

100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB0676

by Rep. Linda Chapa LaVia

SYNOPSIS AS INTRODUCED:

New Act 30 ILCS 105/5.878 new 35 ILCS 5/507GGG new

Creates the Illinois Clean Elections Act. Establishes a voluntary method of public financing of the campaigns of candidates for statewide constitutional offices and the General Assembly. Amends the State Finance Act to create the Illinois Clean Elections Fund as a special fund in the State treasury. Amends the Illinois Income Tax Act to create an individual tax return checkoff in support of the Fund. Effective immediately.

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FISCAL NOTE ACT MAY APPLY

A BILL FOR

AN ACT concerning elections.

Be it enacted by the People of the State of Illinois, 2 represented in the General Assembly: 3

4 Section 1. Short title. This Act may be cited as the 5 Illinois Clean Elections Act.

Section 5. Definitions. As used in this Act: 6

7 "Certified candidate" means a candidate running for 8 Governor, Secretary of State, Attorney General, State 9 Treasurer, State Comptroller, State Senator, or State Representative, in a primary election, and Governor, Secretary 10 State, Attorney General, State 11 of Treasurer, State Comptroller, State Senator, or State Representative, in a 12 general election who chooses to participate in this Act and who 13 14 is certified as an Illinois Clean Elections Act candidate under subsection (e) of Section 20 of this Act. 15

16 "Contribution" has the same meaning as in Article 9 of the 17 Election Code.

"Fund" means the Illinois Clean Elections Fund established 18 19 in Section 15 of this Act.

"Nonparticipating candidate" means a candidate running for 20 21 Governor, Secretary of State, Attorney General, State 22 Treasurer, State Comptroller, State Senator, or State Representative, in a primary election, and Governor, Secretary 23

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1 of State, Attorney General, State Treasurer, State 2 Comptroller, State Senator, or State Representative, in a 3 general election who does not choose to participate in this Act 4 and who is not seeking to be certified as an Illinois Clean 5 Elections Act candidate.

"Participating candidate" means a candidate who is running 6 7 for Governor, Secretary of State, Attorney General, State 8 Treasurer, State Comptroller, State Senator, or State 9 Representative, in a primary election, and Governor, Secretary Attorney General, State 10 of State, Treasurer, State 11 Comptroller, State Senator, or State Representative, in a 12 general election who is seeking to be certified as an Illinois 13 Clean Elections Act candidate.

14 "Qualifying contribution" means a donation:

15 (1) Of \$5 in the form of a check or a money order
16 payable to the Fund in support of a candidate;

17 (2) Made by a registered voter within the district for18 the office a candidate is seeking;

19 (3) Made during the designated qualifying period and
20 obtained with the knowledge and approval of the candidate;
21 and

(4) That is acknowledged by a written receipt that
identifies the name and address of the donor on forms
provided by the State Board.

25 "Qualifying period" means the following:

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(1) For a participating candidate for Governor,

Secretary of State, Attorney General, State Treasurer, or State Comptroller, the qualifying period begins November Ist immediately preceding the election year and ends at 5:00 p.m. on April 15th of the election year unless the candidate is unenrolled, in which case the period ends at 5:00 p.m. on June 2nd of the election year.

7 (2) For State Senate or State House of Representatives 8 participating candidates, the qualifying period begins 9 January 1st of the election year and ends at 5:00 p.m. on 10 April 15th of that election year unless the candidate is 11 unenrolled, in which case the period ends at 5:00 p.m. on 12 June 2nd of the election year.

13 "Seed money contribution" means a contribution of no more than \$100 per individual made to a contribution from the 14 15 candidate or the candidate's family. To be eligible for 16 certification, a candidate may collect and spend only seed 17 money contributions subsequent to becoming a candidate as defined by Article 9 of the Election Code and throughout the 18 19 qualifying period. A participating candidate who has accepted 20 contributions or made expenditures that do not comply with the seed money restrictions under this Act may petition the State 21 22 Board to remain eligible for certification as an Illinois Clean 23 Elections Act candidate in accordance with rules of the State 24 Board, if the failure to comply was unintentional and does not 25 constitute a significant infraction of these restrictions. Prior to certification, a candidate may obligate an amount 26

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greater than the seed money collected if the value of the goods and services received from a vendor does not exceed the amount paid to the vendor. A candidate may not collect or spend seed money contributions after certification as an Illinois Clean Elections Act candidate. A seed money contribution must be reported according to procedures developed by the State Board.

