

# Center for Competitive Politics

www.campaignfreedom.org

## Overview

An agreement has tentatively been reached to overhaul New York's campaign finance regulations. The proposal will:

- Drastically lower campaign contribution limits
- Restrict the ability of limited liability companies to make political contributions
- Lower the amount of money allowed to be donated to political parties
- Ban contributions from lobbyists and force them to disclose their "bundling" of campaign contributions
- Create an enforcement unit in the Board of Elections

The Center for Competitive Politics reviewed some of the elements of the proposal and concluded the following.

## Contribution Limits

The proposal will drastically reduce the amount of money a citizen can contribute to a candidate for state office. In addition to undermining fundamental First Amendment rights, history teaches that lowered contribution limits further entrench incumbents and stifle political debate.

Since contribution limits were first enacted at the federal level in 1974, successful races by challenger candidates have plummeted by 50 percent. Because of the numerous advantages enjoyed by incumbents, a similar result is likely to occur in New

York if contribution limits are reduced.

Contribution limits also favor wealthy candidates and hurt working class interests. There is no doubt that campaign finance restrictions have helped create the modern phenomenon of the "millionaire candidate." It is less well known that candidates with large constituencies among the poor and working-class have traditionally relied on a small base of wealthy donors.

Last, contribution limits will empower more outside influences to affect a campaign. Citizens who care deeply about their government will always find ways to participate in the political process. With lower contribution limits, many will turn to 527's and other independent advocacy groups in order to participate. As a result, candidates will lose some control of the tone and message of the campaign.

## Banning lobbyists from contributing to political campaigns

Lobbyists ultimately represent citizens and citizens groups and often lend their expertise and understanding to legislators who must be experts on a myriad of different issues.

Nothing about their occupation can justify taking away their political rights.

Professors Stephen Bronars and John Lott have demonstrated that contributions do not buy legislative votes, but are driven by ideology.

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Instead, legislators vote according to their own beliefs, party loyalty, and the views of their constituents.

Therefore, it is undemocratic to strip the right to contribute to a candidate away from any American citizen based on how they make their living.

## **Reducing the amount of money able to be contributed to political parties**

Political parties are vital element of our political system. They are the means through which we identify candidates and the ideas for which the candidates' stand. The parties need money in order to function, and it is impossible for a party to be "corrupted."

In fact, political parties help break the link between contributor and candidate. There is no need to arbitrarily reduce the amount of money one can donate to the party that matches their ideology.

## **Statutory Enforcement Unit**

All new regulations have unintended consequences, but perhaps nowhere are the consequences as pronounced as with campaign finance enforcement units.

Efforts to gain an advantage over an opponent through the use of the regulatory process has become a major campaign tactic. Enhancing the scope of the regulatory agency will only grow this trend.

Such a bureaucracy benefits political insiders at the expense of political neophytes. Regulation favors those

familiar with the regulatory machinery and those with the money and sophistication to hire the lawyers, accountants, and lobbyists needed to comply with complex filing requirements.

Furthermore, it is dangerous to force bureaucrats to make political decisions. James Buchanan preached that there is no such thing as the disinterested bureaucrat and experience shows him to be correct.

In Arizona, a former deputy director of the "Citizens' Clean Elections Commission" alleged that the director of the Commission was "unfair and political."

Similarly, in San Francisco the elections commission has been under intense scrutiny for allegedly basing its decisions on political factors.

## **Summary**

Former Chief Justice Warren wisely said, "We do little but engage in word games unless we recognize that people - candidates and contributors - spend money on political activity because they wish to communicate ideas, and their constitutional interest in doing so is precisely the same whether they or someone else utters the words."

But there is an even better way to summarize the argument for a free political system. The First Amendment to the Constitution says that government "shall make no law...abridging the freedom of speech."