

AMENDED IN SENATE AUGUST 19, 2008
AMENDED IN SENATE AUGUST 12, 2008
AMENDED IN SENATE AUGUST 4, 2008
AMENDED IN SENATE JUNE 26, 2008
AMENDED IN SENATE JUNE 11, 2008
AMENDED IN ASSEMBLY JUNE 4, 2007

CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

ASSEMBLY BILL

No. 583

Introduced by Assembly Member Hancock
(Coauthors: Assembly Members Beall, Berg, Brownley, DeSaulnier,
Eng, Evans, Hayashi, Huffman, Jones, Laird, Leno, Lieu, Ma,
Mullin, Price, Saldana, Swanson, Torrico, and Wolk)
(Coauthors: Senators Corbett, Kuehl, Migden, Oropeza, Perata, and
Yee)

February 21, 2007

An act to add Chapter 7 (commencing with Section 20600) to Division 20 of the Elections Code, to add and repeal Chapter 12 (commencing with Section 91015) of Title 9 of, and to repeal ~~Section 85300~~ *Sections 85300 and 86102* of, the Government Code, and to add and repeal Article 8.6 (commencing with Section 18798) of Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code, relating to the Political Reform Act of 1974.

LEGISLATIVE COUNSEL'S DIGEST

AB 583, as amended, Hancock. Political Reform Act of 1974: ~~California Clean Money and Fair Elections Act of 2008.~~

(1) Under the Political Reform Act of 1974 a public officer is prohibited from expending or accepting any public moneys for the purpose of seeking elective office.

This bill would repeal that prohibition and would enact the California ~~Clean Money~~ and Fair Elections Act of 2008, which would authorize eligible candidates for Secretary of State to obtain public funds according to specified procedures and requirements, provided that certain thresholds are attained. The bill would impose primary responsibility for the administration of the provisions of the bill on the Fair Political Practices Commission. This bill would create the ~~Clean Money Fair Elections~~ Fund and, commencing January 1, 2011, would transfer funds from the ~~Clean Money Fair Elections~~ Fund to the Fair Political Practices Commission for the purpose of the public financing provisions of the act. The bill would also establish nonrefundable fees to be imposed on lobbyists, lobbying firms, and lobbyist employers. The fees collected are to be deposited, in part, in the ~~Clean Money Fair Elections~~ Fund. The bill would make funding for the administrative and enforcement costs of the act available from the ~~Clean Money Fair Elections~~ Fund. The bill would require that the available funds, for each 4-year election cycle, would be no more than 10% of the total amount deposited in the ~~Clean Money Fair Elections~~ Fund during the 4-year election cycle. The bill would repeal specified provisions on January 1, 2019.

(2) Existing law, relating to the administration of personal income taxes, authorizes individual taxpayers to contribute amounts in excess of their tax liability for the support of specified funds or accounts.

This bill would additionally allow taxpayers to designate on their tax returns that a specified amount in excess of their tax liability be transferred to the Voters ~~Clean~~ and Fair Elections Fund, which would be created by this bill. The bill would provide that all moneys contributed to the fund pursuant to these provisions, upon appropriation by the Legislature, be allocated to the Franchise Tax Board and the Controller for reimbursement of costs and to the Fair Political Practices Commission, as specified.

The bill would provide that these voluntary contribution provisions are repealed on either January 1 of the 5th taxable year following the taxable year the fund first appears on the personal income tax return, or on January 1 of an earlier calendar year, if the Franchise Tax Board estimates that the annual contribution amount will be less than \$250,000, or an adjusted amount for subsequent taxable years.

(3) The Political Reform Act of 1974, an initiative measure, provides that the Legislature may amend the act by a statute that becomes effective only when approved by the voters.

This bill would require the Secretary of State to submit those provisions of the act that amend the Political Reform Act of 1974 to the voters for approval at the June 8, 2010, statewide primary election.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Chapter 7 (commencing with Section 20600) is
2 added to Division 20 of the Elections Code, to read:

3
4 CHAPTER 7. ~~CLEAN MONEY FAIR ELECTIONS~~ FUND
5

6 20600. (a) ~~Except as provided in subdivision (b),~~
7 ~~notwithstanding Section 86102 of the Government Code, (1) each~~
8 ~~Each~~ lobbying firm, as defined by Section 82038.5 of the
9 Government Code, ~~(2) each lobbyist, as defined by Section 82039~~
10 of the Government Code, and ~~(3) each lobbyist employer, as~~
11 defined by Section 82039.5 of the Government Code, shall pay
12 the Secretary of State a nonrefundable fee of seven hundred dollars
13 (\$700) every two years. Twenty-five dollars (\$25) of each fee shall
14 be deposited in the General Fund and used, when appropriated,
15 for the purposes of Article 1 (commencing with Section 86100)
16 of Chapter 6 of Title 9 of the Government Code. The remaining
17 amount of each fee shall be deposited in the ~~Clean Money Fair~~
18 ~~Elections~~ Fund established pursuant to Section 91133 of the
19 Government Code. The fees in this section may be paid in
20 even-numbered years when registrations are renewed pursuant to
21 Section 86106 of the Government Code.

22 ~~(b) Notwithstanding Section 86102 of the Government Code,~~
23 ~~subdivision (a) shall not apply to a tax-exempt organization under~~
24 ~~Section 501(c)(3) of Title 26 of the United States Code, and that~~
25 ~~organization, if required to file a registration statement under~~
26 ~~Section 86100 of the Government Code, shall pay a nonrefundable~~
27 ~~fee of fifty dollars (\$50) every two years and these funds shall be~~
28 ~~deposited in the Clean Money Fund established pursuant to Section~~
29 ~~91133 of the Government Code.~~

1 (e)
 2 (b) The Secretary of State shall biennially adjust the amount of
 3 the fees collected pursuant to this section to reflect any increase
 4 or decrease in the Consumer Price Index.

5 SEC. 2. Section 85300 of the Government Code is repealed.

6 SEC. 3. Section 86102 of the Government Code is repealed.

7 ~~86102. Each lobbying firm and lobbyist employer required to~~
 8 ~~file a registration statement under this chapter may be charged not~~
 9 ~~more than twenty-five dollars (\$25) per year for each lobbyist~~
 10 ~~required to be listed on its registration statement.~~

11 ~~SEC. 3.~~

12 SEC. 4. Chapter 12 (commencing with Section 91015) is added
 13 to Title 9 of the Government Code, to read:

14
 15 CHAPTER 12. CALIFORNIA ~~CLEAN MONEY AND~~ FAIR ELECTIONS
 16 ACT OF 2008

17
 18 Article 1. General

19
 20 91015. This chapter shall be known and may be cited as the
 21 California ~~Clean Money and~~ Fair Elections Act of 2008.

22 91017. The people find and declare all of the following:

23 (a) The current campaign finance system burdens candidates
 24 with the incessant rigors of fundraising and thus decreases the time
 25 available to carry out their public responsibilities.

26 (b) The current campaign finance system diminishes the free
 27 speech rights of nonwealthy voters and candidates whose voices
 28 are drowned out by those who can afford to monopolize the arena
 29 of paid political communications.

