

BRENNAN  
CENTER  
FOR JUSTICE

Brennan Center for Justice at NYU School of Law  
Supports  
A.8367

**IN ASSEMBLY, BILL NUMBER A.8367.** Introduced by M. of A. SILVER, MILLMAN, WRIGHT, WEINSTEIN, GOTTFRIED, PEOPLES-STOKES -- Multi-Sponsored by -- M. of A. BENEDETTO, BING, BRENNAN, CAHILL, CANESTRARI, CLARK, COLTON, COOK, DINOWITZ, ENGLE, BRIGHT, GALEF, GANTT, GLICK, GUNTHER, HOOPER, HOYT, JACOBS, LANCMAN, LATIMER, LAVINE, LENTOL, LIFTON, LUPARDO, McENENY, MORELLE, NOLAN, O'DONNELL, ORTIZ, PAULIN, PERRY, PRETLOW, REILLY, P. RIVERA, ROSENTHAL, SCARBOROUGH, SWEENEY, WEISENBERG -- at request of the State Comptroller).

**AN ACT** to amend the election law, in relation to enacting the comptroller campaign finance reform act to provide for public financing for campaigns for the office of state comptroller; to amend the general business law, in relation to authorizing the imposition of an additional surcharge on recoveries for fraudulent practices relating to stocks, bonds and other securities; to amend the state finance law, in relation to establishing the New York state campaign finance fund; and to amend the tax law, in relation to providing for a New York state campaign finance fund check-off.

**SUMMARY OF PROVISIONS:**

Enacts the *Comptroller Campaign Finance Reform Act* to provide for public financing for campaigns for the office of the state comptroller; authorizes the imposition of an additional surcharge on recoveries for fraudulent practices regarding stocks, bonds and other securities; establishes the New York State campaign finance fund; provides for a New York State campaign finance fund check-off.

**STATEMENT OF SUPPORT:**

The Brennan Center for Justice enthusiastically urges support for the *Comptroller Campaign Finance Reform Act*, which marks a critical first step toward a comprehensive public financing system for New York State. The bill establishes a public funding program for candidates seeking a primary nomination or election to the Office of State Comptroller. Candidates who establish their viability by meeting reasonable qualifying criteria would receive publicly funded matching campaign contributions in return for agreeing to: (i) caps on spending; (ii) limits on contributions; (iii) participating in public debates; and (iv) monitoring and auditing of campaign expenditures by an independent organization.

The bill is modeled on the “small donor matching fund” program used successfully by New York City. This program has proven successful at reducing the potential for corruption associated with private campaign contributions (a risk that is exacerbated by New York State’s excessively high campaign contribution limits); encouraging qualified candidates to run for office regardless of their access to wealth; increasing public debate and competition; and encouraging small

donors and average citizens to participate meaningfully in campaign financing and democratic politics.

We applaud Comptroller Thomas P. DiNapoli's initiative in requesting the introduction of this bill. Given the particular risk and past history of corruption associated with the administration of billions of dollars of taxpayers' money by the office of the Comptroller in New York, this contest is an appropriate starting point for public financing in our elections. We hope this program will ultimately be extended to New York's other statewide and legislative elections as part of a comprehensive campaign finance reform initiative.

The major reform areas of the bill are described below.

*Creation of a Voluntary Public Financing Program for State Comptroller Candidates*

- The bill establishes a voluntary public financing program for candidates seeking election to the office of State Comptroller.
- Participating candidates who qualify for public financing would receive a \$6 public financing match for every \$1 they raise in contributions from New York State residents. Candidates will receive public matching funds for the first \$250 of each matchable contribution during a primary or general election cycle. The use of public funds will be limited to appropriate "qualified campaign expenditures."
- Public funds will only be used to match contributions from natural persons residing in New York State. By boosting the value of smaller contributions from New York State voters, the program will encourage candidates to target small donors and state residents, rather than relying solely on contributions from very wealthy donors, corporations, unions or PACs.

*Reasonable Contribution Limits for Participating Candidates*

- Participating candidates agree to accept contributions of no more than \$2,000 per contributor (per primary or general election cycle).
- These contribution limits represent a substantial improvement over New York State's exorbitant contribution limits for statewide elections. Currently, a candidate for Comptroller or other statewide office can receive \$37,800 per contributor during the general election, and up to \$18,100 per contributor for a primary nomination campaign (depending on the number of enrolled voters in the candidate's party).
- Non-participating candidates will remain subject to existing contribution limits, and will not see any reduction in their ability to accept large campaign contributions.

*Reasonable Qualifying Criteria*

- In order to qualify for public financing, participating candidates must collect \$150,000 in matchable contributions (in amounts as small as \$10 but no more than \$250). Candidates must collect contributions from at least 50 natural persons in each of at least 75 percent of the congressional districts in the state.

- These “seed money” requirements will ensure that candidates demonstrate a strong base of statewide support and electoral viability before receiving valuable public funds.

#### Voluntary Expenditure Limits

- Participating candidates will voluntarily agree to limit their campaign spending to \$5 million during a primary campaign and \$7.5 million for the general election.
- Non-participating candidates will not be subject to any limits to their campaign spending.

#### Creation of a State Campaign Finance Board

- The program and participating candidates would be monitored and continuously audited by a new, independent 7-member Campaign Finance Board consisting of appointees by the Governor, leaders of each majority and minority in the Legislature and two independent members from non-partisan citizens’ groups, one of whom would serve as chair.
- The Board would also oversee and administer the Campaign Finance Fund. The Board would also have enforcement power to permit it to recover funds wrongfully or mistakenly paid to a candidate and to seek civil and criminal penalties against those who have violated the law. These powers are necessary to enforce the Act, and could later be expanded to ensure that New York’s campaign finance laws are adequately enforced.
- The Board will be responsible for studying and reporting on the success of the program, and for recommending the expansion of the program to other New York State elected offices as appropriate. The Board will also be empowered to recommend changes or amendments to the law to ensure that the program is constantly evolving and improving.

#### Debate Requirements

- Participating candidates will be required to participate in at least one public debate before the primary and general election for which they receive public funding.

#### Dedicated Funding Streams

- The public financing program will be funded through dedicated funding streams (including a surcharge on any penalty, damages or settlement received under section 359-g of the General Business Law) and a tax form check-off to designate up to \$5 of personal income tax payments to the Campaign Finance Fund.
- By relying on dedicated funding streams, the program will not sap any dollars from other budget priorities. In addition, we anticipate that public financing should save substantial amounts of taxpayer dollars over the long haul by ensuring that elected officials focus on the needs of their constituents and our state economy, rather than doling out special favors to campaign contributors.

This legislation represents a welcome and needed improvement over the status quo. We pledge to aggressively monitor the new law’s implementation, and urge adjustments or further reforms where they are necessary.

**The Brennan Center strongly urges support for this legislation.**