

AB 583:

The California Clean Money and Fair Elections Act

Clean Money is a voluntary system of publicly-funded political campaigns for elected statewide and legislative offices. The bill sets up a system for cleanly financed state elections and, if passed, would place a measure on the ballot to adopt public financing for all statewide and legislative races in California. It is patterned after the successful Clean Money systems now working in Arizona and Maine, adopted for California's unique electoral circumstances.

How Clean Money Would Work

- Individuals who want to run for office agree to limit the amount of private money they solicit or personally contribute to:
 - A set number of seed money contributions in amounts no larger than \$100 up to a reasonable maximum total to explore whether they have support
 - A set number of \$5 qualifying contributions and signatures to show that they have a broad base of support
 - Third party and independent candidates have the opportunity to show a "super broad base of support" and receive identical funding in the general election

- Qualifying individuals receive a Clean Money Debit Card with which they pay *all* of their campaign expenses
 - Individuals enough baseline funding in the primaries to run competitive campaigns. Primary winners receive an additional baseline funding amount in the general election

- If the Clean Money Candidate is outspent by an opponent who does *not* participate or if independent groups run ads or mailings attacking them or supporting their opponent, they receive matching funds within days to effectively respond
 - Matching funds are provided to respond to "sham issue ads", i.e., ads that run, or independent expenditures made, within 30 days of a primary or general election where a Clean Money candidate is named, depicted, referenced, etc
 - Matching funds are also provided if candidates in another party's primary attack or outspend them.
 - Candidates can receive matching funds providing them up 5 times the base funding amount overall

- Total Clean Money expenditures are capped at an amount equal to 1 cent per day for each California resident age 18 or over - \$3.65 per person per year. This works out to about \$98 million a year, less than 0.1% of the overall state budget.

- The bill as passed by the full Assembly contains provisions which:
 - Require self-funded candidates to disclose the amount of personal funds they plan to spend on their campaign.
 - Require Independent Expenditure Committees to report expenditures or the entering into a contract to make an expenditure within 24 hours.
 - Add enforcement provisions which 1) provide for removal from office of candidates who deliberately spend more money than provided by the public, 2) which prohibit a candidate who violates the terms of the act from acting as a lobbyist or state contractor, or running for elective office, for a period of four years, and 3) hold paid political consultants personally liable if the campaign they work for fails to make disclosures required under the act and, in some circumstances, bars them from paid electioneering work for a period of 5 years.
 - Allows Cleanly funded candidates to place a 250 word statement in the voter information portion of the sample ballot and requires all government websites (local and state) to identify Clean candidates in any list of people running for office.

- The bill as passed by the full Assembly no longer has any restrictions on non-participating candidates¹

- The bill as amended before the Senate Elections Committee contains provisions which:
 - Significantly increase the amount of base funding amounts and maximum matching funds to better allow candidates to run competitive campaigns in California's large and expensive districts.
 - Save money by providing less funds (20% of baseline) when candidates are not facing any adequately-funded opponents.
 - Level the playing field across the entire election by providing matching funds when primary candidates are outspent or attacked by higher-spending candidates from another party, up to the normal limits.

¹ The bill as passed by the full Assembly no longer contains provisions which: (1) Would have lowered contribution limits under existing law for nonparticipating candidates, political parties, and independent expenditure committees. (2) Would have prohibited a candidate or any committee controlled by the candidate from receiving any contributions earlier than 18 months before the primary election. (3) Would have treated contributions of five hundred dollars (\$500) or more received by a candidate as income taxable to the candidate personally.

AB 583 Qualification and Funding Levels

"Performance-Qualified Candidates" are candidates who (1) received 10% or more of the vote in the last election for that office or for governor or (2) gather twice the normal number of qualifying \$5 contributions to show they have a super broad base of support.

"Qualified Candidates" are candidates running in a party that didn't get 10% of the vote in the previous election and who didn't manage to gather twice the qualifying contributions.

Qualifying \$5 contributions and signatures must come from registered voters in the district.