30 (c) The current campaign finance system fuels the public
 31 perception of corruption at worst and conflict of interest at best
 32 and undermines public confidence in the democratic process and
 33 democratic institutions.

34 (d) Existing term limits place a greater demand on fundraising
 35 for the next election even for elected officials in safe seats.

36 (e) The current campaign finance system undermines the First
 37 Amendment right of voters and candidates to be heard in the
 38 political process, undermines the First Amendment right of voters
 39 to hear all candidates' speech, and undermines the core First

1 Amendment value of open and robust debate in the political
2 process.

3 *(f) Citizens want to ensure the integrity of California's system*
4 *of electronically reporting lobbyist contributions and the integrity*
5 *of future Secretaries of State to administer lobbyist disclosure*
6 *programs. Voters would like the opportunity to elect a Secretary*
7 *of State who has not accepted any contributions from entities or*
8 *individuals that employ lobbyists.*

9 (f) In states where the clean money and clean election laws have
10 been enacted and used, election results show that more individuals,
11 especially women and minorities, run as candidates and overall
12 campaign costs decrease.

13 91019. The people enact this chapter to establish a ~~Clean~~
14 ~~Money Fair Elections~~ pilot program in campaigns for the office
15 of Secretary of State to accomplish the following purposes:

16 (a) To reduce the perception of influence of large contributions
17 on the decisions made by state government.

18 (b) To remove wealth as a major factor affecting whether an
19 individual chooses to become a candidate.

20 (c) To provide a greater diversity of candidates to participate
21 in the electoral process.

22 (d) To permit candidates to pursue policy issues instead of being
23 preoccupied with fundraising and allow officeholders more time
24 to carry out their official duties.

25 (e) To diminish the danger of actual corruption or the public
26 perception of corruption and strengthen public confidence in the
27 governmental and election processes.

28 ~~(f) To ensure that independent expenditures are not used to~~
29 ~~evade contribution limits.~~

30 *(g) To reduce the perception of influence of lobbyist employers*
31 *upon future Secretaries of State and their administration of the*
32 *lobbyist disclosure program.*

33 *(h) To protect the public's fiscal interest by providing sufficient*
34 *resources to make the public financing program a viable option*
35 *for qualified candidates, while not wasting resources by providing*
36 *candidates with an unnecessarily large initial grant of public funds.*

37 91021. The people enact this chapter to further accomplish the
38 following purposes:

39 (a) To foster more equal and meaningful participation in the
40 political process.

1 (b) To provide candidates who participated in the program with
 2 sufficient resources with which to communicate with voters.

3 (c) To increase the accountability of the Secretary of State to
 4 the constituents who elect him or her.

5 (d) To provide voters with timely information regarding the
 6 sources of campaign contributions, expenditures, and political
 7 advertising.

8

9 Article 2. Applicability to the Political Reform Act of 1974

10

11 91023. Unless specifically superseded by this act, the
 12 definitions and provisions of the Political Reform Act of 1974
 13 shall govern the interpretation of this chapter.

14

15 Article 3. Definitions

16

17 91024. “Address” means the mailing address as provided on
 18 the voter registration form.

19 91025. For purposes of this chapter, “candidate” means, unless
 20 otherwise stated, a candidate for Secretary of State.

21 91027. A “coordinated expenditure” means a payment made
 22 for the purpose of influencing the outcome of an election for
 23 Secretary of State that is made by any of the following methods:

24 (a) By a person in cooperation, consultation, or concert with,
 25 at the request or suggestion of, or pursuant to a particular
 26 understanding with a candidate, a candidate’s controlled committee,
 27 or an agent acting on behalf of a candidate or a controlled
 28 committee.

29 (b) By a person for the dissemination, distribution, or
 30 republication, in whole or in part, of any broadcast or any written,
 31 graphic, or other form of campaign material prepared by a
 32 candidate, a candidate’s controlled committee, or an agent of a
 33 candidate or a controlled committee.

34 (c) Based on specific information about the candidate’s plans,
 35 projects, or needs provided to the person making the payment by
 36 the candidate or the candidate’s agent who provides the information
 37 with a view toward having the payment made.

38 (d) By a person if, in the same primary and general election in
 39 which the payment is made, the person making the payment is
 40 serving or has served as a member, employee, fundraiser, or agent

1 of the candidate’s controlled committee in an executive or
2 policymaking position.

3 (e) By a person if the person making the payment has served in
4 any formal policy or advisory position with the candidate’s
5 campaign or has participated in strategic or policymaking
6 discussions with the candidate’s campaign relating to the
7 candidate’s pursuit of nomination for election, or election, to the
8 office of Secretary of State in the same primary and general election
9 as the primary and general election in which the payment is made.

10 (f) By a person if the person making the payment retains the
11 professional services of an individual or person who, in a
12 nonministerial capacity, has provided or is providing
13 campaign-related services in the same election to a candidate who
14 is pursuing the same nomination or election as any of the
15 candidates to whom the communication refers.

16 91028. “Effective expenditures” for a nonparticipating
17 candidate means the amount spent plus any independent
18 electioneering expenditures ~~treated as expenditures for that~~
19 ~~candidate pursuant to Section 91095.5 intended to help elect the~~
20 *candidate minus any expenditure treated as an independent*
21 *electioneering expenditure intended to defeat the candidate.* For
22 a participating candidate, it means the amount of ~~Clean Money~~
23 *Fair Elections* funding the candidate has received plus any
24 independent electioneering expenditures ~~treated as expenditures~~
25 ~~for that candidate pursuant to Section 91095.5 intended to help~~
26 *elect the candidate minus any expenditure treated as an*
27 *independent electioneering expenditure intended to defeat the*
28 *candidate.*

29 91029. “Entity” means any person other than an individual.

30 91031. “Excess expenditure amount” means the amount of
31 funds spent or obligated to be spent by a nonparticipating candidate
32 in excess of the ~~Clean Money~~ *Fair Elections funding* amount
33 available to a participating candidate running for the same office.

34 91033. “Exploratory period” means the period beginning 18
35 months before the primary election and ending on the last day of
36 the qualifying period. The exploratory period begins before, but
37 extends to the end of, the qualifying period.

38 91035. “General election campaign period” means the period
39 beginning the day after the primary election and ending on the day
40 of the general election.

1 91037. “Independent candidate” means a candidate who does
2 not represent a political party that has been granted ballot status
3 for the general election and who has qualified, or is seeking to
4 qualify, to be on the general election ballot.

5 91039. “Independent electioneering expenditure” means any
6 expenditure of two thousand five hundred dollars (\$2,500) or more
7 made by a person, party committee, political committee or political
8 action committee, or any entity required to file reports pursuant
9 to Section 84605, during the 45 calendar days before a primary or
10 the 60 calendar days before a general election, which expressly
11 advocates the election or defeat of a clearly identified candidate
12 or names or depicts clearly identified candidates.

13 91043. “Nonparticipating candidate” means a candidate who
14 is on the ballot but has chosen not to apply for ~~Clean Money Fair~~
15 ~~Elections~~ campaign funding or a candidate who is on the ballot
16 and has applied but has not satisfied the requirements for receiving
17 ~~Clean Money Fair Elections~~ funding.

