



ELEC-TRONIC

An Election Law Enforcement Commission Newsletter

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"Furthering the Interest of an Informed Citizenry"

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Website:

www.elec.state.nj.us

Comments from the Chairman Ronald DeFilippis

Every February 15, Governmental Affairs Agents and Represented Entities (lobbyists) file reports with the Commission summarizing their financial activity.

These reports cover their financial activity undertaken in the previous year.

Information required to be disclosed includes financial activity conducted for the purpose of communication with or providing benefits to a member of the Legislature, legislative staff, the Governor, his or her staff, or an officer or staff member of the executive branch.

In both instances, reporting is required when undertaken for the purpose of influencing legislation, regulations, or governmental processes.

Government processes include contracts, grants, permits, rate setting, executive orders, fines and penalties, and procedures for purchasing.

Another important bit of information filed by lobbyists involves grassroots lobbying. Any individual or group spending in excess of \$2,500 to communicate with the public for the purpose of influencing legislation or regulation must disclose this activity to the Commission.

The grassroots-lobbying requirement does not just cover registered lobbyists. It also covers those individuals who are not registered lobbyists but who engage in issue advocacy.

Any Governmental Affairs Agent or Represented Entity that receives or expends more than \$2,500 in the previous calendar year is required to disclose financial activity with the Commission.

The financial reports submitted by the lobbying community provide information involving five general categories. The categories are in-house salaries, compensation to contract lobbying firms, communication, support personnel, and travel and lodging.

The Lobbying Law in New Jersey only requires lobbying of State government to be disclosed. It does not include lobbying at the local level.

As part of its annual report proposals, the Commission has recommended that the law be amended to require lobbying at the local level of government to also be reported.

Lobbying at the local level would include lobbying on local governmental entities as well as lobbying by local governmental bodies.

In March, the Commission will publish an analysis of lobbying activity undertaken in 2014.

This analysis will set forth the top ten lobbyists in terms of communication spending, the top ten special interest groups in terms of total spending, and the top ten contract lobbying firms in terms of total receipts.

The report in March will provide the public with a comprehensive view of lobbying activity at the State level.

Executive Director's Thoughts Jeff Brindle

D.C. case could reverberate in New Jersey

Reprinted from politickernj.com

In a case that could have an impact both nationally and in New Jersey, the U.S. Court of Appeals for the District of Columbia soon will hear a challenge to federal contribution limits.

Laura Holmes and Paul Jost, with the backing of the Center for Competitive Politics, are challenging a provision in the Federal Election Campaign Act (FECA) that limits contributions by individuals to \$2,600 in the primary and \$2,600 in the general election.

Holmes and Jost want to be able to contribute \$5,200 in the general election under circumstances by which they do not contribute in the primary.

The issue centers around the fact that in federal law candidates who are not opposed in the primary are allowed to "bank" primary election contributions for general election purposes.

If Holmes and Jost are successful they would be able to contribute \$5,200, or 2 times \$2,600, to a general election candidate.

This, they say, would put them at par with contributors who gave \$2,600 in the primary and had their donations banked and combined with their additional \$2,600 in the general election.

Holmes and Jost say they are not challenging contribution limits per se but just this aspect of the law which Holmes says is "ridiculous."

Since candidates are allowed to bank contributions for the general election anyway, as a practical matter, the law already permits what they are asking to do.

On November 17, 2014, the United States District Court for D.C. certified two Constitutional questions to the en banc Court of Appeals, District of Columbia.



FECA includes a provision that requires all 11 judges to act swiftly in reviewing the constitutional challenges.

Whether or not the Appeals Court finds the FECA unconstitutional, the case will likely be appealed to the U.S. Supreme Court.

The outcome of this process may have implications for New Jersey's Campaign Finance Law.

The State's statute specific to this issue mirrors federal law. Individuals in the Garden State are permitted to contribute \$2,600 in the primary and a separate \$2,600 in the general election.

Further complicating the issue in New Jersey is the fact that candidates are allowed to form joint committees, permitting double, sometimes triple the \$2,600 contribution to the committee.

