Washington, D.C. - Today, Rep. David Price (D-NC) introduced the Presidential Financing Act of 2011 joined by his colleagues Reps. Chris Van Hollen (D-MD), Mike Castle (R-DE) and Todd Russell Platts (R-PA). The bill would modernize the outdated public funding system for presidential campaigns and reduce the influence of special-interest money in the electoral process. Companion legislation was introduced in the Senate by Sen. Russell Feingold (D-WI).

"The integrity of our electoral process is the foundation of our democracy," Rep. Price said. "Public financing of presidential campaigns has provided a viable alternative to the private money chase since the days of Watergate, but today that system is clearly in need of modernization."

The Presidential Financing Act creates new incentives for candidates to choose the public financing system instead of relying on private funds, empowering small donors and improving the transparency and integrity of presidential campaigns. The presidential public financing system was created in 1966 but has not been updated since the 1970s.

"Until there is public financing of political campaigns, the endless flow of campaign fundraising will be a reality," said Mike Castle. "By leveling the playing field for candidates, more Americans will be able to participate in the political process and voters will be provided with greater choices in elections."

Every major-party nominee since 1976 accepted public financing until the year 2000, when then-Governor George W. Bush's campaign declined primary campaign matching funds, opting out of the public system. Both Barack Obama and Senator John McCain declined public financing during the 2008 primary. Although Senator McCain opted-in to the system for the general, then-Senator Obama became the first major candidate decline public financing in the both the primary and general elections. In doing so, now-President Obama vowed to work to modernize the system and restore its viability for candidates in future presidential elections.

"I am very pleased to join with Representatives David Price, Mike Castle, and Todd Platts as an original sponsor of this legislation to repair the presidential public financing system," said Congressman Van Hollen, who also serves as chairman of the Democratic Congressional Campaign Committee. "I fully support a presidential public financing system. The current system was enacted in 1974 and has become outmoded over the years. The goal of this legislation is to revitalize the presidential public financing system and make it once again an attractive alternative for presidential candidates to use in financing their campaigns. A principal focus of this legislation is to make small donors far more important in the system by matching contributions of $200 or less with public funds on a four to one basis. I look forward to working with my colleagues to pass this legislation in time to have a new presidential public financing system for the 2012 presidential election."

In addition to decreasing the influence of special interests through reinvigorating our current public financing system, the bill would help shift politicians' focus from large donors to smaller donors by increasing the public match for donors who contribute $200 or less. Because special interests may chose to use their general treasury to finance political ads as a result of the Citizens United ruling, the bill would lift spending caps and allow opt-in candidates to continue to raise money in the general election.

"The public financing system for presidential elections worked well for a generation, but it is obviously in dire need of reform," Sen. Feingold said. "This bill will increase the importance of small donors and allow qualified candidates to seek the Presidency without becoming entirely beholden to wealthy contributors. By repairing and reinvigorating the cornerstone of the post-Watergate reforms, Congress can greatly reduce the money chase and improve confidence in the electoral process."

Provisions of the legislation are outlined below:

Primary Election

• Eliminates the state by state and overall primary election spending limits.

• Increases the amount of matching funds for the presidential primaries from the current 1:1 match for up to $250 of an individual's total contributions, to a 4:1 match for contributions from individuals of $200 or less. In order to be matchable, a contribution must be from an individual who has not given, and will not give, more than a total of $200 to the candidate. Participating candidates can receive up to $100 million in matching funds.

• Requires a candidate who participates in the public financing system to agree to accept contributions of no more than $1,000 from any person, instead of the current contribution limit of $2,400. Participating candidates must also pledge not to accept any contributions from, or bundled by, lobbyists or PACs.

• Provides that to qualify for public financing in the primary election, a candidate must raise $25,000 (increased from $5,000 under current law) in each of 20 states, of which no more than $200 can come from any one individual. A candidate also must commit to accept public financing in both the primary and general election.

• Moves the starting date for the payment of matching funds to primary candidates from January 1 of the election year to six months before the first presidential primary or caucus. Also establishes a single date – the Friday before Labor Day -- for payments of general election funding grants to the major party nominees.

General Election

• Eliminates the general election spending limit on participating candidates.

• Provides a grant to participating general election candidates of $50 million, payable on the Friday before Labor Day. Also provides up to an additional $150 million in matching funds based on a 4:1 match of contributions raised after June 1 of the election year of up to $200 per donor.

• General election candidates can also raise up to $500 per donor after June 1 of the election year. (Only contributions of $200 or less will be matched.)

• Increases the limit on coordinated spending by a national party and its presidential candidate from approximately $15 million to a total of $50 million. The entire cost of an ad coordinated with a presidential candidate must be covered by that candidate with general election funds and the party committee with coordinated expenditure funds.

General Provisions

• Requires presidential campaigns to disclose all individuals or groups (not just lobbyists as under current law) that bundle contributions totaling more than $50,000 in the four year election cycle. Prohibits the bundling of matchable contributions by anyone other than an individual or a party committee.

• Increases the amount of the check-off on the income tax form to fund the public financing system from $3 to $10 per individual and from $6 to $20 for a married couple, and indexes these amounts for inflation. Directs the IRS to require that approved tax preparation software does not automatically accept or decline a check-off of taxpayer funds for the public financing system.

Party Conventions

• Eliminates public funding for the national party conventions.

• Allows individuals to contribute up to $25,000 in each four-year presidential election cycle to pay for national party convention costs. These contributions would not count against an individual's aggregate contribution limit.

• Prohibits the use of soft money funds, including in-kind contributions from corporate and union sponsors, to pay for national party convention costs.

# # #