"State Board" means the State Board of Elections.

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8 Section 10. Alternative campaign financing option. This 9 Act establishes an alternative campaign financing option 10 available to candidates running for Governor, Secretary of 11 State, Attorney General, State Treasurer, State Comptroller, 12 State Senator, and State Representative. This alternative 13 campaign financing option is available to candidates for 14 elections to be held beginning in the year 2016. The State 15 Board shall Administer this Act and the Fund. Candidates 16 participating in this Act must also comply with all other applicable election and campaign laws and regulations. 17

Section 15. The Illinois Clean Elections Fund established;sources of funding.

(a) The Illinois Clean Elections Fund is established as a
special fund in the State treasury to finance the election
campaigns of certified Illinois Clean Elections Act candidates
running for Governor, Attorney General, Secretary of State,
State Treasurer, State Comptroller, State Senator, and State

Representative and to pay administrative and enforcement costs
 of the State Board related to this Act. Any interest generated
 by the Fund is credited to the Fund. The State Board shall
 administer the Fund.

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(b) The following must be deposited into the Fund:

6 (1) The qualifying contributions required under 7 Section 20 of this Act when those contributions are 8 submitted to the State Board.

9 (2) \$40,000,000 of the revenues from the taxes imposed 10 by the Illinois Income Tax Act and credited to the General 11 Revenue Fund, transferred to the Fund by the State 12 Treasurer on or before January 1st of each year, beginning January 1, 2018. These revenues must be offset in an 13 14 equitable manner by an equivalent reduction within the 15 administrative divisions of the legislative branch and 16 executive branch agencies. If the State Board determines 17 that the Fund will not have sufficient revenues to cover likely demand for funds from the Illinois Clean 18 the 19 Elections Fund in an upcoming calendar year, by January 1st 20 the State Board shall provide a report of its projections of the balances in the Illinois Clean Elections Fund to the 21 22 General Assembly and the Governor and may request that the 23 Treasurer make the following transfers to State the 24 Illinois Clean Elections Fund from the General Revenue 25 Fund:

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(A) Up to \$20,000,000 no later than February 28,

2018, reflecting an advance of the transfer of the amounts that would be received on or before January 1, 2019 pursuant to this paragraph.

4 (B) Up to \$15,000,000 no later than July 31, 2018,
5 pursuant to this paragraph reflecting an advance of the
6 transfer of the amounts that would be received on or
7 before January 1, 2019 pursuant to this paragraph.

8 (C) Up to \$5,000,000 no later than September 1, 9 2020, reflecting a partial advance of the transfer of 10 the amounts that would be received on or before January 11 1, 2021 pursuant to this paragraph.

12 (3) Revenue from a tax checkoff program allowing a resident of the State who files a tax return with the 13 14 Department of Revenue to designate that \$3 be paid into the 15 Fund. If a husband and wife file a joint return, each 16 spouse may designate that \$3 be paid. The Department of Revenue shall report annually the amounts designated for 17 the Fund to the State Treasurer, who shall transfer that 18 19 amount to the Fund.

20 (4) Seed money contributions remaining unspent after a
 21 candidate has been certified as an Illinois Clean Elections
 22 Act candidate.

(5) Fund revenues that were distributed to an Illinois
Clean Elections Act candidate and that remain unspent after
the candidate has lost a primary election or after all
general elections.

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(6) Other unspent Fund revenues distributed to any
 Illinois Clean Elections Act candidate who does not remain
 a candidate throughout a primary or general election cycle.

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(7) Voluntary donations made directly to the Fund.

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(8) Fines collected under this Act.

6 (c) By September 1st preceding each election year, the 7 State Board shall publish an estimate of revenue in the Fund 8 available for distribution to certified candidates during the 9 upcoming year's elections and an estimate of the likely demand 10 for clean elections funding during that election. The State 11 Board may submit legislation to request additional funding.