While New Jersey law does not specifically allow a contribution to be "banked" it does permit funds remaining in the primary account of a candidate to be rolled over to his or her general election.

So the effect is the same. Candidates who were unopposed in the primary have a fundraising advantage over their general election opponents who were involved in a competitive contest.

What the Court will do is anyone's guess. However, given recent trends in court rulings it would not be surprising if the FECA provision is found unconstitutional.

If the Court does overturn this provision in federal law, and the U.S. Supreme Court agrees, then it is likely that a similar provision in New Jersey law also could face a legal challenge.

In that case, in order to enhance disclosure and track contributions, the Legislature may want to consider changing current New Jersey Campaign Finance Law by establishing a contribution limit that applies to an election cycle rather than to the primary and general election.

In other words, rather than having candidates create two separate committees, they would establish an election cycle committee that would cover both the primary and general elections.

Rather than a \$2,600 limit in the primary and a \$2,600 limit in the general election one \$5,200 limit would apply to the election cycle.

The same logic would apply to contributions limits applicable to joint committees. A two member joint committee, for example, would be subject to a \$10,400 limit per election cycle.

A variation of this concept already applies to political parties and PACs which are subject to a per year limit on incoming contributions.

This change would better protect the integrity of the contribution limits and enhance transparency.

White Paper No. 25 **Top Local Elections in NJ- A Tale of Two Cities and More.**

Newark and Jersey City have been the state's top political battlegrounds among municipalities and counties during the past 40 years, according to a new analysis by the New Jersey Election Law Enforcement Commission (ELEC).

Among the most costly 25 municipal or county elections since 1974, Newark hosted seven, while Jersey City had nine, according to "White Paper No. 25- Top Local Elections in New Jersey-A Tale of Two Cities and More." Joseph Donohue, ELEC's Deputy Director, authored the study.

While Jersey City had more marquee races, elections in Newark, the state's largest city by population, have been drawn the biggest bucks.

Four of the top five most expensive elections took place in Newark. The 2006 election, when adjusted for inflation, ranks highest.

Table 1
TOP 10 MOST EXPENSIVE LOCAL RACES IN NEW JERSEY

LOCATION	YEAR	TYPE	AMOUNT (UNADJUSTED)	AMOUNT (IN 2014 DOLLARS)	KEY RACE
Newark	2006	Municipal	\$11,437,051	\$13,439,543	Cory Booker defeats Ronald Rice for mayor.
Newark	2014	Municipal	\$12,562,933	\$12,562,933	Ras Baraka defeats Shavar Jeffries for mayor.
Newark	2002	Municipal	\$ 8,692,816	\$11,437,916	Mayor Sharpe James defeats Cory Booker.
Newark	2010	Municipal	\$ 9,827,153	\$10,670,090	Mayor Cory Booker defeats Clifford Minor.
Bergen County	2002	General	\$ 7,667,682	\$10,089,055	Dennis McNerney defeats Henry McNamara for Executive.
Jersey City	2001	Municipal	\$ 5,655,735	\$ 7,561,143	Glenn Cunningham defeats Tom DeGise to become mayor.
Jersey City	2009	Municipal	\$ 5,889,743	\$ 6,500,820	Mayor Jerramiah Healy defeats Louis Manzo.
Jersey City	1989	Municipal	\$ 3,041,000	\$ 5,803,435	Gerald McCann defeats Glenn Cunningham to become mayor.
Essex County	1978	General	\$ 1,514,107	\$ 5,505,844	Peter Shapiro defeats Robert Notte to Become Executive.
Jersey City	2013	Municipal	\$ 5,269,015	\$ 5,354,690	Steven Fulop defeats Jerramiah Healy for mayor.

Disregarding inflation, the 2014 election in Newark, which cost \$12.6 million, had the biggest price tag. It featured a fairly new phenomena in local New Jersey politics- \$5.5 million in spending by independent special interest groups not directly controlled by parties or candidates.

“The massive wave of so-called “outside” spending that has washed across politics nationally and in the state has now poured into local campaigns in New Jersey,” said Donohue. “If this trend continues, it represents a fundamental shift in how campaigns are financed in the state.”

