

Do Taxpayer-Funded Campaigns Reduce Lobbyist and Special Interest Influence?

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Note: The following report is an updated version of an Issue Analysis originally published by the Center for Competitive Politics in March 2008. This version has been edited to include data from five additional years in Arizona (2008 – 2012) and six additional years in Maine (2008 – 2013).

Issue

Beginning with the 2000 election cycle, Arizona and Maine instituted taxpayer-funded political campaign programs for state legislative races. Sometimes called “clean elections” by their supporters, these programs seek to replace voluntary, private contributions from citizens to the candidates of their choice with government grants to candidates who meet certain requirements.

Proponents of taxpayer-funded political campaigns systems argue that these programs reduce the influence of lobbyists and elevate the influence of average citizens. Accordingly, these advocates claim that replacing private, voluntary contributions to candidates with government grants will weaken or sever the tie between public policy and so-called “special interests.”

For example, Arizona Advocacy Network, an organization that promotes Arizona’s Citizens Clean Elections Act, argues that “elected officials using the system would be more connected to and accountable to their voters, not to lobbyists and big-money

special interests.”¹ Similarly, Nick Nyhart, President and CEO of Public Campaign, a leading advocate for taxpayer-financed campaigns, contends that “Public financing systems like the one in Arizona ... are tools to restore accountability to government, and to put power back in the hands of voters, not special interests.”²

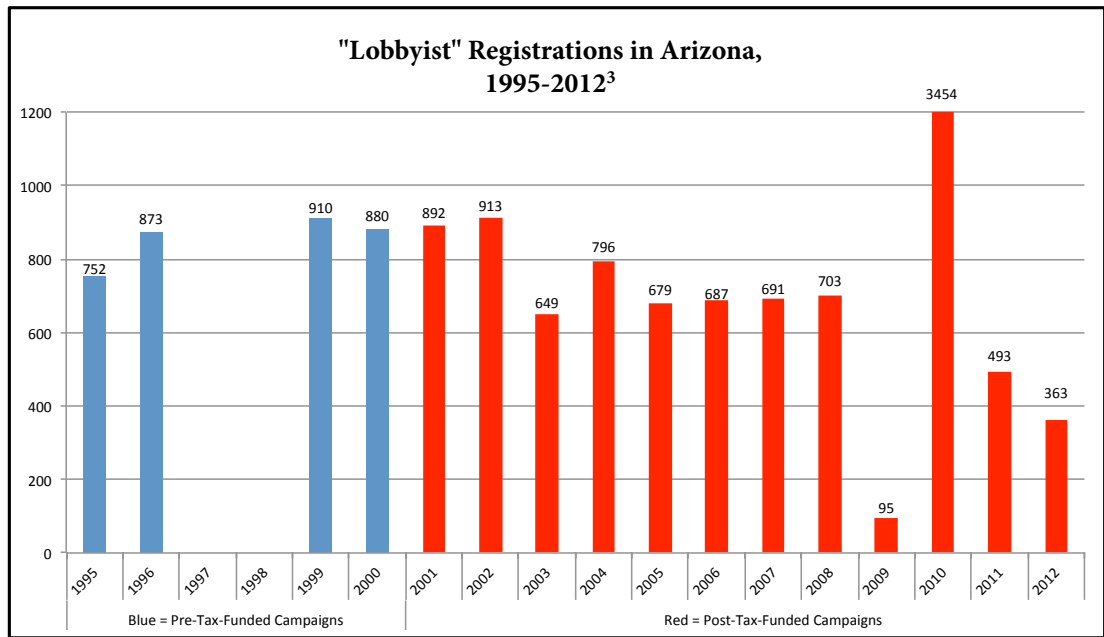
This research evaluates these claims by analyzing the number of lobbyist registrations in the two states that have had taxpayer-funded political campaigns since 2000, Arizona and Maine. If replacing private contributions with tax dollars does indeed reduce lobbyist influence and effectiveness, we would expect to see a stagnation or decline in the number of lobbyist registrations in both Arizona and Maine since both states’ tax-financing programs began in 2000.

