

CITIZENS UNION OF THE CITY OF NEW YORK
COMMON CAUSE/ NY
LEAGUE OF WOMEN VOTERS/N.Y.S.
NEW YORK PUBLIC INTEREST RESEARCH GROUP

MEMORANDUM OF SUPPORT

S.8405/A.11588

**IN SENATE, BILL NUMBER 8405. INTRODUCED BY SEN. SAMPSON
IN ASSEMBLY, BILL NUMBER 11588, INTRODUCED BY RULES COMMITTEE
(Request of Member of Assembly Silver)**

AN ACT to amend the election law, in relation to a state board of elections enforcement unit and counsel, personal use of campaign funds, filing requirements, political communication, independent expenditure reporting, enforcement proceeding and penalties for violations; and to repeal certain provisions of such law relating to filing of statements

STATEMENT OF SUPPORT:

This bill would implement several changes that are urgently needed, particularly in the wake of the Supreme Court's recent *Citizens United* decision. Under this case, corporations – either non-profit or for-profit- can spend as much as they want on behalf of candidates they support or oppose, as long as such spending is not coordinated with these candidates. The reforms provided by the legislation are listed below.

Independent Expenditure Reporting

This section proposes that expenditures by individuals or groups that are independent of the candidate, and thus are not subject to campaign finance disclosure, would be required to file disclosure that would be similar to disclosures made to political committees. Thus, the public will know the names of those who contribute to and spending by these groups.

In the wake of the US Supreme Court's decision in *Citizens United*, it is more important than ever that "independent expenditures" be properly and publicly disclosed. The Court was clear that public disclosure is constitutional.

Shareholder Approval of Corporate Political Spending

This section ensures that shareholders (or members) of a for-profit or not-for-profit corporation have an opportunity to vote on whether they wish to spend monies out of the corporate treasury on behalf of political activities.

State Board of Elections Enforcement

As proposed in the legislation, an enforcement unit would be created within the State Board of Elections (SBOE), with an enforcement counsel and special counsel having four-year terms with removal only for cause. The enforcement counsel would have power to initiate investigations. The legislation requires a majority vote of the Board in order to *stop* an investigation from going

forward. Determination of violation and issuance of penalties would still rest with the Board. The enforcement counsel's office would be guaranteed thirty-five percent of the general fund appropriations given to the SBOE in future years.

In recent years, outside individuals have pointed out nearly 7,000 violations of the state's election law each year that the SBOE does not thoroughly investigate. The lack of enforcement highlights the "anything goes" attitude that currently exists. The creation of an enforcement counsel will significantly improve the status quo.

The most likely effect of the *Citizens United* decision will be an increase in the money spent on campaigns. Therefore, on top of the reforms included in this bill, it is very important that legislators begin taking measures to help average people participate in political free speech. Some form of public financing is essential to increase the value of small donations and enable more qualified candidates to run for office. In the meantime, the independent expenditure reporting changes in this bill will help prevent a catastrophic election year in which wealthy individuals and could secretly spend millions influencing New York's voters.

While there is much more that needs to be done to reform New York's disgraceful system of campaign finance (lowering limits, improving disclosure and establishing a voluntary system of public financing), there can be no doubt that the bill proposes important changes that deserve your support.

Our groups urge support of this bill.