Six of the other top 25 local elections took place in counties. The most expensive county election occurred in Bergen County in 2002, when Dennis McNerney defeated state Sen. Henry McNamara. The race cost \$10.1 million in inflation adjusted dollars and ranks 5th among all elections.

Among other highlights from the report:

- The involvement of independent groups has led to a sharp change in the pattern of spending, notably a major increase in mass media spending. Eighty-two percent of all independent spending in the 2014 Newark campaign went to media, primarily for either TV or radio. By contrast, candidates spent just 31 percent of their budgets on media.
- No candidate individually spent more than Jerramiah Healy, who sank \$3.5 million into a 2009 election in which he won reelection as Jersey City’s mayor.
- Even so, Former Newark Mayor Cory Booker, who mostly raised funds jointly with other local candidates, appears to be the most prolific local fundraiser of all time. His committees raised and spent more than \$20 million on five Newark elections.

- The most spent on a local ballot question was the \$1.2 million outlay by supporters and opponents of a 2010 proposal to allow private operation of Trenton’s water supply.
- A total of \$763 million has been spent on municipal and county elections during the past three decades.

“This report shows that local elections no longer are just sideshows to state campaigns. Some are becoming major political events,” said Donohue. “As a result, local campaigns are increasingly relying on similar strategies as national and state races.”

“The public, the media, academics and the political community now can use these rankings to compare future campaigns to see if trends continue. Hopefully, this report puts local elections in a clearer context,” he added.

The white paper report is available on ELEC’s website at www.elec.state.nj.us and at <http://www.elec.state.nj.us/pdffiles/whitepapers/white25.pdf>.

“BIG SIX” 4TH QUARTER 2014

With no statewide elections in 2014, combined campaign finance activity of the so-called “Big Six” committees dipped to the lowest level in at least 8 years, according to an analysis by the New Jersey Election Law Enforcement Commission (ELEC).

The two state parties and four legislative leadership committees raised a total of \$4.9 million, spend just over \$4 million and ended the year with just under \$1.7 million in the bank. The fundraising and spending totals are the lowest since at least 2007. Comparing only off-election years (cash reserves usually are low after elections), cash-on-hand totals previously were lower only in 2010.

“Traditional party fundraising groups are being buffeted by many headwinds,” said Jeff Brindle, ELEC’s Executive Director.

He said political parties should be strengthened to offset the influence of independent groups and the effects of tight restrictions on contractor contributions and contribution limits that have not been inflation adjusted for several years.

**TABLE 1
CAMPAIGN FINANCE ACTIVITY BY “BIG SIX”
JANUARY 1 THROUGH DECEMBER 31, 2014**

BOTH PARTIES	RAISED	SPENT**	CASH-ON-HAND	NET WORTH*	STATEWIDE ELECTIONS?
2007	\$ 19,177,655	\$ 23,367,064	\$ 377,324	\$ (521,409)	YES
2008	\$ 6,653,676	\$ 5,186,294	\$ 1,844,704	\$ 1,669,848	NO
2009	\$ 12,368,082	\$ 12,919,862	\$ 1,297,457	\$ 1,107,532	YES
2010	\$ 6,180,605	\$ 5,918,029	\$ 1,540,032	\$ 1,305,667	NO
2011	\$ 15,035,468	\$ 15,547,359	\$ 1,028,142	\$ 705,787	YES
2012	\$ 7,063,133	\$ 6,391,757	\$ 1,684,525	\$ 1,516,187	NO
2013	\$ 13,885,028	\$ 14,727,957	\$ 841,599	\$ 755,419	YES
2014	\$ 4,872,907	\$ 4,048,955	\$ 1,662,052	\$ 1,008,612	NO

* Net worth is cash-on-hand adjusted for debts owed to or by the committee.

** Some spending totals exceed fundraising because reserves were used to offset the extra spending.

Looking at 2014 campaign finance activity, Democratic committees as a group raised and spent more funds than Republicans, and reported a higher net worth (net worth is cash-on-hand adjusted for debts owed to or by a committee). Republicans reported more cash-on-hand at year's end.