Analysis

Arizona and Maine have experienced strikingly different trends in lobbyist registrations since adopting taxpayer-funded political campaigns in the 2000 election cycle. In Arizona, the number of lobbyist registrations has generally declined, while in Maine the number of lobbyist registrations has gen-

1 “The Benefits of Clean Elections,” Arizona Advocacy Network. Retrieved on July 2, 2013. Available at: http://www.azadvocacy.org/images/stories/documents/benefits_of_clean_elections.pdf (2012), p. 1.

2 Adam Smith, “Watchdog: Supreme Court Should Uphold Arizona Clean Elections,” Public Campaign. Retrieved on July 2, 2013. Available at: <http://www.publiccampaign.org/pressroom/2011/03/28/watchdog-supreme-court-should-uphold-arizona-clean-elections> (March 28, 2011).



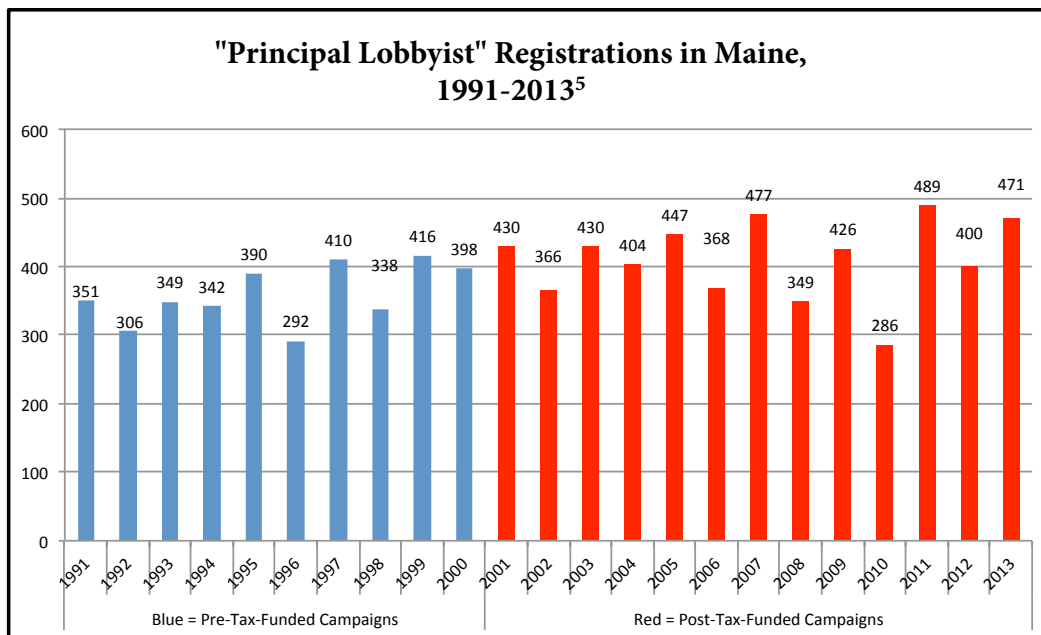
erally increased. If taxpayer funding of campaigns has any significant relationship to lobbyist activity, we would expect Arizona and Maine to experience similar trends in lobbyist registration after 2000. The differing experiences of the two states suggests that lobbyist activity is driven by factors unrelated to each state’s tax-financing program.

³ Arizona law requires both lobbyists and their employers to register with the state. (Employers of ‘Lobbyists’ must also register as a ‘Principal,’ if a private-sector company, or as a ‘Public Body,’ if a government entity). Arizona’s Secretary of State’s Office informed the Center that counting only ‘Lobbyist’ registrations would be more accurate for capturing the level of lobbyist activity in the state than counting the total number of lobbyist registrations, which would inflate the registration figures by including Lobbyists’ employers. Because the Secretary of State’s Office was unable to provide registration data for multiple years (1997-2001), the spike in ‘Principal’ registrations from 2001 (892) was used to represent the ‘Lobbyist’ registrations for that year. ‘Lobbyist’ registration data for 1999 and 2000 was taken from the Center for Competitive Politics’ original March 2008 Issue Analysis on this topic: Laura Renz & Sean Parnell, “Do ‘Clean Elections’ Reduce Lobbyist and Special Interest Influence?” Center for Competitive Politics Issue Analysis No. 1. Retrieved on June 25, 2013. Available at: http://www.campaignfreedom.org/doclib/20080327_Issue_Analysis_1.pdf (March 2008), p. 2. Lobbyist registration data was not available for 1997 or 1998. Data was also not available prior to 1995. Lobbyist registration data for all other years was compiled from Arizona Secretary of State Annual Reports, 1995-2012. Available at: http://www.azsos.gov/public_services/annual_report/sos_annual_reports.htm.

