

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 27

BY DURST

AN ACT

1 RELATING TO LEGISLATURE ELECTION PUBLIC FINANCING; AMENDING TITLE
2 34, IDAHO CODE, BY THE ADDITION OF A NEW CHAPTER 26, TITLE 34,
3 IDAHO CODE, TO PROVIDE A SHORT TITLE, TO PROVIDE FOR LEGISLATIVE
4 PURPOSE, TO DEFINE TERMS, TO PROVIDE FOR PUBLIC FINANCING OF
5 LEGISLATURE PRIMARY ELECTIONS, TO PROVIDE FOR PUBLIC FINANCING
6 OF LEGISLATURE GENERAL ELECTIONS, TO PROVIDE FOR LIMITATION
7 ON QUALIFIED ELECTOR PETITION SIGNATURES, TO PROVIDE FOR THE
8 LEGISLATURE ELECTION PUBLIC FINANCE FUND AND TO PROVIDE FOR
9 RULEMAKING AUTHORITY; AMENDING SECTION 63-3088, IDAHO CODE,
10 TO PROVIDE FOR AN INCOME TAX DESIGNATION BY INDIVIDUALS FOR
11 THE LEGISLATURE ELECTION PUBLIC FINANCE FUND AND TO MAKE
12 TECHNICAL CORRECTIONS; DECLARING AN EMERGENCY AND PROVIDING
13 RETROACTIVE APPLICATION.
14

15 Be It Enacted by the Legislature of the State of Idaho:

16 SECTION 1. That Title 34, Idaho Code, be, and the same is hereby amended by the
17 addition thereto of a NEW CHAPTER, to be known and designated as Chapter 26, Title 34,
18 Idaho Code, and to read as follows:

19 CHAPTER 26
20 LEGISLATURE ELECTION PUBLIC FINANCING

21 34-2601. SHORT TITLE. This chapter may be known and cited as the "Idaho
22 Legislature Election Public Financing Act."

23 34-2602. LEGISLATIVE PURPOSE. The individuals who serve the people of the state
24 of Idaho as legislators hold a deep and sacred trust that traces its origins to the principles
25 of liberty and equality on which the nation and this state were founded. The financing
26 of legislature elections purely by private contributions serves liberty, but at the expense of
27 equality. A voluntary legislature election public financing system balances liberty and equality,
28 paying homage to both of these fundamental principles.

29 34-2603. DEFINITIONS. In this chapter:
30 (1) "Candidate" means a candidate as defined in section 67-6602, Idaho Code, who is
31 seeking election to the Idaho legislature.
32 (2) "Contribution" means contribution as defined in section 67-6602, Idaho Code.
33 (3) "Expenditure" means expenditure as defined in section 67-6602, Idaho Code.
34 (4) "General election" means a general election as defined in section 34-101, Idaho Code.
35 (5) "Political party" means a political party as defined in section 34-501, Idaho Code.

1 (6) "Primary election" means a primary election as defined in section 34-102, Idaho
2 Code.

3 (7) "Qualified elector" means a qualified elector as defined in section 34-104, Idaho
4 Code.

5 (8) "Self-finance" means a candidate's expenditure of personal moneys to promote the
6 candidate's election efforts in a primary election or in a general election. All self-financing
7 expenditures shall be reported to the secretary of state within forty-eight (48) hours of the
8 expenditure and may be filed by means of an electronic facsimile machine or other electronic
9 means designated by the secretary of state.

10 34-2604. PUBLIC FINANCING OF LEGISLATURE PRIMARY
11 ELECTIONS. (1) Primary election matching grant. A primary election candidate
12 for legislative office who meets the eligibility requirements stated in paragraph (a) of this
13 subsection (1) and agrees to the limitations stated in paragraph (b) of this subsection (1) shall
14 receive a primary election matching grant of one thousand five hundred dollars (\$1,500) from
15 the legislature election public finance fund for each one thousand five hundred dollars (\$1,500)
16 received by the candidate in contributions, not to exceed a total of seven thousand five hundred
17 dollars (\$7,500) in primary election matching grants. Proof of receipt of contributions eligible
18 for matching shall be in a form as determined by the secretary of state. Contributions provided
19 to the candidate by a political party during the primary election shall not be matched.

20 (a) To be eligible for primary election matching grants, the candidate must:

21 (i) File an application with the secretary of state containing the signatures of one
22 hundred fifty (150) qualified electors residing in the candidate's legislative district
23 or be an incumbent seeking reelection. The secretary of state must confirm the
24 validity of the qualified elector signatures; and

25 (ii) Face an opposition candidate in the primary election.

