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Summary

Special legislation enacted for Chapel Hill might foretell publicly financed political campaigns in North Carolina.



“To compel a man to furnish funds for the propagation of ideas he disbelieves and abhors is sinful and tyrannical.”

Thomas Jefferson



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CIVITAS INSTITUTE CONSERVATIVE PERSPECTIVE ON NORTH CAROLINA ISSUES

Public Campaign Financing ...All Cost, No Benefit

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Should taxpayers be forced to finance the campaigns of candidates with whom they disagree? Legislation recently passed by the General Assembly says that Chapel Hill citizens will. This comes courtesy of Senate Bill 418, which allows the implementation of a publicly financed campaign program for Chapel Hill's municipal elections. Under such a system, taxpayer money will be used to fund the races of candidates who have chosen to largely forgo private fundraising and adhere to pre-set spending limits.

If the liberal members of the Legislature have their way, North Carolina will be going the same way as Chapel Hill. Chapel Hill's local bill is similar to House Bill 1517, currently being debated in the Appropriations Committee. HB 1517 introduces taxpayer financed campaigns to Council of State elections – namely for state auditor, superintendent of public instruction, and commissioner of insurance.

The supporters of HB 1517 and other such schemes have made grandiose promises of how their plan would rid politics of special interest influence. But they have conveniently ignored the chilling effects that taxpayer-financed elections would have on free speech rights for North Carolinians.

Whether instituted on a statewide or a local level, the problems remain the same. In short, a publicly financed campaign system forces taxpayers to fund candidates who are completely opposed to what the public might want. Under such a system, someone like David Duke – a former grand wizard of the KKK – could use tax dollars to run for mayor of Chapel Hill or for state superintendent of public instruction.

Furthermore, HB 1517 would ban citizens from voluntarily donating money to publicly financed candidates. In essence, taxpayer-financed elections stifle the expression of political opinions and the right to propagate such opinions through campaign contributions.

Does the Public Support This?

Proponents of taxpayer-financed campaigns have claimed that their plan enjoys widespread public approval. In reality, **only 10 percent of voters and taxpayers support publicly financed campaigns.**

- A statewide DecisionMaker Poll just released by the Civitas Institute asked 800 people who have a history of voting: “Should the state use taxpayer dollars to fund political campaigns for council of state, such as insurance commissioner and state auditor?” An overwhelming 84 percent of voters said no. Only 10 percent said yes, while the remaining 6 percent responded “not sure.”

- Similarly, out of more than 11.1 million North Carolinians who filed taxes between 2003 and 2005, only 10 percent chose to voluntarily participate in the “N.C. Public Campaign Fund” for appellate judicial elections.

Taxpayers Forced to Finance “Hand-Picked” Candidates

The primary qualifying mechanism for those wishing to certify as publicly financed candidates would be a minimum number of small donations to demonstrate “public support.” Contrary to the claims of HB 1517's supporters, this process opens the door for even greater special interest influence.

Under HB 1517, labor unions and 527s would be able to select their preferred

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candidate and then simply solicit their membership list to come up with the qualifying donations. This means that taxpayers would be forced to foot the bill for hand-picked candidates. In turn, these candidates would be fully aware of which group hand-picked them, possibly making them even more beholden to special interests. Moreover, because they will be able to use relatively small amounts of money to qualify their chosen candidates and then leverage taxpayer dollars, special interest groups would be able to have an influence over even more elections without increasing their overall donations.

Broken Promises

Besides ridding politics of the influence of special interests, supporters of taxpayer-financed elections also promise that such a system would increase voter turnout and permit more candidates to run for office. Experience reveals otherwise.

Arizona implemented taxpayer-financed elections for all statewide offices in 2000. Under this program, the number of statewide and legislative candidates actually decreased. Likewise, Arizona's Goldwater Institute examined voter turnout rates before and after 2000, concluding that "publicly financed" elections failed to increase voter participation.

In fact, the experience in Arizona has been such a disappointment that the Arizona Republic summed it up as follows: "Here's the bottom line. ... We're left with a system that limits free speech, unfairly favors certain candidates, keeps powerful special interests in the game and drains funds from state priorities."

North Carolina saw the same problems during the 2006 election, which featured public funding for judicial candidates. Acknowledged a December 22, 2006, article by Chris Heagarty, executive director of the North Carolina Center for Voter Education (NCCVE): "State Democrats must have thought Christmas had come early, when in the last week before the election over a quarter-million dollars of TV advertising aired to the benefit of three of their four Supreme Court candidates. All three won, though one very narrowly. This present was delivered by FairJudges.net, a so-called 527 group, and was funded by Democratic Party committees, attorneys, labor groups and big campaign contributors." Continued Heagarty, "But come 2008, these same Democrats will find that the Election Day gift they opened wasn't an early Christmas present at all, but Pandora's box, unleashing a torrent of special-interest money into our judicial elections." Indeed, Heagarty concluded that 2006 was "the year of the 527."

So, which is it? Did the public financing of campaigns free the appellate judicial elections of any taint of special interest influence, or rather, inject "a torrent of special-interest money"?

And that's not all. Heagarty's article goes on to expose another fatal flaw in taxpayer-financed elections – the fact that such elections are subject to legal manipulation. According to Heagarty, lobbyists are already conducting seminars on how to "play the finance arena aggressively" and being encouraged to "file complaints, request declaratory rulings, litigate if necessary." It seems the strict reporting regulations and vague rules inherent to taxpayer-financed elections make such campaigns susceptible to frivolous lawsuits. If HB 1517 passes, expect even more campaigns to deteriorate into a battle of dirty accusations and distracting legal ploys, leaving little time for candidates to actually communicate their ideas to voters.

Who is Really Behind Publicly Financed Elections?

The primary supporters of taxpayer-financed elections in North Carolina are two nonprofit, 501(c)3 groups: Democracy North Carolina and the North Carolina Center for Voter Education (NCCVE).

Robert Morgan, a former Democrat senator, is the head of NCCVE. According to Morgan, "elected officials ought to be accountable to the voters and taxpayers, not special interests." Interestingly, the public tax reports of NCCVE do not state who is funding Morgan's group. Likewise, Democracy North Carolina's tax records do not mention who their funding source is. Why the secrecy?

Ironically, even as Democracy North Carolina is criticizing the use of special inter-

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est money to influence legislators, they are conducting an “Adult Leadership Training” program aimed at helping advocacy (read: special interest) groups “lobby their elected leaders.” All in all, Democracy North Carolina’s tax returns indicate that they themselves spent more than \$13,000 in 2004 and 2005 combined “to influence a legislative body.”

A quick look at the board members of these organizations also reveals that they are being run by individuals who represent several influential special interest organizations. These include the State Employees Association, the Mexican Association of N.C., and the N.C. Justice Center. These groups may not be able to contribute money to campaigns, but they do maintain a presence at the General Assembly trying to – you guessed it – influence legislation to benefit their organizations.

Finally, consider the case of Courtney Crowder, who sits on the board of the North Carolina Center for Voter Education. Crowder is a senior account executive of government relations for Capstrat, a Raleigh-based lobbying firm. Among Capstrat’s stated goals is to “help businesses, associations and nonprofit organizations ... *pass – or block – legislation*” (emphasis added). He is also a former special assistant to Insurance Commissioner Jim Long – who, as a sitting incumbent, stands to personally benefit from HB 1517.

Citizens Beware

Experience shows taxpayer-financed elections fail to live up to the lofty promises made by supporters and may, in fact, make matters worse. If HB 1517 passes, it is likely that North Carolina voters would see none of the promised benefits – and instead see their free speech rights severely limited.