

## ***Question # 1: Campaign Finance***

This proposal would amend the City Charter to lower the amount that a candidate for City elected office may accept from a contributor. It would also increase the public funding used to match a portion of the contributions received by a candidate who participates in the City's public financing program. In addition, the proposal would make public matching funds available earlier in the election year to participating candidates who can demonstrate need for the funds. It would also ease a requirement that candidates for Mayor, Comptroller, or Public Advocate must meet to qualify for matching funds.

**Contribution Limits.** Currently, the maximum total amount a candidate may accept from a contributor per election cycle (including both the primary and general elections) is (a) \$5,100 for candidates for Mayor, Public Advocate, or Comptroller ("Citywide offices"); (b) \$3,950 for candidates for Borough President; and (c) \$2,850 for candidates for the City Council. These limits apply both to candidates who choose to participate in the public financing program ("participating candidates") and to those who do not ("non-participating candidates") and are indexed to inflation.

Under the proposed Charter amendments, these contribution limits would be reduced. The maximum total amount a *participating* candidate may accept from a contributor per election cycle would be \$2,000 for candidates for Mayor, Public Advocate, or Comptroller; \$1,500 for candidates for Borough President; and \$1,000 for candidates for the City Council. The maximum total amount a *non-participating* candidate may accept from a contributor per election cycle would be \$3,500 for candidates for Mayor, Public Advocate, or Comptroller; \$2,500 for candidates for Borough President; and \$1,500 for candidates for the City Council. The proposed contribution limits for participating candidates are lower than those for non-participating candidates because only participating candidates are eligible to receive public matching funds. The proposed amendment would not alter existing prohibitions and limits based on the identity of the contributor, including the prohibition on contributions from corporations, LLCs, and partnerships, and the limits on contributions from lobbyists and those doing business with the City. Additionally, all contribution limits would continue to be indexed to inflation.

<b>Office</b>	<b>Current Limit</b>	<b>Proposed Limit (Participants)</b>	<b>Proposed Limit (Non-participants)</b>
Citywide offices	\$5,100	\$2,000	\$3,500
Borough President	\$3,950	\$1,500	\$2,500
City Council	\$2,850	\$1,000	\$1,500

**Public Funds Matching Formula.** Currently, participating candidates, who meet certain qualifying thresholds, are eligible to receive public matching funds at a rate of \$6 in public funds for every \$1 in matchable contributions, up to the first \$175 per contributor. Thus, a \$500 contribution is currently matched with \$1,050 in public funds (6 x \$175), generating a total of \$1,550 for the candidate.

Under the proposed Charter amendments, the public match would be increased to \$8 in public funds for every \$1 in matchable private contributions, up to the first \$250 per contributor to candidates for Citywide office and up to the first \$175 per contributor to candidates for Borough President or City Council. Thus, a \$500 contribution to a candidate for Citywide office would be matched with \$2,000 in public funds (8 x \$250), generating a total of \$2,500 for the candidate, and a \$500 contribution to a candidate for Borough President or City Council would be matched with \$1,400 (8 x \$175) for a total of \$1,900. The proposed amendment would not alter existing laws that render certain contributions ineligible for public matching, such as contributions from lobbyists and those doing business with the City.

<b>Office</b>	<b>Current Match</b>	<b>Proposed Match</b>
Citywide offices	6:1 on first \$175	8:1 on first \$250
Borough President	6:1 on first \$175	8:1 on first \$175
City Council	6:1 on first \$175	8:1 on first \$175

**Maximum Amount of Public Funds (“Public Funds Cap”).** Under current law, the total amount of public matching funds that a participating candidate may receive, per election, is capped at 55% of the expenditure limit applicable to participating candidates for the office being sought. Under the proposed amendments, the cap on the total amount of public matching funds that a participating candidate may receive, per election, would be increased from 55% to 75% of the expenditure limit for the office being sought. Thus, based on the current expenditure limits, which are indexed to inflation and which these amendments do not alter, the maximum amount of public

matching funds available to candidates would increase as shown in the table below:

<b>Office</b>	<b>Current Public Funds Cap (55% of Expenditure Limit)</b>	<b>Proposed Public Funds Cap (75% of Expenditure Limit)</b>
Mayor	\$4,007,300	\$5,464,500
Comptroller or Public Advocate	\$2,505,250	\$3,416,250
Borough President	\$902,000	\$1,230,000
City Council	\$104,500	\$142,500

**Qualifying Thresholds.** To qualify for public funds, participating candidates currently must raise matchable contributions totaling at least certain threshold dollar amounts (differing by office), counting only the first \$175 per donor. The proposed amendments would not alter the monetary thresholds, but would permit candidates for Citywide offices to count the first \$250 per donor, tracking the change in the matching formula for those offices. This would make it somewhat easier for candidates for Citywide offices to qualify for matching funds.

**Timing of Disbursement of Public Funds.** Under current law, participating candidates who meet the qualifying thresholds for receipt of public funds (“qualifying candidates”) are eligible for an initial disbursement of public funds in June of the election year. That disbursement is limited to \$250,000 for candidates for Mayor, \$125,000 for candidates for Comptroller and Public Advocate, \$50,000 for candidates for Borough President, and \$10,000 for candidates for City Council. The remaining public funds are not disbursed until two weeks after petitions for the primary ballot are filed, which is typically in early August of the election year, about five to six weeks before the primary.

The proposed amendments would allow qualifying candidates to receive public matching funds in February and April of the election year, in addition to June, August, and beyond, and would remove the monetary limits on the pre-August distribution of funds. However, qualifying candidates would not be eligible to receive any disbursement of public funds prior to August of the election year unless they submit a certified statement attesting to the need for the funds and demonstrating that they meet provisions in the current law that require candidates seeking more than a certain amount of public funds to show that they have a viable opponent or that they are running against an identified opponent in an open election.

**Implementation.** The proposed Charter amendments regarding campaign finance would apply to participating candidates who choose to have the amendments apply to their campaigns beginning with the 2021 primary election. The amendments would then apply to all candidates beginning in 2022. Those candidates who choose to operate under the post-amendment system for the 2021 primary and general elections will be allowed to retain any campaign contributions received prior to January 12, 2019, to the extent such contributions complied with the pre-amendment law, and such contributions would be eligible for public matching under the pre-amendment law.