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Section 20. Terms of participation.

(a) A participating candidate must file a declaration of 13 14 intent to seek certification as an Illinois Clean Elections Act 15 candidate and to comply with the requirements of this Act. The 16 declaration of intent must be filed with the State Board prior to or during the qualifying period, except as provided in 17 subsection (1) of this Section, according to forms and 18 procedures developed by the State Board. A participating 19 20 candidate must submit a declaration of intent within 5 business 21 days after collecting qualifying contributions under this Act 22 qualifying contributions collected before or the the declaration of intent has been filed will not be counted toward 23 24 the eligibility requirement in subsection (c) of this Section. 25 (b) Subsequent to becoming a candidate defined by and prior - 8 - LRB100 07837 MLM 17905 b

to certification, a participating candidate may not accept contributions, except for seed money contributions. A participating candidate must limit the candidate's seed money contributions to the following amounts:

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(1) \$50,000 for a gubernatorial candidate.

6 (2) \$25,000 for a candidate for Secretary of State,
7 Attorney General, State Treasurer, or State Comptroller.

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(3) \$10,000 for a candidate for the State Senate.

9 (4) \$5,000 for a candidate for the State House of 10 Representatives.

11 The State Board may, by rule, revise these amounts to 12 ensure the effective implementation of this Act.

13 (c) Participating candidates must obtain qualifying 14 contributions during the qualifying period as follows:

(1) For a candidate for Governor, Secretary of State,
Attorney General, State Treasurer, or State Comptroller,
the minimum number of qualifying donations from verified
registered voters of this State is equal to the minimum
number of signatures required for a candidate petition for
a statewide office under subsection (a) of Section 7-10 of
this Code.

(2) For a candidate for the State Senate, the minimum
number of qualifying donations from verified registered
voters of this State is equal to the minimum number of
signatures required for a candidate petition for a State
Senator under Section 8-8 of this Code.

(3) 1 а candidate for the State House of For 2 minimum Representatives, the number of qualifying donations from verified registered voters of this State is 3 equal to the minimum number of signatures required for a 4 5 candidate petition for a Representative in the General Assembly under Section 8-8 of this Code. 6

7 A payment, gift, or anything of value may not be given in 8 exchange for a qualifying contribution. A candidate may pay the 9 fee for a money order in the amount of \$5, which is a 10 qualifying contribution, as long as the donor making the 11 qualifying contribution pays the \$5 amount reflected on the 12 money order. Any money order fees paid by a participating 13 candidate must be paid for with seed money and reported in accordance with State Board rules. 14

(d) A participating candidate must submit qualifying contributions to the State Board during the qualifying period according to procedures developed by the State Board, except as provided under subsection (1) of this Section.

(e) Upon receipt of a final submittal of qualifying
contributions by a participating candidate, the State Board
shall determine whether or not the candidate has:

(1) Signed and filed a declaration of intent toparticipate in this Act.

24 (2) Submitted the appropriate number of valid25 qualifying contributions.

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(3) Qualified as a candidate by petition or other

1 means.

2 (4) Not accepted contributions, except for seed money
 3 contributions, and otherwise complied with seed money
 4 restrictions.

5 (5) Not run for the same office as a nonparticipating 6 candidate in a primary election in the same election year.

7 (6) Otherwise met the requirements for participation8 in this Act.

9 The State Board shall certify a candidate complying with 10 the requirements of this Section as an Illinois Clean Elections 11 Act candidate as soon as possible and no later than 3 business 12 days after final submittal of qualifying contributions. Upon certification, a candidate must transfer to the Fund any 13 unspent seed money contributions. A certified candidate must 14 15 comply with all requirements of this Act after certification 16 and throughout the primary and general election periods. 17 Failure to do so is a violation of this Act.

