



MEMORANDUM OF SUPPORT
Preconsidered Intro. T2022-2607

A Local Law to amend the New York city charter, in relation to requiring disclosure of the identity of contributors to entities making independent expenditures in support of or in opposition to any municipal ballot proposal or referendum

December 13, 2022

Summary of provisions

Preconsidered Intro. T2022-2607 (Brooks-Powers) would require independent expenditure entities (IEs) that spend money on municipal ballot proposal elections to disclose certain donors in the same manner IEs that spend money on city offices are required to do. These include the funding sources of IEs that spend more than \$50,000, the owners, officers, and board members of IEs, and a “paid for by” disclosure, with names of donors, on campaign material.

Statement of Support

This bill would strengthen New York City’s robust campaign finance system by expanding disclosure requirements for independent spenders to campaigns for municipal ballot. Similar disclosure rules in elections for city offices have helped voters learn who is funding campaigns and reduced the effect of “dark money” in our city. Extending these rules to ballot proposal campaigns is a reasonable response to new challenges facing our campaign finance system. Citizens Union notes certain parts of the bill’s language should be changed before approval.

Details of Position

New York City has some of the strictest disclosure rules in the country concerning unlimited outside spending. Under City Charter Section 1052(a)(15), every independent spender must disclose how much they have spent, what they have spent money on, and whether it was in support of or in opposition to a candidate or ballot initiative. However, contribution and donor disclosure are not as strict when it comes to ballot initiatives. IEs that spend money on ballot initiatives are exempt from disclosing most of their donors and funding sources. They are not required to post “paid for by” notices on their campaign material, as other IEs do.

The results of the 2021 November vote on statewide ballot proposals have demonstrated the significant impact that big-money spending can have on a referendum. According to news reports, 3 million dollars were spent on an opposition campaign through one political party’s “housekeeping” account, funded by one individual billionaire.¹ Popular voting reforms were ultimately rejected on the ballot.

¹ Why New Yorkers Rejected Ballot Proposals on Voting and Redistricting, New York Times, 11/03/21
<https://www.nytimes.com/2021/11/03/nyregion/ny-ballot-measures.html>; Billionaire funded barrage of ads against ballot

Independent expenditures have been involved in the last few municipal ballot proposals as well. In 2018, voters were asked to vote on three ballot questions. Independent expenditures spent a total of \$125,659 on supporting and opposing the questions, but only \$1,241 was reported as contributions. In 2019, five questions were on the ballot. Independent expenditures supporting and opposing the questions totaled \$1,279,388, yet \$0 of contributions were reported.² Clearly, the amount of outside money making its way into our city elections is on the rise.

Citizens Union supported some of the above-mentioned ballot proposals and opposed others. But no matter what one's position on those questions might be, **New York voters have a right to know who is funding the campaigns to convince them to vote one way or another. Independent expenditures should disclose their source of funding when spending on ballot proposals.**

However, Citizens Union notes that the current bill deletes the words "in any covered election" from City Charter Section 1052(a)(15)(b). This change could be interpreted to mean that disclosure rules apply to non-city elections, which are not under the jurisdiction of the City Charter. The Council should redraft that section before moving the bill forward.

questions, Times Union, 11/12/21 <https://www.timesunion.com/state/article/Billionaire-funded-barrage-of-ads-against-ballot-16616524.php>

² NYCCFB Independent Expenditure Summary data for 2019 and 2018.