18 91045. “Office-qualified party” means a political party whose
19 gubernatorial or Secretary of State nominee has received 10 percent
20 or more of the votes at the last election.

21 91046. “Office-qualified candidate” is a candidate seeking
22 nomination from an office-qualified party.

23 91049. “Participating candidate” means a candidate who
24 qualifies for ~~Clean Money Fair Elections~~ campaign funding. These
25 candidates are eligible to receive ~~Clean Money Fair Elections~~
26 funding during primary and general election campaign periods.

27 91051. “Party candidate” means a candidate who represents a
28 political party that has been granted ballot status and holds a
29 primary election to choose its nominee for the general election.

30 91053. “Performance-qualified candidate” means either an
31 office-qualified candidate or a candidate who has shown a broad
32 base of support by gathering twice the number of qualifying
33 contributions as is required for an office-qualified candidate.
34 Independent candidates may qualify for funding as
35 performance-qualified candidates.

36 91055. “Petty cash” means cash amounts of one hundred dollars
37 (\$100) or less per day that are drawn on the ~~Clean Money Fair~~
38 ~~Elections~~ Debit Card and used to pay expenses of no more than
39 twenty-five dollars (\$25) each.

1 91059. “Primary election campaign period” means the period
2 beginning 120 days before the primary election and ending on the
3 day of the primary election.

4 91061. “Qualified candidate” means a candidate seeking
5 nomination from a party that is not an office-qualified party.

6 91063. “Qualifying contribution” means a contribution of five
7 dollars (\$5) that is received during the designated qualifying period
8 by a candidate seeking to become eligible for ~~Clean Money Fair~~
9 *Elections* campaign funding from a registered voter of the district
10 in which the candidate is running for office.

11 91065. “Qualifying period” means the period during which
12 candidates are permitted to collect qualifying contributions in order
13 to qualify for ~~Clean Money Fair Elections~~ funding. It begins 270
14 days before the primary election and ends 90 days before the day
15 of the primary election for party candidates and begins any time
16 after January 1 of the election year and lasts 180 days, but in no
17 event ending later than 90 days, before the general election for
18 performance-qualified candidates who are running as independent
19 candidates.

20 91067. “Seed money contribution” means a contribution of no
21 more than one hundred dollars (\$100) made by a California
22 registered voter during the exploratory period.

23

24 Article 4. ~~Clean Money Fair Elections Eligibility~~

25

26 91071. (a) An office-qualified candidate qualifies as a
27 participating candidate for the primary election campaign period
28 if the following requirements are met:

29 (1) The candidate files a declaration with the commission that
30 the candidate has complied and will comply with all of the
31 requirements of this act, including the requirement that during the
32 exploratory period and the qualifying period the candidate not
33 accept or spend private contributions from any source other than
34 seed money contributions, qualifying contributions, ~~Clean Money~~
35 *Fair Elections* funds, and political party funds as specified in
36 Section 91123.

37 (2) The candidate meets the following qualifying contribution
38 requirements before the close of the qualifying period:

39 (A) The office-qualified candidate shall collect at least 7,500
40 qualifying contributions.

1 (B) Each qualifying contribution shall be acknowledged by a
2 receipt to the contributor, with a copy submitted by the candidate
3 to the county registrar of voters in the county where the candidate
4 files his or her declaration of candidacy. The receipt shall include
5 the contributor's signature, printed name, and address, the date,
6 and the name of the candidate on whose behalf the contribution is
7 made. In addition, the receipt shall indicate by the contributor's
8 signature that the contributor understands that the purpose of the
9 qualifying contribution is to help the candidate qualify for ~~Clean~~
10 ~~Money Fair Elections~~ campaign funding, that the contribution is
11 the only qualifying contribution the contributor has provided to a
12 candidate for this office, and that the contribution is made without
13 coercion or reimbursement.

14 (C) A contribution submitted as a qualifying contribution that
15 does not include a signed and fully completed receipt shall not be
16 counted as a qualifying contribution.

17 (D) All five-dollar (\$5) qualifying contributions, whether in the
18 form of cash, check, or money order made out to the candidate's
19 campaign account, shall be deposited by the candidate in the
20 candidate's campaign account.

21 (E) All qualifying contributions' signed receipts shall be sent
22 to the county registrar of voters in the county where the candidate
23 files his or her declaration of candidacy and shall be accompanied
24 by a check or other written instrument from the candidate's
25 campaign account for the total amount of qualifying contribution
26 funds received for deposit in the ~~Clean Money Fair Elections~~ Fund.
27 This submission shall be accompanied by a signed statement from
28 the candidate indicating that all of the information on the qualifying
29 contribution receipts is complete and accurate to the best of the
30 candidate's knowledge and that the amount of the enclosed check
31 or other written instrument is equal to the sum of all of the
32 five-dollar (\$5) qualifying contributions the candidate has received.
33 County registrars of voters shall forward these checks or other
34 written instruments to the commission.

35 (b) A candidate qualifies as a participating candidate for the
36 general election campaign period if both of the following
37 requirements are met:

38 (1) The candidate met all of the applicable requirements and
39 filed a declaration with the commission that the candidate has

1 fulfilled and will fulfill all of the requirements of a participating
2 candidate as stated in this act.

3 (2) As a participating party candidate during the primary election
4 campaign period, the candidate had the highest number of votes
5 of the candidates contesting the primary election from the
6 candidate's respective party and, therefore, won the party's
7 nomination.

8 91073. (a) A qualified candidate shall collect at least one-half
9 of the number of qualifying contributions as required for an
10 office-qualified candidate for the same office. A qualified candidate
11 may show a greater base of support by collecting double the
12 amount of qualifying contributions as required for an
13 office-qualified candidate to become a performance-qualified
14 candidate. The candidate shall also file a declaration with the
15 commission that the candidate has complied and will comply with
16 all of the requirements of this act.

17 (b) An independent candidate who does not run in a primary
18 may become a performance-qualified candidate by collecting twice
19 as many qualifying contributions as required of an office-qualified
20 candidate. The qualifying period for such candidates shall begin
21 any time after January 1 of the election year and shall last 180
22 days, except that it shall end no later than 90 days before the
23 general election. An independent candidate shall notify the
24 commission within 24 hours of the day when the candidate has
25 begun collecting qualifying contributions. The candidate shall also
26 file a declaration with the commission that he or she has complied
27 and will comply with all of the requirements of this chapter.

28 91075. During the first election that occurs after the effective
29 date of this act, a candidate may be certified as a participating
30 candidate, notwithstanding the acceptance of contributions or
31 making of expenditures from private funds before the date of
32 enactment that would, absent this section, disqualify the candidate
33 as a participating candidate, provided that any private funds
34 accepted but not expended before the effective date of this act meet
35 any of the following criteria:

36 (a) Are returned to the contributor.

37 (b) Are held in a segregated account and used only for retiring
38 a debt from a previous campaign.

39 (c) Are submitted to the commission for deposit in the ~~Clean~~
40 ~~Money Fair Elections~~ Fund.