(f) After certification, a candidate must limit 18 the 19 candidate's campaign expenditures and obligations, including 20 outstanding obligations, to the revenues distributed to the 21 candidate from the Fund and may not accept any contributions 22 unless specifically authorized by the State Board. Candidates 23 may also accept and spend interest earned on bank accounts. All revenues distributed to a certified candidate from the Fund 24 25 must be used for campaign-related purposes. The candidate, the 26 treasurer, the candidate's political committee, or any agent of

the candidate and committee may not use these revenues for any but campaign-related purposes. The State Board shall publish guidelines outlining permissible campaign-related expenditures.

5 (g) The State Board shall distribute to certified 6 candidates revenues from the Fund in amounts determined under 7 subsection (h) in the following manner.

8 (1) Within 3 days after certification, for candidates 9 certified prior to March 15th of the election year, 10 revenues from the Fund must be distributed as if the 11 candidates are in an uncontested primary election.

12 (2) Within 3 days after certification, for all 13 candidates certified between March 15th and April 15th of 14 the election year, revenues from the Fund must be 15 distributed according to whether the candidate is in a 16 contested or uncontested primary election.

17 (3) For candidates in contested primary elections 18 receiving a distribution under paragraph (1) of this 19 subsection, additional revenues from the fund must be 20 distributed within 3 days of March 15th after the election 21 year.

(4) Within 3 days after the primary election results
are certified, for general election certified candidates,
revenues from the Fund must be distributed according to
whether the candidate is in a contested or uncontested
general election.

Funds may be distributed to certified candidates under this Section by any mechanism that is expeditious, ensures accountability, and safeguards the integrity of the Fund.

4 (h) The candidate or committee shall deposit all revenues 5 from the Fund in a campaign account with a bank or other 6 financial institution. The campaign funds must be segregated 7 from, and may not be commingled with, any other funds.

8 (i) By July 1, 2018 and at least every 4 years after that 9 date, the State Board shall determine the amount of funds to be 10 distributed to participating candidates based on the type of 11 election and office as follows:

12 (1) For contested legislative primary elections, the 13 amount of revenues to be distributed is the average amount of campaign expenditures made by each candidate during all 14 15 contested primary election races for the immediately 16 preceding 2 primary elections, as reported in the initial 17 filing period subsequent to the primary election, for the respective offices of State Senate and State House of 18 19 Representatives.

20 (2) For uncontested legislative primary elections, the 21 amount of revenues distributed is the average amount of 22 campaign expenditures made by each candidate during all 23 uncontested primary election races for the immediately 24 preceding 2 primary elections, as reported in the initial 25 filing period subsequent to the primary election, for the 26 respective offices of State Senate and State House of

1 Representatives.

2 (3) For contested legislative general elections, the amount of revenues distributed is the average amount of 3 campaign expenditures made by each candidate during all 4 5 contested general election races for the immediately preceding 2 general elections, as reported in the initial 6 7 filing period subsequent to the general election, for the 8 respective offices of State Senate and State House of 9 Representatives.

10 (4) For uncontested legislative general elections, the
11 amount of revenues to be distributed from the Fund is 40%
12 of the amount distributed to a participating candidate in a
13 contested general election.

14 (5) For gubernatorial primary elections, the amount of
 15 revenues distributed is \$2,000,000 per candidate in the
 16 primary election.

17 (6) For gubernatorial general elections, the amount of
18 revenues distributed is \$4,000,000 per candidate in the
19 general election.

20 (7) For contested primary elections for Attorney
21 General the amount of revenues distributed per candidate is
22 \$500,000 per candidate.

(8) For the general election for Attorney General, the
 amount of funds distributed per candidate is \$2,000,000.

(9) For primary elections for Secretary of State the
 amount of revenues distributed per candidate is \$500,000

1 per candidate.

2 (10) For the general election for Secretary of State,
3 the amount of funds distributed per candidate is
4 \$2,000,000.

5 (11) For contested primary elections for State 6 Treasurer, the amount of revenues distributed per 7 candidate is \$200,000.

8 (12) For the general election for State Treasurer, the 9 amount of funds distributed per candidate is \$800,000.

10 (13) For contested primary elections for State 11 Comptroller, the amount of revenues distributed per 12 candidate is \$200,000.

13 (14) For the general election for State Comptroller,
14 the amount of funds distributed per candidate is \$800,000.

