



Ways to finance campaigns

Several methods exist to finance campaigns affordably from public coffers. One method is for the state to provide a grant to the campaign fund of a qualified candidate. Qualifications might include a minimum of signatures or funds raised.

Arizona provides funds from certain fines collected. The federal bill for publicly financed federal elections, The Fair Elections Now Act, proposes funding from a tax on contracts with the federal government and a tax on fees for media advertising associated with elections.

Another approach would allow individuals to claim an income tax credit of up to \$100 (or similar limitation) for contributions to either a candidate or a political party. The Strategic Issues Panel of the University of Denver in its report (which can be viewed at <http://www.du.edu/issues>) estimates that such a credit would cost less than a third of a percent of Colorado's income tax revenue (pp 42-43).



Produced by
Publicly Financed Campaigns Committee,
League of Women Voters of Boulder County
For more information: www.lwvbc.org

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Will Democracy Survive?

*Democracy requires
citizen-owned elections
with public money
providing the funding
for qualified
candidates' campaigns*

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What happens when you take big money out of politics?

- Candidates who do not wish to accept money from special interests are able to run for elected office.
- Candidates can win elections based on their ideas rather than on their ability to raise money.
- Politicians are free to focus on issues rather than financing their next campaign.
- Politicians are only accountable to the voters.
- Voters become less cynical.
- Corruption and cronyism are reduced.
- Voter turnout and participation increases.
- Citizens have the opportunity to control government policies.



Success of publicly financed campaigns in the states

Currently, there are about 25 states with programs providing some public funds for use in election campaigns. Campaigns that are either solely funded with public funds or funded with a combination of small qualifying donations and public funds are called Publicly Financed Campaigns (PFC). Candidates participating in a PFC system are prohibited from raising or using money outside the system for their campaigns. All participation is voluntary.

In the late 1990s a movement emerged for full publicly financed elections. Some form of Publicly Financed Campaigns has passed in eleven states – Maine, Vermont, Arizona, Massachusetts, North Carolina, New Mexico, New Jersey, Connecticut, Wisconsin, West Virginia and Hawaii. It remains law in all but Massachusetts.

Public financing laws are in place for the following state elections (listed in the order of enactment): Maine – all state offices; Vermont – lieutenant governor and governor; Arizona – statewide offices and state legislative offices; New Mexico – Public Regulation Commission (PRC); New Jersey – some legislative districts; Connecticut – state legislative offices; North Carolina – Commissioner of Insurance, State Auditor, and Superintendent of Public Instruction; Wisconsin – state Supreme Court; West Virginia – state Supreme Court; Hawaii – Hawaii County Council.

For more information:

www.publiccampaign.org,

National Conference of State Legislatures, www.ncsl.org

Publicly Financed Campaigns

Publicly Financed Campaigns (PFC) refers to the use of public money to pay for the election campaigns of qualified candidates for public office. Candidates are required to show wide public support by collecting a large number of small individual donations. The small donations are either matched by a multiple of the donation with public funds or they qualify a candidate for a grant of public funds. The money available to candidates is determined to be sufficient to run a competitive campaign that informs voters. Candidates who choose to participate in a PFC system agree to not spend any funds other than those allowed by the system and to follow other rules of the system. A system of PFC will allow people to run for office who do not wish to accept money from special interests. Many voters prefer candidates who do not accept special interest money.

The public always pays for election campaigns in one way or the other. The question is whether to pay directly with a system of PFC -- as citizens in places like Arizona, Maine, and Portland, Oregon do -- or to pay for them indirectly as we do every time we pick up the tab for favors awarded to the biggest campaign donors. The cost of the direct method will be in the millions of dollars while the cost of the indirect method is in the billions due to a government that works for wealthy donors rather than for the people. We can collectively pay millions to have citizen-owned elections and legislators who work for the benefit of the people or we can keep paying billions for the donor-owned elections we have now.

<http://publiccampaign.org/reports/forhire>