1 91077. A participating candidate who accepts any benefits
2 during the primary election campaign period shall comply with
3 all of the requirements of this act through the general election
4 campaign period whether the candidate continues to accept benefits
5 or not.

6 91079. (a) During the primary and general election campaign
7 periods, a participating candidate who has voluntarily agreed to
8 participate in, and has become eligible for, ~~Clean Money Fair~~
9 *Elections* benefits, shall not accept private contributions from any
10 source other than the candidate's political party as specified in
11 Section 91123.

12 (b) During the qualifying period and the primary and general
13 election campaign periods, a participating candidate who has
14 voluntarily agreed to participate in, and has become eligible for,
15 ~~Clean Money Fair Elections~~ benefits shall not solicit or receive
16 contributions for any other candidate or for any political party or
17 other political committee.

18 (c) No person shall make a contribution in the name of another
19 person. A participating candidate who receives a qualifying
20 contribution or a seed money contribution that is not from the
21 person listed on the receipt required by subparagraph (D) of
22 paragraph (2) of subdivision (a) of Section 91071 shall be liable
23 to pay the commission the entire amount of the inaccurately
24 identified contribution, in addition to any penalties.

25 (d) During the primary and general election campaign periods,
26 a participating candidate shall pay for all of the candidate's
27 campaign expenditures, except petty cash expenditures, by means
28 of a ~~“Clean Money “Fair Elections~~ Debit Card” issued by the
29 commission, as authorized under Section 91137.

30 (e) Participating candidates shall furnish complete campaign
31 records to the commission upon request. Candidates shall cooperate
32 with any audit or examination by the commission, the Franchise
33 Tax Board, or any enforcement agency.

34 91081. (a) During the primary election period and the general
35 election period, each participating candidate shall conduct all
36 campaign financial activities through a single campaign account.

37 (b) Notwithstanding Section 85201, a participating candidate
38 may maintain a campaign account other than the campaign account
39 described in subdivision (a) if the other campaign account is for
40 the purpose of retiring a net debt outstanding that was incurred

1 during a previous election campaign in which the candidate was
2 not a participating candidate.

3 (c) Contributions for the purposes of retiring a previous
4 campaign debt that are deposited in the “other campaign account”
5 described in subdivision (b) shall not be considered “contributions”
6 to the candidate’s current campaign. Those contributions shall
7 only be raised during the six-month period following the date of
8 the election.

9 91083. (a) Participating candidates shall use their ~~Clean Money~~
10 *Fair Elections* funds only for direct campaign purposes.

11 (b) A participating candidate shall not use ~~Clean Money Fair~~
12 *Elections* funds for any of the following:

13 (1) Costs of legal defense or fines resulting from any campaign
14 law enforcement proceeding under this act.

15 (2) Indirect campaign purposes, including, but not limited to,
16 the following:

17 (A) The candidate’s personal support or compensation to the
18 candidate or the candidate’s family.

19 (B) The candidate’s personal appearance.

20 (C) A contribution or loan to the campaign committee of another
21 candidate for any elective office or to a party committee or other
22 political committee.

23 (D) An independent electioneering expenditure.

24 (E) A gift in excess of twenty-five dollars (\$25) per person.

25 (F) Any payment or transfer for which compensating value is
26 not received.

27 91085. (a) Personal funds contributed as seed money by a
28 candidate seeking to become eligible as a participating candidate
29 or by adult members of the candidate’s family shall not exceed
30 the maximum of one hundred dollars (\$100) per contributor.

31 (b) Personal funds shall not be used to meet the qualifying
32 contribution requirement except for one five-dollar (\$5)
33 contribution from the candidate and one five-dollar (\$5)
34 contribution from the candidate’s spouse.

35 91087. (a) The only private contributions a candidate seeking
36 to become eligible for ~~Clean Money Fair Elections~~ funding shall
37 accept, other than qualifying contributions and limited contributions
38 from the candidate’s political party as specified in Section 91123,
39 are seed money contributions contributed by duly registered voters

1 in the district in which the candidate is running for election prior
2 to the end of the qualifying period.

3 (b) A seed money contribution shall not exceed one hundred
4 dollars (\$100) per donor, and the aggregate amount of seed money
5 contributions accepted by a candidate seeking to become eligible
6 for ~~Clean Money Fair Elections~~ funding shall not exceed
7 seventy-five thousand dollars (\$75,000).

8 (c) Receipts for seed money contributions shall include the
9 contributor's signature, printed name, address, and ZIP Code.
10 Receipts described in this subdivision shall be made available to
11 the commission upon request.

12 (d) Seed money shall be spent only during the exploratory and
13 qualifying periods. Seed money shall not be spent during the
14 primary or general election campaign periods, except when they
15 overlap with the candidate's qualifying period. Any unspent seed
16 money shall be turned over to the commission for deposit in the
17 ~~Clean Money Fair Elections~~ Fund.

18 (e) Within 72 hours after the close of the qualifying period,
19 candidates seeking to become eligible for ~~Clean Money Fair~~
20 ~~Elections~~ funding shall do both of the following:

21 (1) Fully disclose all seed money contributions and expenditures
22 to the commission.

23 (2) Turn over to the commission for deposit in the ~~Clean Money~~
24 ~~Fair Elections~~ Fund any seed money the candidate has raised
25 during the exploratory period that exceeds the aggregate seed
26 money limit.

27 91091. Participating candidates in contested races shall agree
28 to participate in at least one public debate during a contested
29 primary election and two public debates during a contested general
30 election, to be conducted pursuant to regulations promulgated by
31 the commission.

32 91093. (a) No more than five business days after a candidate
33 applies for ~~Clean Money Fair Elections~~ benefits, the county
34 registrar of voters in the county where the candidate files his or
35 her declaration of candidacy shall certify that the candidate is or
36 is not eligible. Eligibility may be revoked if the candidate violates
37 the requirements of this act, in which case all ~~Clean Money Fair~~
38 ~~Elections~~ funds shall be repaid.

1 (b) The candidate’s request for certification shall be signed by
2 the candidate and the candidate’s campaign treasurer under penalty
3 of perjury.

4 (c) The certification determination of the county registrar of
5 voters is final except that it is subject to a prompt judicial review.

6
7 Article 5. ~~Clean Money~~ *Fair Elections* Benefits

8
9 91095. (a) Candidates who qualify for ~~Clean Money Fair~~
10 *Elections* funding for primary and general elections shall:

11 (1) Receive ~~Clean Money Fair Elections~~ funding from the
12 commission for each election in an amount specified by Section
13 91099. This funding may be used to finance campaign expenses
14 during the particular campaign period for which it was allocated
15 consistent with Section 91081.

16 (2) Receive, if a performance-qualified candidate, additional
17 ~~Clean Money Fair Elections~~ funding to match ~~any excess~~
18 ~~expenditure by a nonparticipating candidate in the election, as~~
19 ~~specified in Section 91107~~ *the effective expenditures of any*
20 *candidates in the election that exceed the effective expenditures*
21 *of the performance-qualified candidate.*

22 (3) ~~Receive, if a performance-qualified candidate, additional~~
23 ~~Clean Money~~ funding to match any excess independent
24 electioneering expenditure made in support of opponents’
25 candidacies in their race, as specified in Section 91111, provided
26 that the dollar value of the independent electioneering expenditure,
27 combined with the amount raised or received thus far by an
28 opposing candidate that benefits from the independent
29 electioneering expenditure, exceeds the Clean Money funding
30 amount received by the participating candidate.

