

October 15, 2004

Supplemental Testimony of Frederick A.O. Schwarz, Jr. Re Intr. 124-A

The Board continues to believe that the legislation takes a number of steps, many long sought by the Board, to improve the Program, and to support the legislation overall, with the concerns voiced in my testimony of September 29, a number of which have been addressed

Since the hearing on this bill on September 29, new provisions have been added to the legislation to exempt city campaigns from the complex provisions intended to govern transfers from old political committees to new committees operating under the Campaign Finance Act. The Board supports a ban on all war chest transfers and urged the City Council at the last hearing to institute a ban. What remains now in the bill are only onerous administrative process provisions that will apply to all war chest transfers except transfers from campaigns that happen to have participated in the Campaign Finance Program. The Board opposes these provisions, especially in light of the fact that there will be no ultimate ban on transfers. In addition, the Board objects to an exception for campaigns that happen to have operated under the Campaign Finance Program. The unfairness of war chest transfers is present for most purposes whether or not the war chest resides in the campaign of a candidate who previously participated in the Program. The exception will unfairly give preference, especially with respect to the expenditure limits, to some candidates who have war chests compared with others.