26 (b) A candidate who receives primary election matching grants pursuant to this section
27 shall be subject to the following limitations:

28 (i) Contributions from individuals shall be limited to one hundred dollars (\$100)
29 per individual for the primary election, subject to the following exceptions:

30 1. If a self-financed opponent has self-financed above five thousand dollars
31 (\$5,000) but not exceeding twenty thousand dollars (\$20,000) for the
32 primary election, the contribution limit for individuals shall be increased to
33 five hundred dollars (\$500) for the primary election; and

34 2. If a self-financed opponent has self-financed over twenty thousand
35 dollars (\$20,000) for the primary election, the contribution limit for
36 individuals shall be eliminated;

37 (ii) Total contributions from all political parties to the candidate shall be limited
38 to two thousand dollars (\$2,000) for the primary election;

39 (iii) The candidate shall not self-finance his primary election campaign in an
40 amount greater than one thousand dollars (\$1,000). If the candidate exceeds this
41 one thousand dollar (\$1,000) limit, the candidate shall forfeit and shall be required
42 to repay the legislature election public finance fund all primary election public
43 financing matching grants and any primary election self-financed opponent grant
44 received by the candidate; and

1 (iv) The candidate shall not use self-financing to repay loans made to the
2 candidate or to the candidate's campaign from the candidate or from others.

3 (2) Self-financed opponent grant. In the event that one (1) or more of the candidates
4 opposing a candidate receiving a primary election matching grant is self-financed, the candidate
5 shall receive a self-financed opponent grant from the legislature election public finance fund
6 of five thousand dollars (\$5,000) once the self-financed opposing candidate has self-financed
7 primary election expenditures of five thousand dollars (\$5,000). Expenditures of a self-finance
8 opposition candidate shall be reported pursuant to section 67-6607, Idaho Code.

9 (3) Repayment of public finance moneys. A candidate who has received one (1) or more
10 primary election matching grants, and who has not expended all contributions and primary
11 election matching grants received by the candidate for the primary election, shall repay the
12 legislature election public finance fund as follows:

13 (a) If the candidate has expended twice the total primary election matching grants
14 received in the primary election, no repayment is required; and

15 (b) If the candidate has expended less than twice the total of the primary election
16 matching grants received in the primary election, the candidate shall pay into the
17 legislature election public finance fund one-half (1/2) the difference between twice the
18 total of primary election matching grants received and the candidate's total primary
19 election expenditures.

20 The repayment of public finance moneys to the legislature election public finance fund as
21 required in this subsection shall be made within thirty (30) calendar days following the date
22 of the primary election.

23 34-2605. PUBLIC FINANCING OF LEGISLATURE GENERAL ELECTIONS. (1)
24 General election grant. A general election candidate for legislative office who meets the
25 eligibility requirements stated in subsection (a) of this section (1) and agrees to the limitations
26 stated in subsection (b) of this section (1) shall receive a general election grant from the
27 legislature election public finance fund of fifteen thousand dollars (\$15,000).

28 (a) To be eligible for a general election grant, the candidate must:

- 29 (i) File an application with the secretary of state containing the signatures of one
30 thousand (1,000) qualified electors residing in the candidate's legislative district or
31 must be affiliated with a political party that received a minimum of thirty-three
32 percent (33%) of the total votes cast in the candidate's legislative district for
33 governor, president or state legislative office in the last general election. The
34 secretary of state must confirm the validity of the qualified elector signatures; and
35 (ii) Face an opposition candidate in the general election.

36 (b) A candidate who receives a general election grant pursuant to this section shall be
37 subject to the following limitations:

38 (i) Contributions from individuals shall be limited to one hundred dollars (\$100)
39 per individual for the general election, subject to the following exceptions:

- 40 1. If a self-financed opponent has self-financed above ten thousand dollars
41 (\$10,000), but not exceeding twenty thousand dollars (\$20,000) for the
42 general election, the contribution limit for individuals shall be increased
43 to five hundred dollars (\$500) for the general election; and

1 2. If a self-financed opponent has self-financed over twenty thousand
2 dollars (\$20,000) for the general election, the contribution limit for
3 individuals shall be eliminated;

4 (ii) Total contributions from all political parties to the candidate shall be limited
5 to two thousand dollars (\$2,000) for the general election;

6 (iii) The candidate shall not self-finance his primary and general election
7 campaigns in a total amount greater than one thousand dollars (\$1,000). If the
8 candidate exceeds this one thousand dollar (\$1,000) limit, the candidate shall
9 forfeit and shall be required to repay the legislature election public finance fund
10 all primary and general election public financing matching grants and any primary
11 and general election self-financed opponent grants received by the candidate;

12 (iv) The candidate shall not have expenditures greater than thirty thousand dollars
13 (\$30,000) in the general election; and

14 (v) The candidate shall not use self-financing to repay loans made to the
15 candidate or to the candidate's campaign from the candidate or from others.

16 (2) Self-financed opponent grant. In the event that one (1) or more of the candidates
17 opposing a candidate receiving a general election grant is self-financed, the candidate
18 shall receive a grant from the legislature election public finance fund of ten thousand
19 dollars (\$10,000) once a self-financed opposing candidate has self-financed general election
20 expenditures of ten thousand dollars (\$10,000).