31 (b) The maximum aggregate amount of funding a participating
32 performance-qualified candidate shall receive to match independent
33 electioneering expenditures and excess expenditures of
34 nonparticipating candidates shall not exceed four times the base
35 funding amount pursuant to Section 91099 for a particular primary
36 or general election campaign period.

37 91095.5. (a) ~~Independent electioneering expenditures against~~
38 ~~a participating candidate shall be treated as expenditures of every~~
39 ~~other candidate running for that office for the purposes of Section~~
40 ~~91095.~~

- 1 ~~(b) Independent electioneering expenditures in favor of one or~~
 2 ~~more nonparticipating candidates running for an office shall be~~
 3 ~~treated as expenditures of those nonparticipating candidates for~~
 4 ~~the purpose of Section 91095.~~
- 5 ~~(c) Independent electioneering expenditures in favor of a~~
 6 ~~participating candidate shall be treated, for every other participating~~
 7 ~~candidate running for that office, as though the independent~~
 8 ~~expenditures were an expenditure of a nonparticipating opponent,~~
 9 ~~for purposes of Section 91095.~~
- 10 ~~(d) Expenditures by a nonparticipating~~ *An expenditure by a*
 11 *candidate in a primary election against a participating candidate*
 12 *running for that office in another party’s primary shall be treated*
 13 *as an independent electioneering expenditure against that*
 14 *participating candidate when that candidate’s effective expenditures*
 15 *are less than those of the candidate making the expenditure for*
 16 *the purposes of Section 91095.*
- 17 ~~(e)~~
- 18 (b) The commission shall promulgate regulations allocating the
 19 share of expenditures that reference or depict more than one
 20 candidate for the purposes of Section 91095.
- 21 ~~(f)~~
- 22 (c) Expenditures made before the general election period that
 23 consist of a contract, promise, or agreement to make an expenditure
 24 during the general election period resulting in an extension of
 25 credit shall be treated as though made at the beginning of the
 26 general election period.
- 27 91097. (a) An eligible qualified or performance-qualified
 28 candidate running in a primary election shall receive the candidate’s
 29 ~~Clean Money Fair Elections~~ funding for the primary election
 30 campaign period on the date on which the county registrar of voters
 31 certifies the candidate as a participating candidate or at the
 32 beginning of the primary election period, whichever is later.
- 33 (b) An eligible qualified or performance-qualified candidate
 34 shall receive the candidate’s ~~Clean Money Fair Elections~~ funding
 35 for the general election campaign period within two business days
 36 after certification of the primary election results.
- 37 91099. (a) For eligible candidates in a primary election:
 38 (1) The base amount of ~~Clean Money Fair Elections~~ funding
 39 for an eligible office-qualified candidate in a primary election is

1 ~~nine hundred thousand dollars (\$900,000)~~ *one million dollars*
2 *(\$1,000,000).*

3 (2) The amount of ~~Clean Money Fair Elections~~ funding for an
4 eligible qualified candidate in a primary election is 20 percent of
5 the base amount that an office-qualified candidate would receive.

6 (b) For eligible candidates in a general election:

7 (1) The base amount of ~~Clean Money Fair Elections~~ funding
8 for a performance-qualified candidate in a general, special, or
9 special runoff election is one million three hundred thousand
10 dollars (\$1,300,000).

11 (2) The amount of ~~Clean Money Fair Elections~~ funding for an
12 eligible qualified candidate in a contested general election is 25
13 percent of the base amount a performance-qualified candidate
14 would receive.

15

16 Article 6. Disclosure Requirements

17

18 91107. (a) If a nonparticipating candidate's total expenditures
19 or promises to make campaign expenditures exceed the amount
20 of ~~Clean Money Fair Elections~~ funding allocated to the candidate's
21 ~~Clean Money Fair Elections~~ opponent or opponents, the candidate
22 shall declare every excess expenditure amount which, in the
23 aggregate, is more than five thousand dollars (\$5,000) to the
24 commission online or electronically within 24 hours of the time
25 the expenditure or promise is made, whichever occurs first.

26 (b) The commission may make its own determination as to
27 whether excess expenditures have been made by nonparticipating
28 candidates.

29 (c) Upon receiving an excess expenditure declaration or
30 determining that an excess expenditure has been made, the
31 commission shall immediately release additional ~~Clean Money~~
32 *Fair Elections* funding to the opposing performance-qualified
33 candidates pursuant to Section 91095.

34 91111. (a) In addition to any other report required by this
35 chapter, a committee, including a political party committee, that
36 is required to file reports pursuant to Section 84605 and that makes
37 independent electioneering expenditures of two thousand five
38 hundred dollars (\$2,500) or more during a calendar year in
39 connection with a candidate for Secretary of State, shall file online
40 or electronically a report with the Secretary of State disclosing the

1 making of the independent electioneering expenditure. This report
2 shall disclose the same information required by subdivision (b) of
3 Section 84204 and shall be filed within 24 hours of the time the
4 independent electioneering expenditure is made.

5 (b) The report to the Secretary of State shall include a signed
6 statement under penalty of perjury by the person or persons making
7 the independent electioneering expenditure identifying the
8 candidate or candidates whom the independent electioneering
9 expenditure is intended to help elect or defeat and affirming that
10 the expenditure is independent and whether it is coordinated with
11 a candidate or a political party.

12 (c) Any individual or organization that fails to file the required
13 report to the Secretary of State or provides materially false
14 information in a report filed pursuant to subdivision (a) or (b) may
15 be fined up to three times the amount of the independent
16 electioneering expenditure, in addition to any other remedies
17 provided by this act.

18 (d) The Secretary of State shall provide information received
19 pursuant to subdivision (a) to the commission simultaneously upon
20 receipt. Upon receiving a report that an independent electioneering
21 expenditure has been made or obligated to be made, the
22 commission shall immediately release additional ~~Clean Money~~
23 *Fair Elections* funding pursuant to Section 91095.

24 ~~91112. If an inadequately funded candidate receives a~~
25 ~~contribution which makes him or her an adequately funded~~
26 ~~candidate, within 24 hours he or she shall electronically disclose~~
27 ~~to the commission the cumulative amount of contributions received.~~
28 ~~Within 24 hours of receipt of this disclosure, the commission shall~~
29 ~~deposit into the Clean Money accounts of the participating~~
30 ~~candidates in that election an amount sufficient to bring the total~~
31 ~~Clean Money funds received by each candidate up to the base~~
32 ~~amounts specified in Section 91099.~~

33 91113. All broadcast and print advertisements placed by
34 candidates or their committees shall include a clear written or
35 spoken statement indicating that the candidate has approved of the
36 contents of the advertisement.