Compared to 2010 year-end numbers, both parties raised and spent less money than four years ago, and Republicans also reported lower cash-on-hand and net worth totals. Democrats reported higher cash-on-hand and net worth numbers compared to 2010.

**TABLE 2
FUNDRAISING BY "BIG SIX" COMMITTEES
JANUARY 1 THROUGH DECEMBER 31, 2014**

REPUBLICANS	RAISED	SPENT**	CASH-ON-HAND	NET WORTH*
New Jersey Republican State Committee	\$ 1,663,324	\$ 1,522,137	\$ 553,549	\$ 25,818
Senate Republican Majority	\$ 255,348	\$ 93,495	\$ 218,089	\$ 218,089
Assembly Republican Victory	\$ 367,815	\$ 185,698	\$ 222,830	\$ 222,830
Sub Total-Republicans	\$ 2,286,487	\$ 1,801,330	\$ 994,468	\$ 466,737
Versus 2010 (Dollars)	\$ (652,652)	\$ (836,644)	\$ (81,209)	\$ (493,757)
Versus 2010 (Percent)	-22%	-32%	-8%	-51%
DEMOCRATS				
New Jersey Democratic State Committee	\$ 1,502,577	\$ 1,485,948	\$ 175,651	\$ 100,380
Senate Democratic Majority	\$ 374,125	\$ 278,545	\$ 174,718	\$ 154,718
Democratic Assembly Campaign Committee	\$ 709,718	\$ 483,132	\$ 317,215	\$ 286,777
Sub Total-Democrats	\$ 2,586,420	\$ 2,247,625	\$ 667,584	\$ 541,875
Versus 2010 (Dollars)	\$ (655,045)	\$ (1,032,430)	\$ 203,229	\$ 196,702
Versus 2010 (Percent)	-20%	-31%	44%	57%
Total-Both Parties				
Total-Both Parties	\$ 4,872,907	\$ 4,048,955	\$ 1,662,052	\$ 1,008,612
Versus 2010 (Dollars)	\$(1,307,698)	\$(1,869,074)	\$ 122,020	\$ (297,055)
Versus 2010 (Percent)	-21%	-32%	8%	-23%

* Net worth is cash-on-hand adjusted for debts owed to or by the committee.

** Some spending totals exceed fundraising because reserves were used to offset the extra spending.

To fortify parties, Brindle has urged the Legislature to enact ELEC-recommended legislation that would require independent groups to follow the same disclosure rules as parties and candidates, simplify the state's pay-to-play restrictions on contractors while extending the rules to PACs, allow contractors to give slightly more, and apply inflation adjustments to contribution limits that apply to other donors.

State Parties and Legislative Leadership Committees are required to report their financial activity to the Commission on a quarterly basis. The reports are available on ELEC's website at www.elec.state.nj.us. ELEC also can be accessed on Facebook (www.facebook.com/NJElectionLaw) and Twitter (www.twitter.com/elecny).

TRAINING SEMINARS 2015

The seminars listed below will be held at the Offices of the Commission, located at 28 West State St., Trenton, NJ. Please visit ELEC's website at <http://www.elec.state.nj.us> for more information on training seminar registration.

BUSINESS ENTITY PAY-TO-PLAY TRAINING	
February 13, 2015	10:00 a.m.
March 13, 2015	10:00 a.m.
March 25, 2015	10:00 a.m.
TREASURER TRAINING FOR CANDIDATES AND JOINT CANDIDATES COMMITTEES	
March 18, 2015	10:00 a.m.
March 31, 2015	10:00 a.m.
April 23, 2015	10:00 a.m.
September 17, 2015	10:00 a.m.
September 29, 2015	10:00 a.m.
TREASURER TRAINING FOR POLITICAL PARTY COMMITTEES AND PACS	
March 26, 2015	10:00 a.m.
June 17, 2015	10:00 a.m.
September 15, 2015	10:00 a.m.
December 16, 2015	10:00 a.m.
R-1 ELECTRONIC FILING SOFTWARE (REFS) TRAINING	
March 19, 2015	10:00 a.m.
April 2, 2015	10:00 a.m.
April 28, 2015	10:00 a.m.
July 28, 2015	10:00 a.m.
September 24, 2015	10:00 a.m.
September 30, 2015	10:00 a.m.

