

Campaign Finance Reform

THE PROBLEM

Corporate and monied interests play too large a role in municipal elections. Local elections are increasingly influenced by big money. Wealthy individuals and corporations are using political action committees, large contributions directly to candidates, and rising outside spending to pump large amounts of money into local races.¹ Local candidates' war chests are much smaller than those of candidates for federal office, so smaller influxes of money can significantly affect campaign results. As a result, it is increasingly important for localities to pass their own campaign finance laws to prevent wealthy donors and monied groups from dominating local elections.

THE SOLUTION

There are three primary methods through which local governments can highlight and limit the power of money in campaigns: disclosure, contribution limits or bans, and public financing.

Disclosure is the simplest of the three categories, and is important even though it does not directly reduce the role of money in politics. These ordinances can vary greatly in their level of specificity, frequency of reporting, and whether or not they embrace electronic reporting. Citizens United prevents localities from imposing limits on the amounts of independent spending, but does not limit the power of localities to mandate that independent groups disclose their spending to the public. The disclosed documents should be made available online in user-friendly formats, and require groups to disclose their spending continuously on a specified schedule or disclosure all sums once groups have reached a certain threshold. Timely disclosure helps voters make informed decisions and hold politicians and others accountable. In **New York City**, independent expenditures accounted for such a large portion of political spending in



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— **Katrina Shakarian**, Campaign Finance Board,
City Council Respond to Unprecedented
Outside Spending (2014)

the lead-up to the 2013 election that the City Council and Mayor Bill de Blasio have passed legislation to increase disclosure requirements for independent political spending. The 2014 laws ban anonymous campaign communications and require disclosure of top donors that finance political communications.²

Many localities have also established contribution limitations or bans, which can vary significantly depending on the office that a candidate is running for and whether the donor is an individual or a political committee. Many jurisdictions also ban contributions from corporations entirely, which is still constitutionally permissible under Citizens United. Contribution limits can promote faith in

democracy by fighting corruption and its appearance; and ensure that super-wealthy donors cannot bankroll favored candidates' entire campaigns.

Finally, some localities have enacted systems that match small contributions from local residents with public funds, so a \$20 contribution can be worth \$140 or more to a grassroots candidate. These programs raise all of our voices and facilitate broader engagement in the political process, particularly by marginalized communities. And, they can change the way that candidates run for office, putting voters—not just wealthy donors—at the center of campaigns. Such public financing systems remain constitutional under the Supreme Court's current rulings. Cities can tailor their legislation to ensure even more accountability to residents – for example, Los Angeles aims to empower residents by allowing only those contributions raised within city limits to qualify for matching public funds.³

Many Cities Are Already On Board: **New York City** is one of the pioneers of local campaign finance, and has been regulating campaign contributions on the local level since the Campaign Finance Act of 1988. The Act utilizes a voluntary Campaign Finance Program that allows qualified candidates for mayor, comptroller, public advocate, borough president, and City Council to agree to strict spending limits in return for public funding.⁴ The funding comes in the form of a 6 to 1 public match, so that small dollar contributions are magnified, which encourages broader participation. Rigorous studies have shown that the public matching program has been effective at encouraging contributions from communities of color and middle- and low-income residents and has dramatically affected the makeup of the City Council.⁵ In addition, even candidates who decide to opt out of the public funding must still comply with disclosure requirements.⁶

The **Philadelphia** campaign finance law utilizes three types of campaign finance regulations to regulate contributions to candidates for City elective offices. It (i) sets limits on political contributions to candidates, (ii) requires candidates and political committees to electronically disclose campaign finance information, and (iii) creates a board with authority to enforce and provide guidance to candidates and donors.⁷ Many large cities, including **Los Angeles, Berkeley,** and



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– **Kate Linthicum**, L.A. Council Backs Overhaul for Campaign Finance Law (2012)

Seattle also have disclosure laws that include similar campaign financing regulations.

LANDSCAPE AND RESOURCES

The **Campaign Disclosure Project** helps governments to pass legislation to increase transparency in elections.

The **Brennan Center for Justice** has written extensively on campaign finance and has produced a 2010 guide to drafting state and local campaign finance laws.⁸

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NOTES

1. Big Money Crops Up in Small Elections in the United States, Andy Sullivan, Reuters (October 31, 2014).
2. Campaign Finance Board, City Council Respond to Unprecedented Outside Spending, Katrina Shakarian, Gotham Gazette (September 16, 2014).
3. L.A. Council Backs Overhaul for Campaign Finance Law, Kate Linthicum, Los Angeles Times (September 13, 2012).
4. Overview of the Law, New York City Campaign Finance Board (available at <http://www.nyccfb.info/candidates/candidates/law.aspx>).
5. The Brennan Center for Justice, Donor Diversity Through Public Matching Funds, http://www.brennancenter.org/sites/default/files/legacy/publications/DonorDiversityReport_WEB.PDF
6. Demos, Fresh Start: The Impact of Public Campaign Financing In Connecticut <http://www.demos.org/publication/fresh-start-impact-public-campaign-financing-connecticut>
7. Campaign Finance, City of Philadelphia Board of Ethics (available at <http://www.phila.gov/ethicsboard/campaignfinance/Pages/default.aspx>).
8. Writing Reform: A Guide to Drafting and State and Local Campaign Finance Laws, Ciara Torres-Spelliscy, Brennan Center for Justice (2010).