1 Article 7. Legal Defense, Officeholder, and Inaugural Funds

2
3 91115. (a) Notwithstanding Section 85316, a Secretary of
4 State or candidate for the office of Secretary of State may establish
5 a separate account to defray attorney's fees and other related legal
6 costs incurred for the candidate's or elected state officer's legal
7 defense if the candidate or elected state officer is subject to one
8 or more civil or criminal proceedings or administrative proceedings
9 arising directly out of the conduct of an election campaign, the
10 electoral process, or the performance of the elected state officer's
11 governmental activities and duties. These funds may be used only
12 to defray those attorney's fees and other related legal costs.

13 (b) A Secretary of State may establish a separate account for
14 expenses associated with holding office that are reasonably related
15 to a legislative or governmental purpose as specified in this
16 subdivision and in regulations of the commission. The total amount
17 of funds that may be deposited in a calendar year into an account
18 established pursuant to this subdivision shall not exceed fifty
19 thousand dollars (\$50,000).

20 (c) A Secretary of State may establish an inaugural account to
21 cover the cost of events, celebrations, gatherings, and
22 communications that take place as part of, or in honor of, the
23 inauguration of the Secretary of State.

24 (d) The maximum amount of contributions a candidate or elected
25 state officer whose office is covered by these provisions may
26 receive from a contributor in a calendar year for all of the accounts
27 described in subdivisions (a), (b), and (c) combined is five hundred
28 dollars (\$500). All contributions, whether cash or in kind, shall be
29 reported in a manner prescribed by the commission. Contributions
30 to such funds shall not be considered campaign contributions.

31 (e) Once the legal dispute is resolved, the candidate shall dispose
32 of any funds remaining after all expenses associated with the
33 dispute are discharged or after the elected state officer whose office
34 is covered by these provisions leaves office, for one or more of
35 the purposes set forth in paragraphs (1) to (5), inclusive, of
36 subdivision (b) of Section 89519.

Article 8. Restrictions on Candidates

91121. A nonparticipating candidate may accept an otherwise lawful contribution after the date of the election only to the extent that the contribution does not exceed net debts outstanding from the election.

91123. Participating candidates may accept monetary or in-kind contributions from political parties provided that the aggregate amount of such contributions from all political party committees combined does not exceed the equivalent of 5 percent of the original-Clean Money Fair Elections financing allotment for that office for that election. Such expenditures shall not count against the moneys spent by-Clean Money Fair Elections candidates.

Article 9. Ballot Pamphlet Statements

91127. The Secretary of State shall designate in the state ballot pamphlet and on any Internet Web site listing of candidates maintained by any government agency including, but not limited, to the Secretary of State those candidates who have voluntarily agreed to be participating candidates.

91131. (a) A candidate for Secretary of State who is a participating candidate may place a statement in the state ballot pamphlet that does not exceed 250 words. The statement shall not make any reference to any opponent of the candidate. The candidate may also provide a list of up to 10 endorsers for placement in the state ballot pamphlet or sample ballot, as appropriate. This statement and list of endorsers shall be submitted in accordance with timeframes and procedures set forth by the Secretary of State for the preparation of the state ballot pamphlets and by county elections officials for the preparation of sample ballots.

(b) A nonparticipating candidate for Secretary of State may pay to place a statement in the state ballot pamphlet that does not exceed 250 words. A nonparticipating candidate may also pay to place a list of up to 10 endorsers in the state ballot pamphlet or sample ballot, as appropriate. The statement shall not make any reference to any opponent of the candidate. This statement and list of endorsers shall be submitted in accordance with timeframes and procedures set forth by the Secretary of State for the preparation of the state ballot pamphlets and by county elections officials for

1 the preparation of sample ballots. The nonparticipating candidate
2 shall be charged the pro rata cost of printing, handling, translating,
3 and mailing any ballot pamphlet statement and list of endorsers
4 provided pursuant to this subdivision.

5
6 Article 10. Appropriations for the ~~Clean Money~~ *Fair Elections*
7 Fund
8

9 91133. (a) A special, dedicated, nonlapsing ~~Clean Money~~ *Fair*
10 *Elections* Fund is created in the State Treasury. Commencing
11 January 1, 2011, the funds collected pursuant to Section 20600 of
12 the Elections Code shall, when appropriated by the Legislature,
13 be available from the ~~Clean Money~~ *Fair Elections* Fund to the
14 commission for expenditure for the purpose of providing public
15 financing for the election campaigns of certified participating
16 candidates during primary and general campaign periods.

17 (b) Funding for the administrative and enforcement costs of the
18 commission related to this act shall be from the ~~Clean Money~~ *Fair*
19 *Elections* Fund and shall be, for each four-year election cycle, no
20 more than 10 percent of the total amount deposited in the ~~Clean~~
21 ~~Money~~ *Fair Elections* Fund during the four-year election cycle.

22 91135. Other sources of revenue to be deposited in the ~~Clean~~
23 ~~Money~~ *Fair Elections* Fund shall include all of the following:

24 (a) The qualifying contributions required of candidates seeking
25 to become certified as participating candidates and candidates'
26 excess qualifying contributions.

27 (b) The excess seed money contributions of candidates seeking
28 to become certified as participating candidates.

29 (c) Unspent funds distributed to any participating candidate who
30 does not remain a candidate until the primary or general election
31 for which they were distributed, or funds that remain unspent by
32 a participating candidate following the date of the primary or
33 general election for which they were distributed.

34 (d) Voluntary donations made directly to the ~~Clean Money~~ *Fair*
35 *Elections* Fund.

36 (e) Other funds appropriated by the Legislature.

37 (f) Any interest generated by the ~~Clean Money~~ *Fair Elections*
38 Fund.

39 (g) Any other sources of revenue from the General Fund or from
40 other sources as determined by the Legislature.

Article 11. Administration

1
2
3 91137. (a) Upon a determination that a candidate has met all
4 the requirements for becoming a participating candidate as provided
5 for in this act, the commission shall issue to the candidate a card,
6 known as the ~~“Clean Money~~ *“Fair Elections Debit Card,”* and a
7 *“line of debit”* entitling the candidates and members of the
8 candidate’s staff to draw ~~Clean Money~~ *Fair Elections* funds from
9 a commission account to pay for all campaign costs and expenses
10 up to the amount of ~~Clean Money~~ *Fair Elections* funding the
11 candidate has received.

12 (b) Neither a participating candidate nor any other person on
13 behalf of a participating candidate shall pay campaign costs by
14 cash, check, money order, loan, or by any other financial means
15 other than the ~~Clean Money~~ *Fair Elections* Debit Card.

16 (c) Cash amounts of one hundred dollars (\$100) or less per day
17 may be drawn on the ~~Clean Money~~ *Fair Elections* Debit Card and
18 used to pay expenses of no more than twenty-five dollars (\$25)
19 each. Records of all such expenditures shall be maintained and,
20 upon request, made available to the commission.