LOBBYING REPORTING DATES

	INCLUSION DATES	ELEC DUE DATE
Lobbying Quarterly Filing		
1 st Quarter	1/1/2015 to 3/31/2015	April 10, 2015
2 nd Quarter	4/1/2015 to 6/30/2015	July 10, 2015
3 rd Quarter	7/1/2015 to 9/30/2015	October 13, 2015
4 th Quarter	10/1/2015 to 12/31/2015	January 11, 2016

2015 REPORTING DATES

		<i>Inclusion Dates</i>	<i>Report Due Date</i>
Fire Commissioner - 2/21/2015			
29-day pre-election		Inception of campaign* - 1/20/15	1/23/2015
11-day pre-election		1/21/15 - 2/7/15	2/10/2015
20-day post-election		2/8/15 - 3/10/15	3/13/2015
48 Hour Notice Reports Start on 2/8/2015 through 2/21/2015			
School Board Election - 4/21/2015			
29-day pre-election		Inception of campaign* - 3/20/15	3/23/2015
11-day pre-election		3/21/15 - 4/7/15	4/10/2015
20-day post-election		4/8/15 - 5/8/15	5/11/2015
48 Hour Notice Reports Start on 4/8/2015 through 4/21/2015			
May Municipal Election - 5/12/2015			
29-day pre-election		Inception of campaign* - 4/10/15	4/13/2015
11-day pre-election		4/11/15 - 4/28/15	5/1/2015
20-day post-election		4/29/15 - 5/29/15	6/1/2015
48 Hour Notice Reports Start on 4/29/2015 through 5/12/2015			
Runoff (June)** - 6/9/2015			
29-day pre-election		No Report Required for this Period	
11-day pre-election		4/29/15 - 5/26/15	5/29/2015
20-day post-election		5/27/15-6/26/15	6/29/2015
48 Hour Notice Reports Start on 5/27/2015 through 6/9/2015			
Primary Election*** - 6/2/2015			
29-day pre-election		Inception of campaign* - 5/1/15	5/4/2015
11-day pre-election		5/2/15 - 5/19/15	5/22/2015
20-day post-election		5/20/15 - 6/19/15	6/22/2015
48 Hour Notice Reports Start on 5/20/2015 through 6/2/2015			
90 Day Start Date: 3/4/2015			
General Election*** - 11/3/2015			
29-day pre-election		6/20/15 - 10/2/15	10/5/2015
11-day pre-election		10/3/15 - 10/20/15	10/23/2015
20-day post-election		10/21/15 - 11/20/15	11/23/2015
48 Hour Notice Reports Start on 10/21/2015 through 11/3/2015			
Runoff (December)** - 12/8/2015			
29-day pre-election		No Report Required for this Period	
11-day pre-election		10/21/15 - 11/24/15	11/27/2015
20-day post-election		11/25/15 - 12/25/15	12/28/2015
48 Hour Notice Reports Start on 11/25/2015 through 12/8/2015			
PACs, PCFRs & Campaign Quarterly Filers			
1 st Quarter		1/1/15 - 3/31/15	4/15/2015
2 nd Quarter****		4/1/15 - 6/30/15	7/15/2015
3 rd Quarter		7/1/15 - 9/30/15	10/15/2015
4 th Quarter		10/1/15 - 12/31/15	1/15/2016

* Inception Date of Campaign (first time filers) or from January 1, 2015 (Quarterly filers).

** A candidate committee or joint candidates committee that is filing in a 2015 Runoff election is not required to file a 20-day post election report for the corresponding prior election (May Municipal or General).

*** Form PFD-1 is due on April 9, 2015 for Primary Election Candidates and June 12, 2015 for Independent General Election Candidates.

**** A second quarter report is needed by Independent/Non-Partisan General Election candidates if they started their campaign before 5/5/2015.