In 1995, Arizona had 752 lobbyist registrations, compared to only 363 in 2012. In the years before implementing taxpayer-funded campaigns, Arizona averaged 854 lobbyist registrations per year. Since then, excluding the outliers of 2009 and 2010, Arizona has averaged 687 lobbyist registrations per year, an average decrease of 167.

However, Arizona has experienced massive fluctuations in its number of lobbyist registrations annually. For example, Arizona reports only 95 lobbyist registrations in 2009, but 3,454 in 2010. These spikes indicate that other factors unrelated to Arizona’s tax-financing program are driving lobbyist activity. For example, in 2010, Arizona’s Legislature considered and ultimately passed “the broadest and strictest immigration measure in generations...”⁴ The measure was highly controversial, the subject of national media scrutiny, and eventually privy to numerous constitutional challenges. Predictably, it was during this year that Arizona had (by far) its highest number of lobbyist registrations (3,454). Although just one example, this suggests that it is not how a candidate is elected that determines how many lobbyists a state has, but rather the importance and salience of the legislation an elected official considers.

⁴ Randal C. Archibold, “Arizona Enacts Stringent Law on Immigration,” *The New York Times*. Retrieved on July 1, 2013. Available at: <http://www.nytimes.com/2010/04/24/us/politics/24immig.html?ref=us&r=0> (April 23, 2010).



In contrast to Arizona, Maine has seen a general increase in the number of lobbyist registrations since enacting taxpayer-funded campaigns. Maine had 351 lobbyist registrations in 1991, which rose to 398 in 2000, the last year of a sitting Legislature elected through private, voluntary contributions to candidates. Since 2000, the number of registered lobbyists in Maine has risen to 471 in 2013. In the years before taxpayer-funded political campaigns, Maine averaged 359 lobbyist registrations per year. Since implementing taxpayer-funded campaigns, Maine has averaged 411 lobbyist registrations per year, an average increase of 52 registrations.

The general trend in Maine, both before and af-

⁵ Data on lobbyist registrations from 1991-2007 was provided by the Maine Ethics Commission (MEC). Maine has two classes of lobbyists that must register: Principal Lobbyists and Lobbyist Associates. Further, lobbyists must individually register for each client that they lobby for, meaning one lobbyist may have several registrations in a given year. Accordingly, difficulties finding consistent, accurate data dictated which types of data was used. Data from 1991-2007 was taken from a spreadsheet provided to us by the MEC. This data is reported as 'Lobbyist Registrations.' 2009-2013 data was derived from MEC's annually compiled lists of lobbyists, which are made available in Excel format for those years. We count only 'Principal Lobbyists,' but include duplicate registrations, in an effort to produce data consistent with 1991-2007 registrations. 2008 data was manually counted from a list of lobbyists, using the same criteria described above. 2008-2013 lobbyist registration data accessible at: <http://www.maine.gov/ethics/disclosure/lobbyists.htm>.

ter implementation of taxpayer funding of political campaigns, has been a gradual increase in the number of lobbyist registrations. This further suggests that Maine's tax-financed campaign program has failed to reduce the number of registered lobbyists, contrary to proponents' claims.

Conclusion

The evidence from both states does not support the claim that replacing private, voluntary contributions to candidates with government grants will reduce the influence of lobbyists. Arizona has experienced fluctuations in lobbyist registrations, which suggests that other factors may influence lobbyist activity. By contrast, Maine has experienced a steady increase in lobbyist registrations over time, apparently unaffected by the implementation of taxpayer-funded campaigns in the 2000 election cycle.

Arizona and Maine have experienced such different results in the number of lobbyist registrations since the inception of their tax-funded campaign programs that the existence of any significant relationship between the presence or absence of "clean elections" programs and the amount of lobbyist activity is doubtful. Policymakers hoping to sever or weaken the alleged ties between legislators and so-called "special interests" through taxpayer funding of political campaigns are likely to be frustrated and unsuccessful in their efforts.



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