California State Assembly

	Performance-Qualified Candidate*	No adequately-funded opponents**	Qualified Candidate***
Max seed money (\$100 max per contributor)	\$10,000	\$10,000	\$10,000
Required qualifying \$5 contributions and signatures	500*	500*	250
Baseline Primary funding amount	\$250,000	\$50,000	\$50,000
Max aggregate Primary Election funding including matching funds	\$1,250,000	\$1,250,000	\$50,000
Baseline General Election funding amount	\$400,000	\$80,000	\$100,000
Max aggregate General Election funding including matching funds	\$2,000,000	\$2,000,000	\$100,000

California State Senate

	Performance-Qualified Candidate*	No adequately-funded opponents**	Qualified Candidate***
Max seed money (\$100 max per contributor)	\$20,000	\$20,000	\$20,000
Required qualifying \$5 contributions and signatures	1,000*	1,000*	500
Baseline Primary funding amount	\$500,000	\$100,000	\$100,000
Max aggregate Primary Election funding including matching funds	\$2,500,000	\$2,500,000	\$100,000
Baseline General Election funding amount	\$800,000	\$160,000	\$200,000
Max aggregate General Election funding including matching funds	\$4,000,000	\$4,000,000	\$200,000

California State Board of Equalization *(same as Senate)*

	Performance-Qualified Candidate*	No adequately-funded opponents**	Qualified Candidate***
Max seed money (\$100 max per contributor)	\$30,000	\$30,000	\$30,000
Required qualifying \$5 contributions and signatures	1,500*	1,500*	750
Baseline Primary funding amount	\$500,000	\$100,000	\$100,000
Max aggregate Primary Election funding including matching funds	\$2,500,000	\$2,500,000	\$100,000
Baseline General Election funding amount	\$800,000	\$160,000	\$200,000
Max aggregate General Election funding including matching funds	\$4,000,000	\$4,000,000	\$200,000

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Statewide Office other than Governor

	Performance-Qualified Candidate*	No adequately-funded opponents**	Qualified Candidate***
Max seed money (\$100 max per contributor)	\$75,000	\$75,000	\$75,000
Required qualifying \$5 contributions and signatures	7,500*	7,500*	3,750
Baseline Primary funding amount	\$2,500,000	\$500,000	\$500,000
Max aggregate Primary Election funding including matching funds	\$12,500,000	\$12,500,000	\$500,000
Baseline General Election funding amount	\$4,000,000	\$800,000	\$1,000,000
Max aggregate General Election funding including matching funds	\$20,000,000	\$20,000,000	\$1,000,000

California Governor

	Performance-Qualified Candidate*	No adequately-funded opponents**	Qualified Candidate***
Max seed money (\$100 max per contributor)	\$250,000	\$250,000	\$250,000
Required qualifying \$5 contributions and signatures	25,000*	25,000*	12,500
Baseline Primary funding amount	\$10,000,000	\$2,000,000	\$2,000,000
Max aggregate Primary Election funding including matching funds****	\$40,000,000	\$40,000,000	\$2,000,000
Baseline General Election funding amount	\$15,000,000	\$3,000,000	\$3,750,000
Max aggregate General Election funding including matching funds****	\$60,000,000	\$60,000,000	\$3,750,000

Total Clean Money funding capped at ~ 26.9 million California Residents age 18 or over* X \$0.01/day = ~\$98 million a year.

* Independent candidates or candidates running from a party that didn't receive at 10% or more of the vote in the previous election for that office or for the governor must get twice the required qualifying \$5 contributions and signatures to become performance-qualified candidates.

** When a Clean candidate is virtually unopposed because they aren't facing another adequately-funded opponent (i.e. another Clean candidate or a candidate who has received contributions totaling at least 10% of the normal baseline funding), then the Clean candidate only receives 20% of the base funding.

*** Partial funding is provided to third party candidates who do not performance-qualify to allow a fair test of whether the party can get 10% of the vote to qualify as a performance-qualified party for that office in the next election. They only need to get half the number of qualifying \$5 contributions and signatures normally needed. Qualified candidates receive 20% of the normal base funding in the primary and 25% of the normal base funding in the general election. They don't receive matching funds. Only candidates from parties that received less than 10% of the vote in the previous election for governor and for that office can qualify for this partial funding option.

**** Performance-qualified candidates for governor can receive matching funds providing them up 4 times the base funding amount overall (performance-qualified candidates for all other offices can receive up to 5 times overall).