

**Washington, D.C.** – At a press conference this afternoon marking Senate introduction of companion legislation to the House Presidential Funding Act, Representative David Price (D-NC) and Representative Chris Van Hollen (D-MD) joined Senator Mark Udall (D-CO) to highlight the urgent need to mend the public financing system for presidential campaigns. The move to save one of the country's most significant, post-Watergate campaign finance reforms comes as Americans are rapidly growing aware of the corrosive impact of recent Supreme Court decisions that opened the floodgates to special interest money in politics.

"Two days ago marked the 40th anniversary of the Watergate break-in," Rep. Price said. "Today, this flagship post-Watergate reform is clearly in need up an update, and Congress should provide it. Public financing has worked remarkably well and has strengthened our democracy in the process. The system has been used in general elections by every major party nominee from 1976 to 2004, and in primaries it has allowed a diverse range of candidates to challenge the party establishment."

"Presidential elections should be open, democratic processes where the candidates are focused on courting voters - not special interests and big donors," Sen. Udall said. "Unfortunately, the Citizens United decision changed everything. We cannot roll back the Supreme Court's decision, but we can try and adapt the system Congress created in 1974 after Watergate to make it useful in this new era of big money and politics."

"The Presidential Financing Act is an important piece of our work to ensure big-money special interests don't drown out the voice of individual voters, and I applaud Congressman Price and Senator Udall for their work on this issue," said Congressman Van Hollen. "We will keep fighting for passage of both this and the DISCLOSE Act – together, this legislation will shine a light on outside money and ensure our democracy remains beholden to the American people and not well-heeled special interests."

The presidential public financing system was enacted as part of the Federal Election Campaign Act of 1974, at a time when public confidence in government was at an all-time low. The system is funded through a voluntary income tax "check-off." It offers public matching funds to candidates who demonstrate their viability by raising small contributions. In exchange, they must abide by voluntary limits on private fundraising. The system has been credited with leveling the playing field by helping lesser-known candidates, such as then-Governor Ronald Reagan, run viable campaigns against better-funded opponents. Because the program has not been updated since 1974, it has become increasingly inadequate for today's presidential

campaigns.

The Presidential Funding Act would modernize the system by increasing the public matching funds available to candidates, adjusting the program to today's front-loaded primary calendar, and further enhancing the role of donors who contribute \$200 or less through a 4:1 match on their donations (the current match is 1:1).

Rep. Price is the lead sponsor of the House version of the Presidential Funding Act. Rep. Van Hollen is an original co-sponsor of the legislation. A summary of the Presidential Funding Act is below.

## **Summary of the House Presidential Funding Act**

### **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.
- Prohibits a participating general election candidate from soliciting funds for a joint fundraising committee that includes a party committee after June 1 of the election year, and prohibits soliciting for any party committee after September 1 of the election year.

## **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.

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