



CITIZENS UNION POSITION ON PROPOSED “PAY TO PLAY” LEGISLATION AS IT AFFECTS THE ROLE OF LOBBYISTS

**DELIVERED by
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Citizens Union, a century-old good-government organization, has consistently supported provisions to strengthen the city's campaign finance program that seek to reduce the role of money in politics and campaigns.

Citizens Union commends the Campaign Finance Board for being strongly interested and attentive to the need to incorporate a responsible provision into the campaign finance law that regulates campaign contributions from those who do business with the city, including today's focus: that of gifts from lobbyists.

Having once been a paid and registered lobbyist representing several enterprises which were seeking contracts or favorable policies and legislation, it is particularly important that pay-to-play legislation be drafted that addresses the tremendous role lobbyists play in not only contributing money to candidates' campaigns, but also in raising money for those campaigns as well.

This much is clear to us: Legislation should be proposed and passed into law in which contributions from those who do business with the city or are registered lobbyists should be limited to \$250 and not be eligible for matching contributions from the city campaign finance program. In my opinion, these contributions, however, should not just be limited to candidates for whom the lobbyist can vote. Lobbyists, as citizens, should be allowed to contribute to those with whom they are friends or colleagues, regardless of where they live.

There are two other issues that I would suggest the Campaign Finance Board look at as it explores ways in which to restrict the influence of lobbyists and the impact of their contributions. The first is "bundling" contributions or serving as an intermediary, and the second is the solicitation of contributions to campaigns not yet waged, but nonetheless organized for the purpose of soliciting money.

The real problem of the role money from lobbyists plays in campaigns is not so much how much a lobbyist can give, but how much they can raise.

As I understand the constructs of the emerging proposal, nothing would change in how gifts are collected and reported. Lobbyists would still be able to serve as intermediaries by assembling or bundling gifts from a number of sources presenting them all at once in an effort to maximize their

influence on a particular matter. So even if you restrict a lobbyist's personal giving to a reasonable amount like \$250 per candidate, they still can contribute a significant amount to a candidate's campaign by amassing five or ten individual contributions of \$250 each, all of which could conceivably be matched. Ten different gifts amounts of \$150, \$200 or \$250 raised individually, but presented collectively, would amount to a "gift" to a candidates campaign of around \$10,000 if all were to be matched – a significant sum that would catch the attention and interest of any elected official or candidate running for office.

If the Campaign Finance Board wishes to reduce the influence of lobbyists in campaigns, it must not only seek to limit the size of their individual contributions, but restrict the ability of lobbyists to raise money through bundling – a tactic that brings them a great deal of consideration and influence in the process of awarding contracts and making policy decisions. I am not sure if such a restriction is legal or even possible, but the true strength of a lobbyist's role is in raising money, not just contributing.

The Campaign Finance Board should also consider restricting lobbyists' gifts to the campaign committee for the office for which the person is currently running and not some future office. There were a number of times in 2003 when I found out that incumbents running for re-election in 2003 were not just raising money for their re-election campaign efforts for 2003, but also for their anticipated re-election campaign of 2005. Since candidates could raise money for their 2003 and 2005 re-election efforts during a single campaign season, this technically allowed lobbyists or others with business before the city to double their influence at a time when the voters had not yet voted on whether to returned the incumbent to office in November of 2003. So even if a law is passed limiting lobbyists' contributions to \$250 per campaign, candidates could conceivably raise twice that from lobbyists if they have established a campaign committee for a future re-election campaign. This practice should end and would further aid in limiting the influence of lobbyists support during a particular campaign season.

This issue of contributions from lobbyists also begs the question about how candidates for city council speaker raise money to strengthen their influence with their colleagues and candidates hoping to be elected to the city council. Candidates for speaker often create other accounts for which they can raise money that then they can use in helping to spread around their wealth and influence as they build support for their campaign for speaker. This is another unchecked opportunity for lobbyists to wield their influence by being able to make contributions to a campaign committee or PAC other than the one from which the incumbent is running his or her re-election campaign.

Limiting the size of the gifts from lobbyists and others who do business with the city is a very good step, but it doesn't address the more significant way in which lobbyists are able to support and influence the actions of elected officials: that of raising money and bundling those contributions. Any meaningful strengthening of the campaign finance law in this arena of lobbyist influence must address this issue of bundling.

Thank you again for inviting Citizens Union to testify on this important matter.