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CITIZENS UNION APPLAUDS US COURT OF APPEALS DECISION UPHOLDING CITY CAMPAIGN FINANCE LAW

Doing Business Limitations Remain an Important Component of City's Robust Campaign Finance Program

Statement by Dick Dadey, Executive Director

Citizens Union is pleased with the decision today of the Second Circuit of the United States Court of Appeals to dismiss challenges to the doing business limitations of the city's campaign finance laws. Citizens Union supported the city's law by submitting an amicus brief, and has been an instrumental player in enacting the city's robust campaign finance system. The public matching program for city candidates for office was first created in 1988. Upon thoughtful and deliberate review of the program, the city enacted further reforms in 2006 creating limitations for entities and individuals doing business with the city, which were advanced and supported by Citizens Union. The 2006 reforms included:

1. Limiting campaign contributions by individuals and entities that have business dealings with the City, including lobbyists (\$400 limit for contributions to citywide candidates and \$250 limit for city council candidates, whether or not the candidate is in the voluntary matching program);
2. Excluding such "doing business contributions" from a match of public dollars given to candidates enrolled in the public financing program; and
3. Expanding the prohibition on contributions from corporations to include partnerships, Limited Liability Companies (LLCs) and Limited Liability Partnerships (LLPs).

The decision of the Second Circuit found the city's law to be appropriate and narrowly drawn, noting that the judiciary owes special deference to legislative determinations regarding campaign finance restrictions. By limiting the contributions of individuals and entities doing business with the city rather than banning them outright, the court believed that the law helped to reduce the public perception of *quid pro quo* corruption. The court also noted that the recent *Citizens United* decision was not applicable in this case, as it related to expenditures by independent groups rather than contributions given directly to candidates, and stated that corruption or the appearance of corruption threatens the public's faith in democracy.

Citizens Union applauds this decision, and will continue to monitor legal challenges to the city's campaign finance laws. Citizens Union is also actively working to enact campaign finance reforms at the state level in Albany modeled after the city system.

Citizens Union of the City of New York, a nonpartisan force for good government for more than 100 years, works to inform and engage New Yorkers, to ensure local and state government values its citizens, addresses critical issues, and operates in a fair, open, and fiscally sound manner.

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