

## **CAMPAIGN FINANCE REFORM:** *Change the Way Electoral Campaigns are Funded and Conducted*

### Background

New York State's campaign finance system has been called 'disgraceful' by independent analysts and the public at large. Indefensibly high contribution "limits," coupled with utterly inadequate disclosure requirements and nonexistent enforcement, have created a system that cries out for change, starting with the need for establishing a voluntary system of public financing.

*The New York Times* has agreed with the vast majority of New Yorkers and said reform in the financing of elections is needed to "bring back integrity and restore the public's confidence in (New York's) political culture."<sup>1</sup> These are some of the changes that are urgently needed:

#### **Actions:**

- Tighten prohibitions against personal use of campaign funds.
- Pass reform measures, including lowering campaign contribution limits, closing loopholes and tightening reporting.
- Pass voluntary public funding of elections.

- **Lower sky-high campaign contribution limits.** Individuals in New York are allowed to contribute up to \$94,200 annually to political parties; a total of \$56,000 to cover the primary and general election campaigns of statewide candidates; a total of \$15,500 to state senate candidates and \$7,600 to assembly candidates. By contrast, contributions to candidates for President of the United States are limited to \$4,600 for both the primary and general election.
- **Limit transfers by political committees to avoid contribution limits.** On top of the sky-high contribution "limits," political parties are able to undermine existing contribution limits by transferring donations of unlimited size from their accounts to the candidates of their choice.
- **Tighten inadequate reporting requirements and close loopholes.** Unlike the federal law, contributors in New York State are not required to reveal the names of their employers. This should be changed and contributors should be required to identify their occupation as well. The names of "bundlers", who gather contributions from individuals, gather them together, and deliver them to campaigns should be required to be disclosed. Limited liability corporations should be subject to the limitation on corporate contributions.
- **Limit Soft Money.** Unlike federal law, New York State allows donations of an unlimited amount to "housekeeping" accounts. While this money is ostensibly limited to support party maintenance, it has been shown to play a significant role in funding specific campaigns. This practice should be curtailed.

<sup>1</sup> NY Times: *Overhaul in Albany*. July 21, 2007.

<http://www.nytimes.com/2007/07/21/opinion/21sat4.html?scp=30&sq=campaign+finance&st=nyt>

## ISSUE: CAMPAIGN FINANCE

- **Restrict lobbyist campaign contributions during the legislative session and move up campaign filing dates.** New York's combination of high contribution limits and the commonplace practice of incumbents holding fundraisers near the Capitol during the legislative session, promote a heavy reliance on donations from special interests, typically those with business before the government. Challengers are at a great disadvantage in such a system. Moreover, since first campaign filings are due July 15<sup>th</sup>, there is no way to know who is making contributions while the legislature is in session. An additional filing deadline of April 15<sup>th</sup> should be required. Twenty-eight other states impose restrictions on campaign fundraising during the legislative session and on lobbyists' involvement in campaigns. Lobbyists should not be permitted to participate in fundraisers during legislative sessions, in order to end the "pay to play" atmosphere that voters see in Albany.
- **Significantly tighten prohibitions against the use of campaign contributions for personal expenditures.** New York's vague prohibition on the use of campaign funds for personal expenditures has resulted in their use for such non-campaign related expenses as country club memberships, leasing of cars, and purchases of television sets and personal wardrobe items. This practice, which has garnered relentless negative press coverage, should be curtailed.
- **Significantly increase resources for enforcement of the current campaign finance law and increase penalties for violations.** The New York State Board of Elections is underfunded and limited by law and structure, in its ability punish election law scofflaws.
- **Institute a voluntary system of public funding of election campaigns.** A voluntary system of public funding of campaigns is the best way to reduce the possibility and the perception of corruption associated with large contributions and unlimited campaign spending. With public funding, elections aren't focused on how much money candidates can raise, but on their abilities and their positions on the issues. Public funding helps level the playing field for new candidates who don't have access to large donors. It reduces the public's cynicism about elected officials. The public needs to know that their elected officials are accountable only to the voters and the public at large, not to "special interest" donors, party leaders and lobbyists. Reforms of the current system are necessary, but reforms alone will not solve the problem. **What is needed is public financing of campaigns.**