



State of the State Address Fact Sheet: **Campaign Finance Reform**

“And there are items from the past year that we have not finished. We did not complete our work on...campaign finance reform. Let us come together and pass these bills.”

-Governor Eliot Spitzer (January 9, 2008)

The Challenge

- New York State’s contribution limits are among the highest in the nation. In fact, for statewide candidates, the limits were higher than the median income of New Yorkers.
- In addition, New York’s existing contribution limits are riddled with loopholes such as the “sham” LLC loophole, which has been used to specifically circumvent contribution limits.
- Enforcement of New York’s campaign finance laws is weak and is not backed by strong enough penalties.
- New York’s disclosure and transparency requirements are minimal, which lead to the circumvention of the spirit of the laws.

Our Approach

- Governor Spitzer will encourage passage of legislation reflecting the July 2007 agreement he reached with Assembly Speaker Sheldon Silver, Majority Leader Joseph Bruno, Senate Minority Leader Malcolm Smith and Assembly Minority Leader Jim Tedisco. The agreement involves significant changes to the campaign finance laws in a number of areas, including:
 - Lower Contribution Limits
 - Significant reductions of the contribution limits for individual candidates for State and local offices, with State office contributions reduced as follows:
 - Statewide candidates – from \$52,427/\$55,900 (depending on party) to \$25,000
 - Senate candidates – from \$15,500 to \$11,500
 - Assembly candidates – from \$7,600 to \$4,600
 - Closing the corporate subsidiary loophole;
 - Prohibition against contributions from sham LLCs by banning contributions from LLCs that have little or no assets, income, or that have been recently created;
 - Prohibition against contributions from registered lobbyists;

- Imposition of a \$300,000 annual cap on contributions to parties' housekeeping accounts to take effect in January 2009, with a gradual lowering to \$225,000 in January 2011, and \$150,000 in January 2013;
 - A reduction from \$94,200 to \$50,000 in the aggregate annual cap on donations to party committees; and,
 - Provisions to level the playing field when a race includes a wealthy self-financed candidate.
- Enhanced Enforcement
 - Creation of a statutory enforcement unit within the Board of Elections;
 - Expansion of the jurisdiction of the Board of Elections; and,
 - Increases in civil penalties.
- Enhanced Disclosure and Transparency
 - Disclosure of bundling by registered lobbyists and other individuals;
 - Requirement that contributors disclose employer and occupation information;
 - Prohibition against candidates maintaining more than two authorized committees;
 - More frequent filing requirements;
 - Increased reporting of information about contributions and expenditures that occur close to the day of the election;
 - Increased itemization of expenditures; and,
 - Greater public access to computerized campaign finance information.
- In addition, the Governor continues to believe that full public financing of campaigns must be the ultimate goal of our reform effort. By cutting off the demand for private money, we can cut off the influence that comes with it.