21 91139. If the commission determines that there are insufficient
22 funds in the program to fund adequately all candidates eligible for
23 ~~Clean Money~~ *Fair Elections* funds, the commission shall reduce
24 the grants proportionately to all eligible candidates. If the
25 commission notifies a candidate that the ~~Clean Money~~ *Fair*
26 *Elections* funds will be reduced and the candidate has not received
27 any ~~Clean Money~~ *Fair Elections* funds, the candidate may decide
28 to be a nonparticipating candidate. If a candidate has already
29 received ~~Clean Money~~ *Fair Elections* funds or wishes to start
30 receiving such funds, a candidate who wishes to collect
31 contributions may do so in amounts up to the contribution limits
32 provided for nonparticipating candidates but shall not collect more
33 than the total of ~~Clean Money~~ *Fair Elections* funds that the
34 candidate was entitled to receive had there been sufficient funds
35 in the program less the amount of ~~Clean Money~~ *Fair Elections*
36 funds that will be or have been provided. If, at a later point, the
37 commission determines that adequate funds have become available,
38 candidates, who have not raised private funds, shall receive the
39 funds owed to them.

1 91140. The commission shall adjust the seed money limitations
 2 in subdivision (a) of Section 91085 and in subdivision (b) of
 3 Section 91087 and the ~~Clean Money~~ *Fair Elections* Fund funding
 4 amounts in Section 91099 in January after the election of the
 5 Secretary of State to reflect any increase or decrease in the
 6 Consumer Price Index and the increase or decrease in the number
 7 of registered voters in California. The adjustments made pursuant
 8 to this section shall be rounded to the nearest ten dollars (\$10) for
 9 the seed money limitations and one thousand dollars (\$1,000) for
 10 the ~~Clean Money~~ *Fair Elections* funding amounts.

11
 12 Article 12. Enforcement
 13

14 91141. (a) If a participating candidate spends or obligates to
 15 spend more than the ~~Clean Money~~ *Fair Elections* funding the
 16 candidate is given, and if it is determined by the commission,
 17 subject to court review, not to be an amount that had or could have
 18 been expected to have a significant impact on the outcome of the
 19 election, then the candidate shall repay to the ~~Clean Money~~ *Fair*
 20 *Elections* Fund an amount equal to the excess.

21 (b) If a participating candidate spends or obligates to spend
 22 more than the ~~Clean Money~~ *Fair Elections* funding the candidate
 23 is given, and if that excess amount is determined by the
 24 commission, subject to court review, to be an amount that had or
 25 could have been expected to have a significant impact on the
 26 outcome of the election, then the candidate shall repay to the ~~Clean~~
 27 ~~Money~~ *Fair Elections* Fund an amount up to 10 times the value
 28 of the excess.

29 91143. It is unlawful for candidates to knowingly accept more
 30 benefits than those to which they are entitled, spend more than the
 31 amount of ~~Clean Money~~ *Fair Elections* funding they have received,
 32 or misuse such benefits or ~~Clean Money~~ *Fair Elections* funding.

33 91145. Any person who knowingly or willfully violates any
 34 provision of this chapter is guilty of a misdemeanor. Any person
 35 who knowingly or willfully causes any other person to violate any
 36 provision of this chapter, or who aids and abets any other person
 37 in the violation of any provision of this chapter shall be liable
 38 under this section.

1 91147. Prosecution for a violation of any provision of this
2 chapter shall be commenced within four years after the date on
3 which the violation occurred.

4 91149. No person convicted of a misdemeanor under this
5 chapter shall act as a lobbyist or state contractor, or run for elective
6 state office, for a period of five years following the date of
7 conviction unless the court at the time of sentencing specifically
8 determines that this provision shall not be applicable.

9 91157. This chapter shall remain in effect only until January
10 1, 2019, and as of that date is repealed, unless a later enacted
11 statute, that is enacted before January 1, 2019, deletes or extends
12 that date.

13 ~~SEC. 4.~~

14 SEC. 5. Article 8.6 (commencing with Section 18798) is added
15 to Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation
16 Code, to read:

17
18 Article 8.6. Voters-Clean and Fair Elections Fund
19

20 18798. (a) An individual may designate on the tax return that
21 a contribution in excess of the tax liability, if any, be made to the
22 Voters-Clean and Fair Elections Fund, pursuant to Section 18798.1.

23 (b) Contributions shall be in full dollar amounts and may be
24 made individually by each signatory on a joint return.

25 (c) A designation under subdivision (a) shall be made for any
26 taxable year on the individual return for that taxable year and, once
27 made, shall be irrevocable. In the event that payments and credits
28 reported on the return, together with any other credits associated
29 with the individual’s account, do not exceed the individual’s
30 liability, the return shall be treated as if no designation were made.

31 (d) The Franchise Tax Board shall revise the forms of the return
32 to include a space labeled “Voters-Clean and Fair Elections Fund”
33 to allow for the designation permitted under subdivision (a). The
34 forms shall also include instructions that the contribution may be
35 in the amount of one dollar (\$1) or more and that the contribution
36 will be used to provide public funding for the campaigns of
37 qualified candidates for Secretary of State who agree to take no
38 private moneys for their campaigns.

39 (e) Notwithstanding any other provision of law, a voluntary
40 contribution designation for the Voters-Clean and Fair Elections

1 Fund shall not be added to the tax return until another voluntary
2 contribution is removed.

3 (f) A deduction shall be allowed under Article 6 (commencing
4 with Section 17201) of Chapter 3 of Part 10 for any contribution
5 made pursuant to subdivision (a).

6 18798.1. There is hereby established in the State Treasury the
7 Voters-~~Clean~~ and Fair Elections Fund to receive contributions
8 made pursuant to Section 18798. The Franchise Tax Board shall
9 notify the Controller of both the amount of moneys paid by
10 taxpayers in excess of their tax liability and the amount of refund
11 moneys which taxpayers have designated pursuant to Section
12 18798 to be transferred to the Voters-~~Clean~~ and Fair Elections
13 Fund. The Controller shall transfer from the Personal Income Tax
14 Fund to the Voters-~~Clean~~ and Fair Elections Fund an amount not
15 in excess of the sum of the amounts designated by individuals
16 pursuant to Section 18798 for payment into that fund.

17 18798.2. All moneys transferred to the Voters-~~Clean~~ and Fair
18 Elections Fund, upon appropriation by the Legislature, shall be
19 allocated as follows:

20 (a) To the Franchise Tax Board and the Controller for
21 reimbursement of all costs incurred by the Franchise Tax Board
22 and the Controller in connection with their duties under this article.

23 (b) To the ~~Clean Money~~ *Fair Elections* Fund established
24 pursuant to Section 91133 of the Government Code.

25 18798.3. (a) Except as otherwise provided in subdivision (b),
26 this article shall remain in effect only until January 1 of the fifth
27 taxable year following the first appearance of the Voters-~~Clean~~
28 and Fair Elections Fund on the personal income tax return, and as
29 of that date is repealed, unless a later enacted statute that is enacted
30 before the applicable date deletes or extends that date.

31 (b) (1) By September 1 of the second calendar year, and by
32 September 1 of each subsequent calendar year that the Voters
33 ~~Clean~~ and Fair Elections Fund appears on a tax return, the
34 Franchise Tax Board shall do all of the following:

35 (A) Determine the minimum contribution amount required to
36 be received during the next calendar year for the fund to appear
37 on the tax return for the taxable year that includes that next calendar
38 year.