15 (15) For any uncontested primary or general election
16 for the office of Governor, Attorney General, Secretary of
17 State, State Treasurer, or Comptroller, the amount of funds
18 distributed shall be 40% of those otherwise distributed in
19 a contested primary or general election.

If the immediately preceding election cycles do not contain sufficient electoral data, the State Board shall use information from the most recent applicable elections.

(j) When any campaign, finance, or election report shows that the sum of a candidate's expenditures or obligations, or funds raised or borrowed, whichever is greater, alone or in conjunction with independent reported expenditures, exceeds the distribution amount under subsection (h) of this Section, the State Board shall issue immediately to any opposing JILIINOIS Clean Elections Act candidate an additional amount equivalent to the reported excess. Matching funds are limited to 2 times the amount originally distributed under paragraph (1), (3), (5), or (6) of subsection (h) of this Section, whichever is applicable.

(k) An unenrolled candidate certified by January 15th 8 9 preceding the primary election is eligible for revenues from 10 the Fund in the same amounts and at the same time as an 11 uncontested primary election candidate and a general election 12 candidate as specified in subsections (g) and (h) of this 13 Section. For an unenrolled candidate not certified by January 14 15th at 5:00 p.m. the deadline for filing qualifying contributions is 5:00 p.m. on June 2nd preceding the general 15 16 election. An unenrolled candidate certified after January 15th 17 at 5:00 p.m. is eligible for revenues from the Fund in the same amounts as a general election candidate, as specified in 18 subsections (g) and (h) of this Section. 19

(1) The State Board shall establish by rule procedures for
qualification, certification, disbursement of Fund revenues,
and return of unspent Fund revenues for races involving special
elections, recounts, vacancies, withdrawals, or replacement
candidates.

(m) Notwithstanding any other provision of law,
 participating and certified candidates shall report any money

collected, all campaign expenditures, obligations, and related 1 2 activities to the State Board according to procedures developed 3 by the State Board. Upon the filing of a final report for any primary election in which the candidate was defeated and for 4 5 all general elections that candidate shall return all unspent Fund revenues to the State Board. In developing these 6 7 procedures, the State Board shall utilize existing campaign 8 reporting procedures whenever practicable. The State Board 9 shall ensure timely public access to campaign finance data and 10 may utilize electronic means of reporting and storing 11 information.

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(n) The treasurer shall obtain and keep:

13 (1) Bank or other account statements for the campaign14 account covering the duration of the campaign.

15 (2) A vendor invoice stating the particular goods or
 16 services purchased for every expenditure of \$50 or more.

17 (3) A record proving that a vendor received payment for 18 every expenditure of \$50 or more in the form of a cancelled 19 check, receipt from the vendor, or bank or credit card 20 statement identifying the vendor as the payee.

The treasurer shall preserve the records for 2 years following the candidate's final campaign finance report for the election cycle. The candidate and treasurer shall submit photocopies of the records to the State Board upon its request.

(o) The State Board may not distribute revenues to
 certified candidates in excess of the total amount of money

forth in 1 deposited into the Fund as set Section 15. 2 Notwithstanding any other provisions of this Act, if the State Board determines that the revenues in the Fund are insufficient 3 to meet distributions under subsections (h) or (i) of this 4 5 Section, the State Board may permit certified candidates to accept and spend contributions, reduced by any seed money 6 7 contributions, aggregating no more than \$500 per donor per election for gubernatorial candidates and \$250 per donor per 8 9 election for State Senate and State House candidates, up to the 10 applicable amounts set forth in subsections (h) and (i) of this 11 Section according to rules adopted by the State Board.

(p) A candidate who has been denied certification as an Illinois Clean Elections Act candidate, the opponent of a candidate who has been granted certification as an Illinois Clean Elections Act candidate, or other interested persons may challenge a certification decision by the State Board as follows:

(1) A challenger may appeal to the full State Board
within 7 days after the certification decision. The appeal
must be in writing and must set forth the reasons for the
appeal.

(2) Within 5 days after an appeal is properly made and
after notice is given to the challenger and any opponent,
the State Board shall hold a hearing. The appellant has the
burden of providing evidence to demonstrate that the State
Board decision was improper. The State Board must rule on

1 the appeal within 3 days after the completion of the 2 hearing.

