes synthetically generated or altered media."
b. Any person, candidate, PAC, or political entity that knowingly produces or disseminates synthetic media in violation of this subsection shall:
    i. Disclose the source of funding used for the production and dissemination of such media; and
    ii. Be subject to the criminal penalties set forth in Section 5 of this Act.

5. Prohibited Deceptive Practices

a. It shall be unlawful for any person or entity to knowingly produce or distribute synthetic media that:
    i. Materially falsifies, fabricates, or misrepresents the speech or conduct of a candidate or election official;
    ii. Is presented in an election-related context; and
    iii. Is likely to deceive a reasonable person acting in good faith.
    iv. This subsection shall not apply to satire, parody, or editorial content that is clearly and conspicuously labeled as such.

SECTION 5: CRIMINAL PENALTIES & ENFORCEMENT

1. General Provisions:
    a. A person or entity shall be subject to criminal liability under this Act only upon a finding that the violation was committed willfully, knowingly, or with reckless disregard for applicable legal obligations.
    b. A person or entity that voluntarily discloses a violation of this Act and provides full corrective disclosure within ten (10) business days of discovery shall be eligible, at the discretion of the Colorado Campaign Finance Oversight Commission, for:
        i. mitigation of civil penalties; or
        ii. immunity from prosecution for the disclosed violation.
2. **Concealment of Political Contributions**
    a. Any person who knowingly conceals political contributions within a single election cycle, as defined by the aggregation clause in subsection 5.8, shall be subject to the following penalties:
    b. If the cumulative concealed contributions exceed one thousand dollars ($1,000) but do not exceed ten thousand dollars ($10,000), the violator shall be subject to:
        i. a civil fine equal to three (3) times the total amount concealed;; and
        ii. a mandatory order to disclose the concealed contributions within ten (10) business days; and
        iii. public notice of the violation published by the Secretary of State; and
        iv. forfeiture of the undisclosed funds.
    c. If the cumulative concealed contributions exceed ten thousand dollars ($10,000), the violator shall be guilty of a Class 3 felony and, upon conviction, shall be subject to:
        i. imprisonment for a term of not less than three (3) years and not more than seven (7) years;; and
        ii. a fine equal to three (3) times the total amount concealed; and

iii. forfeiture of all undisclosed funds; and
iv. permanent disqualification from holding elected office in the State of Colorado.

3. Violations by Dark Money Groups.

a. Any entity found to have willfully violated the disclosure requirements applicable to dark money groups, as defined in Section 3, shall be subject to the following penalties:
   i. **First offense**:
      1. a civil fine of two hundred fifty thousand dollars ($250,000) or three (3) times the amount of undisclosed contributions, whichever is greater; and
      2. classification as a Class 5 felony, punishable by imprisonment for a term of one (1) to three (3) years.
   ii. **Second offense**:
      1. classification as a Class 3 felony, punishable by imprisonment for a term of five (5) to twelve (12) years; and
      2. a fine equal to three (3) times the amount of undisclosed contributions.
   iii. **Third offense**:
      1. classification as a Class 3 felony, punishable by imprisonment for a term of five (5) to twelve (12) years; and
      2. a fine equal to three (3) times the amount of undisclosed contributions; and
      3. permanent prohibition on making political expenditures in the State of Colorado.

4. **Super PAC Fraud and Illegal Coordination**

a. Any person who knowingly engages in the laundering of political contributions, including through shell companies, pass-through entities, or other means intended to obscure the source of funds, shall be guilty of a Class 3 felony and, upon conviction, shall be subject to:
   i. imprisonment for a term of not less than five (5) years and not more than twelve (12) years; and
   ii. a fine equal to three (3) times the amount of undisclosed contributions; and
   iii. forfeiture of the entity's ability to operate or transact business in the State of Colorado.

b. Any candidate who knowingly coordinates with a person or entity in violation of the expenditure or disclosure requirements of this Act shall be guilty of a Class 3 felony and, upon conviction, shall be subject to:
   i. imprisonment for a term of not less than five (5) years and not more than twelve (12) years; and
   ii. a fine equal to three (3) times the amount of the coordinated expenditure; and
   iii. immediate removal from office, if applicable.

5. Corporate Officer Liability

a. Any corporate officer who authorizes or facilitates an illegal political contribution or expenditure in violation of this Act shall be guilty of a Class 3 felony and, upon conviction, shall be subject to:
    i. imprisonment for a term of not less than five (5) years and not more than twelve (12) years; and
    ii. a fine equal to three (3) times the amount of the unlawful contribution or expenditure; and
    iii. a ten (10) year ban from serving as an officer or executive in any entity conducting business with the State of Colorado.
b. Any corporation or legal entity found guilty of funneling illegal campaign contributions shall be subject to:
    i. a fine equal to three (3) times the amount of the contributions; and
    ii. a ten (10) year ban on eligibility for public contracts, subsidies, and tax benefits; and
    iii. a ten (10) year prohibition on making political contributions in the State of Colorado.

