

As Campaign Cash Flows, Ballot Measure Seeks to Disclose

by Amy Loprest

Monday, November 01, 2010 12:00 AM



Photo (cc) Tracy O

In January 2010, many observers predicted that the Supreme Court's [decision in Citizens United](#) would unleash a "flood" of corporate spending during the 2010 midterm elections. As we prepare to cast our votes this week, those predictions have been largely borne out.

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The Citizens United decision struck down restrictions on ["independent expenditures"](#) -- advertisements or other electioneering efforts conducted without the cooperation of the candidates who benefit. With those limits removed, spending by independent groups through Oct. 15, 2010, has more than tripled since the last congressional mid-term elections in 2006. By Election Day, independent groups are likely to have spent more than \$560 million, according to an [estim](#) by the [Campaign Finance Institute](#).

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Charter Choices

This is the fifth in a series on the questions on the City Charter that will appear on the Nov. 2 ballot> The other stories so far:

[Unfinished Business](#) : The latest effort to revise the City Charter barely scratched the surface, writes Scott Stringer, and so the mayor should name another commission.

[Term Limits -- in 2021](#) : The Charter Commission took steps to undo the damage done by the extension of term limits, writes commission member Anthony P. Cassino, but did not go far enough.

[Making 'Fair Share' Fairer](#) : A proposal on the ballot in November would help spread polluting facilities more evenly around the city, Eddie Bautista writes.

[Keeping the Clout](#) : Despite pleas to limit the mayor's power, the city charter commission opted to increase it in at least one area, Glenn Pasanen contends.

The twist in the story is this: The identities of the funders have largely remained secret. The disclosure requirements on the books have proved inadequate to illuminate the sources of the deluge. Supporters in Congress hoped to address this critical issue before the election, but failed to gather the votes needed to bring the [DISCLOSE Act](#) to a vote in the Senate earlier this year. In New York City, however, voters who feel strongly about anonymous spending in city elections will have the opportunity to make their voices heard when they vote on the [charter revision proposals](#) that will appear on the ballot Nov. 2.

Deluge of Dollars

Taking advantage of lax, piecemeal disclosure requirements and legal loopholes, so-called "Super PACs" and other tax-exempt entities have poured millions of dollars into congressional races across the country this year. These groups obscure their donors' identities and feature names that provide few clues to their interests: [American Action Network](#) , [Crossroads GPS](#) ,

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[Patriot Majority and so on](#)

. In several key races, independent entities are out-spending the candidates themselves. This means that the battle for control of the House and Senate could be decided by special interests whose identities will never be known.

Some argue that anonymous spending on elections encourages more political speech, which can provide more information to voters. Those who favor more disclosure counter that public knowledge of a candidate's benefactors can provide voters with signals about the positions that candidate will take when he or she assumes office. By that standard, most members of the public will be unable to make informed decisions at the polls this year.

New York City's system of providing public matching funds to candidates through the city's campaign finance program helps reduce the role of special interests in our city elections and increases the impact of people who make small contributions of \$175 or less. Yet our local elections are not immune from the rapid growth in unlimited, undisclosed campaign activity.

The Campaign Finance Board's recently published [report](#) on the 2009 citywide elections noted a considerable increase in outside spending, as several City Council seats became proxy battles between real estate and labor interests. If independent spending in federal and state races continues to multiply, it is more than likely these interests and others will continue to play increasingly active roles at the local level.

New York City has some of the most progressive campaign finance laws of any jurisdiction in the nation, but we have fallen behind when it comes to prompt, complete disclosure of outside spending. Of the 50 states, 44 require some disclosure of independent election-related spending. Other large cities with public financing programs -- like Los Angeles -- require disclosure of independent expenditures as well.

Without the more comprehensive requirements in the DISCLOSE Act, at the federal level less than a third of independent actors in the 2010 elections have disclosed their spending to the public. By comparison, New York City law does not provide voters with any access to information about outside spending. Any corporation, union or wealthy individual making independent expenditures to benefit a candidate for city office may remain completely anonymous if they choose.

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That is why the board's post-election report recommends a requirement that entities making independent expenditures disclose their activities. After conducting its own study, the 2010 Charter Revision Commission agreed. The second of two questions on the ballot would require disclosure of independent expenditures in city elections, among other proposals. Those groups that spend more than \$5,000 must include information about their largest funders. (Voters can see the text of the ballot questions, plain language summaries, and commentary submitted by the public in the CFB's 2010 Voter Guide, which is mailed to households and posted [online](#) . More information is also available on the commission's [website](#) .

The next chance New Yorkers will have to cast their ballots for mayor, public advocate, comptroller, borough president and City Council will come in 2013. But this election could help shape that election. On Tuesday, New York City voters can choose whether anonymous political spending should be ended in 2013 and in all other future elections for city office. On Nov. 2, turn over your ballot, find the Charter Revision questions and vote.

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