3 (3) A challenger may appeal the decision of the State
4 Board in paragraph (2) of this subsection by commencing an
5 action in circuit court.

6 (4) A candidate whose certification by the State Board 7 as an Illinois Clean Elections Act candidate is revoked on 8 appeal must return to the State Board any unspent revenues 9 distributed from the Fund.

10 If the State Board or court finds that an appeal was made 11 frivolously or to cause delay or hardship, the State Board or 12 court may require the moving party to pay costs of the State 13 Board, court, and opposing parties, if any.

14 Section 25. Rules. The State Board shall adopt rules to 15 ensure effective administration of this Act. These rules must 16 include but must not be limited to procedures for obtaining qualifying contributions, certification as an Illinois Clean 17 18 Elections Act candidate, circumstances involving special elections, vacancies, recounts, withdrawals or replacements, 19 collection of revenues for the Fund, distribution of Fund 20 21 revenue to certified candidates, return of unspent Fund 22 disbursements, disposition of equipment purchased with Clean Elections Funds, and compliance with this Act. 23

24 Section 30. Violations.

In addition to any other penalties that may be 1 (a) 2 applicable, a person who violates any provision of this Act or 3 rules of the State Board adopted pursuant to Section 25 of this Act is subject to a fine not to exceed \$10,000 per violation 4 5 payable to the Fund. The State Board may assess a fine of up to 6 \$10,000 for a violation of reporting requirements if it determines that the failure to file a timely and accurate 7 8 report resulted in the late payment of matching funds. This 9 fine is recoverable in a civil action. In addition to any fine, 10 for good cause shown, a candidate, treasurer, consultant, or 11 other agent of the candidate or the committee authorized by the 12 candidate found in violation of this Act or rules of the State 13 Board may be required to return to the Fund all amounts 14 distributed to the candidate from the Fund or any funds not 15 used for campaign-related purposes. If the State Board makes a 16 determination that a violation of this Act or rules of the 17 State Board has occurred, the State Board shall assess a fine finding to the Attorney General 18 transmit the for or 19 prosecution. Fines paid under this Section must be deposited 20 into the Fund. In determining whether or not a candidate is in violation of the expenditure limits of this Act, the State 21 22 Board may consider as a mitigating factor any circumstances out 23 of the candidate's control.

(b) A person who willfully or knowingly violates this Act
or rules of the State Board or who willfully or knowingly makes
a false statement in any report required by this Act commits a

business offense punishable by a fine of at least \$1,001 and not more than \$5,000 and, if certified as an Illinois Clean Elections Act candidate, must return to the Fund all amounts distributed to the candidate.

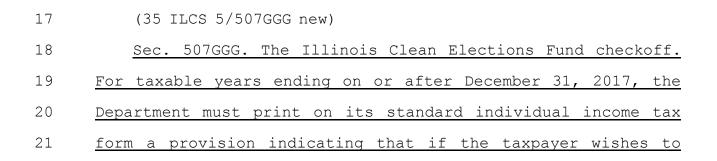
5 Section 35. Study report. By January 30, 2019 and every 4 6 years after that date, the State Board shall prepare for the 7 General Assembly a report documenting, evaluating, and making 8 recommendations relating to the administration, implementation, and enforcement of this Act and the Illinois 9 10 Clean Elections Fund.

Section 90. The State Finance Act is amended by adding Section 5.878 as follows:

13 (30 ILCS 105/5.878 new)

14 <u>Sec. 5.878. The Illinois Clean Elections Fund.</u>

Section 95. The Illinois Income Tax Act is amended by adding Section 507GGG as follows:



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contribute to the Illinois Clean Elections Fund, as authorized
by the Illinois Clean Elections Act, he or she may do so by
stating the amount of the contribution (not less than \$3) on
the return and that the contribution will reduce the taxpayer's
refund or increase the amount of payment to accompany the
return. Failure to remit any amount of increased payment shall
reduce the contribution accordingly. This Section does not
apply to any amended return.

9 Section 99. Effective date. This Act takes effect upon10 becoming law.