6. Synthetic Media Violations

a. Any person or entity that knowingly creates or distributes synthetic media in a manner that materially falsifies the speech or conduct of a candidate or election official in an election-related context and where such media is likely to deceive a reasonable person shall be guilty of a Class 3 felony and, upon conviction, shall be subject to:
    i. imprisonment for a term of not less than five (5) years and not more than twelve (12) years; and
    ii. mandatory issuance of a public retraction within five (5) business days of final judgment.
b. This section shall not apply to synthetic media that is clearly labeled as satire, parody, or editorial content.

7. Whistleblower Protections

a. No employer or other entity shall take retaliatory action against an individual who makes a good faith report of a suspected violation of this Act.
b. Retaliation under this subsection shall constitute a Class 4 felony, punishable by imprisonment for a term not to exceed seven (7) years.
c. Whistleblowers shall be entitled to:
    i. a monetary award equal to ten percent (10%) of any fines or penalties collected as a result of the reported violation, not to exceed two hundred fifty thousand dollars ($250,000); and
    ii. compensation for any lost wages or legal costs incurred due to retaliatory action.

8. Aggregation of Concealed Contributions

a. For purposes of assessing thresholds under this Section, political contributions concealed by or through the same individual, entity, or affiliated network during a single election cycle shall be aggregated to determine total liability and applicable penalties.

9. Voter Enforcement

a. Any registered voter in the State of Colorado shall have standing to bring a civil action to enforce the provisions of this Act. Upon a finding of liability, the plaintiff shall be entitled to recover ten percent (10%) of any penalties imposed.

SECTION 6: BALLOT ACCESS ELIGIBILITY

1. Federal Candidates
    a. No candidate for federal office shall be denied access to the general election ballot in the State of Colorado based on compliance with the provisions of this Act, to the extent such denial would impose additional qualifications in violation of Article I, Section 2 or Section 3, or Article II of the United States Constitution.
    b. Notwithstanding subsection (a), a candidate for federal office may be excluded from the **state-administered primary election ballot** if the candidate fails to file a sworn affidavit certifying:
        i. full compliance with all applicable campaign finance disclosure laws of the State of Colorado; and
        ii. compliance with federal disclosure laws applicable to political committees and independent expenditures.
2. State Candidates
    a. No individual shall be certified as a candidate for inclusion on a primary or general election ballot for statewide office, including but not limited to Governor, Lieutenant Governor, Attorney General, Secretary of State, Treasurer, or State Board of Education, unless the individual:
        i. Is in full compliance with the campaign finance disclosure requirements of this Act;
        ii. Has not accepted, directly or indirectly, contributions from any entity defined as a "dark money group" or "foreign-influenced entity" under Section 3 of this Act; and
        iii. Has ensured public disclosure of the legal names of all donors contributing in excess of ten thousand dollars ($10,000) to any affiliated political action committee (PAC) or Super PAC within the same election cycle.
3. **Enforcement of Ballot Access Restrictions:**
    a. The Colorado Secretary of State shall verify compliance with the requirements of this Section prior to certifying candidates for inclusion on any ballot administered by the State of Colorado.
    b. No political party recognized under Colorado law shall be permitted to list on its official primary or general election ballot any candidate who fails to meet the eligibility conditions of this Section, provided that such enforcement shall not conflict with the constitutional requirements applicable to federal offices.

SECTION 7: ESTABLISHMENT & COMPOSITION OF THE COLORADO CAMPAIGN FINANCE OVERSIGHT COMMISSION (CCFOC)

1. There is hereby established a permanent, independent state agency known as the Colorado Campaign Finance Oversight Commission (CCFOC), vested with the powers and responsibilities set forth in this Act.
2. Composition and Appointment of Commissioners
    a. The Colorado Campaign Finance Oversight Commission (CCFOC) shall be composed of seven (7) voting members with demonstrated expertise in one or more of the following areas: election law, campaign finance, public administration, ethics, or financial auditing.
    b. Members shall be appointed as follows:
        i. Two (2) members appointed by the Governor of the State of Colorado, including:
            1. One (1) expert in election law; and
            2. One (1) certified public accountant.
        ii. Two (2) members appointed by the Chief Justice of the Colorado Supreme Court, including:
            1. One (1) retired judge; and
            2. One (1) expert in ethics policy or legal ethics.
        iii. Two (2) members appointed by the Colorado Secretary of State, including:
            1. One (1) individual with professional experience in campaign finance; and
            2. One (1) nonprofit transparency or public accountability advocate.
        iv. One (1) member jointly selected by unanimous agreement of the six (6) appointed members. This individual shall serve as Chair of the Commission.

    c. No individual shall be eligible for appointment to the Commission if they:
        i. Have held elected public office, served as a registered lobbyist, or been employed by a political party or campaign within the five (5) years preceding appointment; or
        ii. Have any direct financial interest in any individual or entity regulated under this Act.
    d. Members shall serve staggered four-year terms, with initial appointments designated by lot to expire after either two (2) or four (4) years in order to establish staggered terms. Members may be reappointed for no more than one (1) additional term and may be removed prior to the expiration of their term only for cause, as defined by the Commission's bylaws or enabling statute.
    e. In the event of a vacancy, the original appointing authority shall appoint a qualified replacement within thirty (30) days. If the appointing authority fails to act within the required time period, the remaining members of the Commission shall appoint a replacement by majority vote.
3. Quorum and Voting
    a. A majority of the members of the Commission shall constitute a quorum for the purpose of conducting official business. All official actions of the Commission shall require the affirmative vote of at least four (4) members.