39 (B) Provide written notification to the Fair Political Practices
40 Commission of the amount determined in subparagraph (A).

1 (C) Determine whether the amount of contributions estimated
2 to be received during the calendar year will equal or exceed the
3 minimum contribution amount determined by the Franchise Tax
4 Board for the calendar year pursuant to subparagraph (A). The
5 Franchise Tax Board shall estimate the amount of contributions
6 to be received by using the actual amounts received and an estimate
7 of the contributions that will be received by the end of that calendar
8 year.

9 (2) If the Franchise Tax Board determines that the amount of
10 contributions estimated to be received during a calendar year will
11 not at least equal the minimum contribution amount for the calendar
12 year, this article is repealed with respect to taxable years beginning
13 on or after January 1 of that calendar year.

14 (3) For purposes of this section, the minimum contribution
15 amount for a calendar year means two hundred fifty thousand
16 dollars (\$250,000) for the second calendar year after the first
17 appearance of the Voters-Clean and Fair Elections Fund on the
18 personal income tax return or the adjusted minimum contribution
19 amount adjusted pursuant to subdivision (c).

20 (c) For each calendar year, beginning with the third calendar
21 year after the first appearance of the Voters-Clean and Fair
22 Elections Fund on the personal income tax return, the Franchise
23 Tax Board shall adjust, on or before September 1, the minimum
24 contribution amount specified in subdivision (b) as follows:

25 (1) The minimum estimated contribution amount for the calendar
26 year shall be an amount equal to the product of the minimum
27 estimated contribution amount for the calendar year multiplied by
28 the inflation factor adjustment as specified in subparagraph (A) of
29 paragraph (2) of subdivision (h) of Section 17041, rounded off to
30 the nearest dollar.

31 (2) The inflation factor adjustment used for the calendar year
32 shall be based on the figures for the percentage change in the
33 California Consumer Price Index received on or before August 1
34 of the calendar year pursuant to paragraph (1) of subdivision (h)
35 of Section 17041.

36 (d) Notwithstanding the repeal of this article, any contribution
37 amounts designated pursuant to this article prior to its repeal shall
38 continue to be transferred and disbursed in accordance with this
39 article as in effect immediately prior to that repeal.

1 ~~SEC. 5.~~

2 *SEC. 6.* The provisions of Section 81012 of the Government
3 Code, which allow legislative amendments to the Political Reform
4 Act of 1974, shall apply to all of the provisions of this act that are
5 placed on the June 8, 2010, ballot, except that Section 91157 of
6 the Government Code, and Article 8.6 (commencing with Section
7 18798) of Chapter 3 of Part 10.2 of Division 2 of the Revenue and
8 Taxation Code, may be amended or repealed by a statute passed
9 in each house of the Legislature, a majority of the membership
10 concurring, and signed by the Governor.

11 ~~SEC. 6.~~

12 *SEC. 7. (a)* The Secretary of State shall, pursuant to
13 subdivision (b) of Section 81012 of the Government Code, submit
14 Sections 1, 2, 3, 4, 5, ~~and 7~~ 6, ~~and 8~~ of this act for approval by the
15 voters at the June 8, 2010, statewide primary election,
16 notwithstanding Section 9040 of the Elections Code.

17 *(b) (1) Notwithstanding any other provision of law, all ballots*
18 *of the June 10, 2010, primary election shall have printed thereon*
19 *as the ballot label the following: "CALIFORNIA FAIR*
20 *ELECTIONS ACT. Creates a voluntary system for candidates for*
21 *Secretary of State to qualify for a public campaign grant if they*
22 *agree to strict spending limits and no private contributions. Each*
23 *candidate demonstrating enough public support would receive the*
24 *same amount. Participating candidates would be prohibited from*
25 *raising or spending money beyond the grant. There would be strict*
26 *enforcement and accountability. Funded by voluntary contributions*
27 *and by an annual fee on lobbyists, lobbying firms, and lobbyist*
28 *employers." At the appropriate location on the ballot, in the*
29 *manner prescribed by law, there shall be provided the opportunity*
30 *for voters to indicate whether they vote for or against the measure.*

31 *(2) Notwithstanding Sections 13247 and 13281 of the Elections*
32 *Code, the language in paragraph (1) shall be the only language*
33 *included in the ballot label for the condensed statement of the*
34 *ballot title, and the Attorney General shall not supplement, subtract*
35 *from, or revise that language, except that the Attorney General*
36 *shall include the financial impact summary prepared pursuant to*
37 *Section 9087 of the Elections Code and Section 88003 of the*
38 *Government Code. The ballot label is the condensed statement of*
39 *the ballot title and summary and the financial impact summary.*

1 (c) Where the voting in the election is done by means of voting
 2 machines used pursuant to law in the manner that carries out the
 3 intent of this section, the use of the voting machines and the
 4 expression of the voters' choice by means thereof are in compliance
 5 with this section.

6 (d) (1) Notwithstanding any other provision of law, the
 7 Secretary of State shall use the following as the ballot title and
 8 summary for the act: "CALIFORNIA FAIR ELECTIONS ACT.
 9 This act creates a voluntary system for candidates for Secretary
 10 of State to qualify for a public campaign grant if they agree to
 11 strict spending limits and take no private contributions. Candidates
 12 would have to qualify before receiving the grant. Candidates who
 13 demonstrate sufficient public support would receive the same
 14 amount. Participating candidates would be prohibited from raising
 15 or spending money beyond the grant. There would be strict
 16 enforcement and accountability with published reports open to the
 17 public. Funded by voluntary contributions and by a \$350 annual
 18 registration fee on lobbyists, lobbying firms, and lobbyist
 19 employers."

20 (2) Notwithstanding any other provision of law, the language
 21 in paragraph (1) shall be the only language included in the ballot
 22 title and summary, and the Attorney General shall not supplement,
 23 subtract from, or otherwise revise that language, except that the
 24 Attorney General shall include the financial impact summary
 25 prepared pursuant to Section 9087 of the Elections Code and
 26 Section 88003 of the Government Code.

27 (e) The Secretary of State shall include, in the ballot pamphlets
 28 mailed pursuant to Section 9094 of the Elections Code, the
 29 information specified in Section 9084 of the Elections Code
 30 regarding the act described in subdivision (a).

31 ~~SEC. 7.~~

32 SEC. 8. The section of this act that adds Chapter 12
 33 (commencing with Section 91015) to Title 9 of the Government
 34 Code shall be deemed to amend the Political Reform Act of 1974
 35 as amended and all of the provisions of the Political Reform Act
 36 of 1974 as amended that do not conflict with Chapter 12 shall
 37 apply to the provisions of that chapter.

38 ~~SEC. 8.~~

39 SEC. 9. The provisions of this act are severable. If any
 40 provision of this act or its application is held invalid, that invalidity

1 shall not affect other provisions or applications that can be given
2 effect without the invalid provision or application.

3

4

5 **CORRECTIONS:**

6 **Text—Pages 5, 15, and 22.**

7

O