

Law – State Election Fund

The curse of corruption is mainly because elections are privately funded directly and in an unregulated manner.

The power of corruption has led to the corruption of power.

All direct private funding of elections should be abolished.

We must have regulated party funding and this is only possible with a **STATE ELECTION FUND***.

A national level **STATE ELECTION FUND** that is then split into the local level upto the village panchayat and city ward.

There should be no corporate campaign finance contributions.

There is a state fund for elections paid for by taxes collected from all the people and businesses and publicly displayed on a website/mobile internet of the election commission showing who contributed and the amount they contributed to the candidate or party.

Anybody who wishes to stand for election, must apply for funding from this system.

The **STATE ELECTION FUND** must be run by an independent branch of the government like the judiciary so that there is absolutely no political interference and manipulation.

The **STATE ELECTION FUND** will appointed as follows:

- An eminent committee of Arya, appointed by the governing council, approved by the Arya council of peers, at village, taluk, zilla(district), state, national panchayats and the city wards and councils.

Depending on the level of appointees, the relevant level of governing council and Arya council of peers should appoint and approve the members of the **STATE ELECTION FUND**.

From the governing council nomination, there should be an approval of 70% from all governing council members in the nomination of candidates to the STATE ELECTION FUND.

- The Chairperson or members of the Governing council or the Arya council of peers cannot be made Chairperson or members of the STATE ELECTION FUND. They can also not be appointed to this post for at least three years after they have given up their position in the Governing council or the Arya council of peers.

Once the appointees have been made for different levels of the STATE ELECTION FUND, the relevant level of STATE ELECTION FUND appointees must be approved by a public referendum where at least 60% of the local public approve of the STATE ELECTION FUND committees.

Every citizen and business can contribute to the fund and instruct the state election fund to which party/candidate he wishes to donate to.

The business or person donating to this fund must clearly show their source of funding and also to the candidate/party they are donating this amount to.

All direct private funding of parties/candidates should be banned and any party/candidate accepting direct private funding should be banned for 10 years and 10 times the amount of direct funding they accept should be imposed as penalty.

In the event they are unable to pay the penalty, the assets of the party/candidate should be auctioned off and the amount recovered from the auction.

All businesses and income tax payers must have a cess on their income directed to be paid compulsorily to the state election fund.

They can direct the state election fund to which

party/candidate they want to donate to and this should show up in their annual returns and balance sheets.

Any individual or business that contributes directly to the party/candidate without permission from the state election fund should have 5 times the amount they have contributed to the party/candidate be imposed on them as penalty.

In the event they are unable to pay the penalty, the assets of the individual/business should be auctioned off and the amount recovered from the auction.

All political parties should publicly post audited income statements and balance sheets.

All political parties who accept public funds must come under RTI.

All political candidates who accept public funds must come under the disclosure norms for employees of the state and also publicly post their past ten years income tax returns, and assets and liabilities, including source of funds.

They must also post affidavits about their educational qualifications, job antecedents and any criminal or civil cases against them.

There should be a tax cess of 0.0025% of a persons average three year annual income for the State election fund for incomes upto Rs 4,00,000.

There should be a tax cess of 0.01% of a persons income for average three year annual incomes upto Rs 10,00,000

There should be a tax of cess of 0.005% above 0.01% of a persons average three year annual income in slabs above Rs 10,00,000 upto a maximum of 0.05% of a persons average three year annual income.

There should also be a 0.0005% surcharge on all banking credit

transactions above Rs 75,000 for funding the State Election Fund.

Corporates and businesses should pay 1% of their profits or 0.005% of their revenues (whichever is higher) toward the State Election Fund.

Small businesses should pay 1% of their profits or 0.0025% of their revenues toward the State Election fund.

Political parties and individuals can apply for state funds based on the number of petitioners that they receive in their support.

All funds for the candidate should be credited to a state regulated and monitored bank account and should be audited for all expenses.

All expenses for the candidate should only be made from this account.

The candidate should not be allowed to withdraw any cash for this account.

No Self or bearer cheques should be allowed.

All payments from this account should be made only through cheque or wire transfer clearly indicating the name and PAN number of the Payee.

Also all people who stand for elections should apply to this fund for funding their campaigns.

They should not be allowed to go directly to the people or corporates for funding their campaigns.

All donations must be made to the state fund and then the candidate can apply from there to get any extra donations made to them from private people.

The state election fund must directly fund the candidates.

Only candidates who get at least 10% or 200 (whichever is lower) of the local residents of constituency to support them, and 50% of these supporters being women, only those people can stand for elections and apply for funding from the STATE ELECTION FUND.

All political parties with income more than Rs 15,00,000 must come under a Central Regulator and RTI and Lokpal.

Their accounts must be completely transparent and posted publicly and updated every 6 months if possible or at least once a year, annual income tax returns must be filed and audited accounts should be published every year.

Any political party that is found with more than Rs 10,00,000 in cash/bank accounts of unaccounted money must be banned nationwide for 10 years and all its representatives should be dismissed from their posts and not be allowed to contest elections for 10 years.

A penalty of 10 times the unaccounted money must be imposed on the party/candidate.

Any political party which is found directly accepting private funds or bribing voters with cash and gifts and liquor should be banned for at least 15 years.

An amount of 10 times the violating amount must be recovered as penalty.

If the party cannot pay, their assets should be auctioned off and the amount recovered from the auction.

The person who accepts the illegal funds or spends on bribes must be thrown in jail to do hard labour @ 1 year for every Rs 100,000 that was accepted or spent.

Maximum punishment is 3 years of hard labour.

* **NOTE:** The above are just what I have outlined based on my

rudimentary observation of what is happening.

I am sure that if enough thought was put into it by experts we could figure out a proper way for state funding of elections.

This funding should start from the village level and be controlled by the Gram Sabha aided by an expert committee who act as regulators and inspectors.