4. Rulemaking Authority
    a. The Commission shall adopt bylaws, rules, and procedures consistent with this Act for the purpose of administering its duties. Such rules shall be subject to public notice and comment in accordance with the Colorado Administrative Procedure Act.
5. Due Process
    a. Any person or entity subject to an adverse finding or penalty under this Act shall have the right to seek judicial review in a court of competent jurisdiction in accordance with applicable state law;
    b. Any subject of a formal investigation shall be notified within ten (10) business days;
    c. Shall be provided a right to respond within thirty (30) days, present evidence, retain counsel, and request a hearing;
    d. No adverse determination shall issue without majority vote and written findings;
    e. Judicial review shall be available pursuant to the Colorado Administrative Procedure Act.

SECTION 8: FUNDING & OVERSIGHT OF THE COLORADO CAMPAIGN FINANCE OVERSIGHT COMMISSION (CCFOC)

1. **Self-Sustaining Funding Model:**
    a. Fifteen percent (15%) of all fines and monetary penalties collected pursuant to this Act shall be appropriated to fund the operations of the Colorado Campaign Finance Oversight Commission (CCFOC).
    b. The remaining eighty-five percent (85%) shall be allocated for use in improving election security, expanding public financing systems, and administering whistleblower rewards established under this Act.
2. **Voter-Approved Startup Funding & TABOR Compliance:**
    a. The General Assembly shall be authorized to appropriate a one-time, voter-approved allocation of three million five hundred thousand dollars ($3,500,000) from the General Fund to establish the operations of the CCFOC.
    b. Such amount shall be repaid in full within five (5) fiscal years using revenue collected through fines and penalties under this Act.
    c. If annual revenues from fines and penalties exceed ten million dollars ($10,000,000) in any fiscal year, the CCFOC shall establish and maintain a reserve fund of no less than one million dollars ($1,000,000) for the purpose of ensuring operational continuity.
3. **Additional Revenue Sources:**
    a. Lobbyist Registration Fees: All lobbyists registered to conduct business before the State of Colorado shall be assessed an annual fee of two hundred fifty dollars ($250) to support the operations of the CCFOC.
    b. State Contractor Ethics Compliance Fees: All contractors receiving state contracts in excess of five million dollars ($5,000,000) in a given fiscal year shall remit to the CCFOC a fee equal to one-tenth of one percent (0.1%) of the total contract value.
    c. Public Transparency Grant Fund: The CCFOC shall be authorized to apply for and receive funding from federal agencies, nonprofit organizations, and

philanthropic institutions for the purpose of supporting its mission and expanding public transparency initiatives.

4. **Fiscal Accountability:**
    a. The Colorado Campaign Finance Oversight Commission shall prepare and publish annual financial reports detailing all revenues, expenditures, and fund allocations. The Commission shall also be subject to independent audits to ensure compliance with all applicable state laws and to detect and prevent financial misuse.
5. **Enforcement Powers:**
    a. The Colorado Campaign Finance Oversight Commission (CCFOC) shall possess the following enforcement authorities:
        i. To issue subpoenas for the purpose of compelling testimony and the production of books, records, documents, or other tangible evidence relevant to the investigation of alleged violations of campaign finance laws within the State of Colorado;
        ii. To refer matters involving suspected violations of this Act or other applicable campaign finance statutes to appropriate state or federal law enforcement agencies, including the Office of the Colorado Attorney General, for criminal investigation and prosecution; and
        iii. To cooperate and enter into intergovernmental agreements with state and federal regulatory, prosecutorial, and enforcement agencies in the joint investigation and enforcement of campaign finance laws and related offenses.
6. **Revenue Shortfall Contingency**
    a. If, in any two (2) consecutive fiscal years, the combined revenues received by the Colorado Campaign Finance Oversight Commission (CCFOC) from fines, impact fees, carbon credit proceeds, and grant funding fall below seventy-five percent (75%) of the Commission's certified operational budget, the CCFOC shall submit a formal request to the Colorado General Assembly for a one-time supplemental appropriation.
    b. The Commission's request shall be required and shall:
        i. Be contingent upon approval by a majority vote of Colorado electors, pursuant to the Taxpayer Bill of Rights (TABOR);
        ii. Be accompanied by a detailed and publicly available funding gap analysis, including audited financial records, documentation of projected shortfalls, and a proposed budget for the supplemental funding; and
        iii. Be limited to a single fiscal year and shall not establish any continuing appropriation or entitlement beyond the amount approved by the voters.

SECTION 9: SEVERABILITY CLAUSE

If any provision of this Act is found unconstitutional or invalid, the remaining provisions shall remain in full effect.

SECTION 10: EFFECTIVE DATE

This Act shall take effect immediately upon approval by a majority vote of the electorate in the State of Colorado.