21 (3) Limited general election grant. A general election candidate who does not meet the
22 eligibility requirements for a general election grant as provided for in subsection (1) of this
23 section, may qualify for a limited general election grant of five thousand dollars (\$5,000) from
24 the legislature election public finance fund. To qualify for a limited general election grant, a
25 general election candidate must:

26 (a) File an application with the secretary of state containing the signatures of five
27 hundred (500) qualified electors residing in the candidate's legislative district. The
28 secretary of state must confirm the validity of the qualified elector signatures;

29 (b) Face an opposing candidate in the general election; and

30 (c) Not be eligible for a general election grant.

31 (4) Repayment of public finance moneys.

32 (a) A candidate who has received a general election grant, and who has not expended
33 all contributions and the general election grant received by the candidate for the general
34 election, shall repay the legislature election public finance fund as follows:

35 (i) If the candidate has expended twice the full general election grant, no
36 repayment is required; and

37 (ii) If the candidate has expended less than twice the general election grant, the
38 candidate shall pay into the legislature election public finance fund one-half (1/2)
39 of the difference between twice the general election grant and the candidate's total
40 general election expenditures.

41 (b) A candidate who has received a limited general election grant, and who has not
42 expended all contributions received by the candidate for the general election campaign,
43 shall repay the legislature election public finance fund as follows:

44 (i) If the candidate has expended twice the full limited general election grant in
45 the general election, no repayment is required; and

(ii) If the candidate has expended less than twice the limited general election grant, the candidate shall pay into the legislature election public finance fund one-half (1/2) of the difference between twice the limited general election grant and the candidate's total general election expenditures.

The payment of public finance moneys to the legislature election public finance fund as required in this subsection, shall be made within thirty (30) calendar days following the date of the general election.

34-2606. LIMITATION ON QUALIFIED ELECTOR PETITION SIGNATURES. No qualified elector shall sign more than one (1) primary election petition pursuant to section 34-2604(1)(a)(i), Idaho Code, or more than one (1) general election petition pursuant to section 34-2605(1)(a)(i) and (3)(a), Idaho Code.

34-2607. LEGISLATURE ELECTION PUBLIC FINANCE FUND. (1) There is hereby created in the state treasury a fund to be known as the "legislature election public finance fund" in which shall be deposited the revenues derived from the income tax designation by individuals as provided in section 63-3088(2), Idaho Code, gifts, grants, contributions and bequests to the fund, appropriations from the general fund and any other moneys as may be provided by law. Interest earned on idle moneys in this fund shall be paid to such fund.

(2) The secretary of state shall administer the moneys in the fund which shall be used exclusively for the purposes of this chapter.

34-2608. RULEMAKING AUTHORITY. The secretary of state shall promulgate such rules as he deems necessary to carry out the provisions of this chapter.

SECTION 2. That Section 63-3088, Idaho Code, be, and the same is hereby amended to read as follows:

63-3088. DESIGNATION BY INDIVIDUALS. (1) Election campaign fund.

(a) Every individual whose income tax liability for any taxable year is one dollar (\$1.00) or more under the provisions of ~~chapter 30 this chapter, title 63, Idaho Code,~~ may designate that one dollar (\$1.00) shall be paid into the election campaign fund established by this act.

(b) For the purposes of ~~subsection paragraph (a) of this subsection (1),~~ the income tax liability of an individual for any taxable year is the amount of the tax imposed by the Idaho ~~Income Tax Act,~~ reduced by the sum of the credits authorized by that act.

(c) A designation under ~~subsection paragraph (a) of this subsection (1)~~ may be made with respect to any taxable year, in such manner as the state tax commission may prescribe by ~~regulations~~ rules, at the time of filing the return of the tax imposed by the Idaho ~~Income Tax Act.~~

(d) The form and manner prescribed by the state tax commission shall include a list of all political parties, as defined in section 34-501, Idaho Code, qualifying as of July 1 of the current tax year, to allow the individual to designate any of such parties to receive the contribution, and allowance for an undesignated contribution to be credited to the general election campaign fund to be distributed as provided by section 34-2503, Idaho Code.

(2) Legislature election public finance fund.

1 (a) Every individual whose income tax liability for any taxable year is five dollars
2 (\$5.00) or more under the provisions of this chapter, may designate that five dollars
3 (\$5.00) shall be paid into the legislature election public finance fund created pursuant
4 to section 34-2607, Idaho Code.

5 (b) For the purposes of paragraph (a) of this subsection (2), the income tax liability of an
6 individual for any taxable year is the amount of the tax imposed by this chapter, reduced
7 by the sum of the credits authorized by that act.

8 (c) A designation under paragraph (a) of this subsection (2) may be made with respect to
9 any taxable year, in such manner as the state tax commission may prescribe by rules, at
10 the time of filing the return of the tax imposed by this chapter.

11 (d) The form and manner prescribed by the state tax commission shall be a conspicuous
12 portion of the principal form provided for purposes of individual taxation.

13 (e3) The form and manner of the designations provided for in subsections (1) and (2)
14 of this section prescribed by the state tax commission shall be a conspicuous portion of the
15 principal form provided for purposes of individual taxation.

16 SECTION 3. An emergency existing therefor, which emergency is hereby declared to
17 exist, Section 2 of this act shall be in full force and effect on and after passage and approval,
18 and retroactively to January 1, 2009.