



ELEC^{tronic}

An Election Law Enforcement Commission Newsletter

ISSUE 116 • FEBRUARY 2019

Comments from the Chairman

Eric H. Jaso

"Let's be independent – together!" Forming and running a Joint Candidates' Committee

Let's discuss the law and rules governing how multiple candidates can form and run a joint candidates' committee.

First, it is important to note that the statute limits which candidates can form a joint committee.

Candidates for Senate and Assembly running in a legislative district may form a joint candidates' committee, as may candidates for county executive and freeholder. Also, candidates for mayor and municipal governing body may establish such a committee.

Second, contribution limits continue to apply to each candidate respectively. For example, an individual may give \$2,600 per election to a candidate for office. Therefore, in a three-member joint committee, that individual would be permitted to give \$7,800 (3 x \$2,600) to the committee.

If members of a joint candidates' committee also form individual candidate committees, an aggregate limit of \$2,600 per candidate applies.

So, if Candidate Jones received \$1,300 from an individual for his candidate committee, he can only receive \$1,300 from that same contributor for the joint candidates' committee.

In establishing a joint candidates' committee, two or more candidates seeking the same elective public office must file with the Commission a certificate of organization and a form designating a bank depository. This filing must take place no later than 10 days after creating the joint committee.

Moreover, the designation of depository form must contain the following information:

1. the full name of the joint candidates' committee;
2. the name, resident mailing addresses and telephone numbers of the persons appointed chair and treasurer; and

3. the name, mailing address and telephone number of the depository bank, the account name and number, and the names, mailing addresses and telephone numbers of persons authorized to sign checks and make transactions.

For contributors making donations to the joint candidates' committee, the contribution must be made out only to the designated name of the committee.

Joint candidates' committees file at the same time as candidate committees do. The filing requirements with the Commission are 29 and 11- days prior to an election (primary, general, May municipal, etc.) and 20-days post-election.

When joint candidates' committees are formed and run in compliance with these laws and regulations, the member candidates can increase their campaigns' efficiency, avoid duplication of efforts and expense, and better coordinate their campaigns.

"Furthering the Interest of an Informed Citizenry"

IN THIS ISSUE

Comments from the Chairman	1
Executive Director's Thoughts – Unchecked Independent Groups May Relegate Candidates to Being Spectators of Their Own Campaigns	2
Greg Nagy – Former Long-Time ELEC Director has Died	3
ELEC efile – All Groups Now Can File Their Reports Electronically with ELEC	4
Training Seminars	5
"Big Six" Committees 4 th Quarter 2018	6
2019 Reporting Dates	8

COMMISSIONERS:

Eric H. Jaso, Chairman

Stephen M. Holden, Commissioner

Marguerite T. Simon, Commissioner

Edwin R. Matthews, Legal Counsel

Executive Director's Thoughts

Jeff Brindle

Unchecked Independent Groups May Relegate Candidates to Being Spectators of Their Own Campaigns

Reprinted from insidernj.com

How long before spending by independent, outside groups overwhelm spending by the candidates themselves?

And once that happens, will independent groups also dominate political messaging?

The answer to the first question is that it is already happening, both in New Jersey and nationally.

In New Jersey, independent groups have outspent candidates in at least one legislative district race. During the election of 2017, \$14.4 million was spent by independent groups in District 3. The candidates spent \$4.3 million, or more than \$10 million less than outside groups.

This trend has been happening even more at the federal level. What happens federally always filters down to the states.

According to the Center for Responsive Politics, independent, outside groups have outspent congressional candidates in 48 contests since 2010.

The Center notes that in 16 congressional races last November, independent groups outspent Senate and House candidates. In seven Senate contests and nine House races, independent groups outflanked

candidates in terms of money spent and presumably messaging. These were in mostly competitive contests.

Two such contests were in New Jersey. Independent spending surpassed candidate outlays in showdowns over the 3rd and 7th Congressional district congressional seats.

Outside group spending in New Jersey has trended upward since 2009.

In New Jersey, overall spending by outside groups during the legislative elections of 2017 reached \$47.5 million, only to be surpassed in last November's congressional contests when independent groups spent \$49 million.

Without legislative changes, more races will be overwhelmed by independent spending, and at all levels of the State's electoral politics.

Previous columns have mostly focused on the impact independent groups have had on the State's political party system.

As noted, the effect on political parties has been substantial. Since 2005, spending by State party entities declined by 32 percent and by county party committees by 26 percent.

Meanwhile during that same 12-year period, 2005-2017, independent group spending spiked by 11,458 percent.

While it is important to offset independent group influence by strengthening parties, it is equally important to protect the viability of candidates.

Pending state legislation designed to boost party spending and reduce independent spending will help prevent outside groups from usurping control of candidate campaigns, including their messaging.

Currently, the rate of growth in independent group spending threatens

candidates in the same way it does political parties.

Candidates are highly regulated under New Jersey law. Unlike independent groups, which have no limits on contributions made to them, candidates are subject to contribution limits.

Moreover, candidates are subject to registration and disclosure. Under current law independent groups in general are not required to register or disclose their activities.

Only when outside groups expressly support or oppose candidates or ballot questions are they required to disclose expenditures, though not their donors.

Independent groups are less accountable and can be more reckless in their advertising, often underwriting ads that are misleading and, in some cases, false.

Candidates, who are required to provide disclaimers on their advertising, must be more responsible and careful in their messaging.

For candidates to lose control over their campaigns and their messaging would be harmful to the integrity of the state's electoral process.

That is why it is important to offset the influence of independent groups relative to candidates in the same way as to political parties.

Two pieces of legislation containing ELEC recommendations would accomplish both goals. The bills are S-1500 Singleton [A-1524 Zwicker] and S-1479 Singleton [A-3462 Zwicker].

Taken together, these bills would hopefully reverse the growth of independent groups, bolster candidates, strengthen political parties, and simplify and strengthen pay-to-play laws.



Former Long-Time ELEC Legal Director has Died

By Joe Donohue

Greg E. Nagy, who served as ELEC's legal director for nearly a quarter-century, died on January 25, 2019. He was 78.

"It was very sad news to hear of the death of Greg Nagy. I worked along with him for many years and admired him for his professionalism and dedication to the work we do here at ELEC. His death is a loss to the state of New Jersey," said Jeff Brindle, ELEC's Executive Director.

Frederick Herrmann, Brindle's predecessor as ELEC's Executive Director, shared his regret. "Greg was such a dear friend and wonderful colleague. His contributions to the Commission and my personal and professional growth were legion. He will be deeply missed by everyone."

Lewis Thurston, III, who served as Executive Director between 1976 and 1981 and who hired Nagy, said he did an "excellent job" for the agency. "He was

very conscientious and worked very well with the commissioners and staff and outside counsel. I'm very sad to hear of his death."

Nagy, a Hopewell resident, held the title of ELEC's legal director from 1978 through 2002 after serving as a state deputy attorney general.

A proclamation approved by the Commission when he left stated in part that Nagy:

"earned great respect and admiration for upholding high standards of nonpartisanship and fairness....[he] has never wavered in his ever-present enthusiasm for grappling with the sometimes intractable problems of campaign finance reform."

After leaving ELEC, Nagy served "of counsel" at the law firm of Genova Burns LLC in Newark. He specialized in corporate political activity and campaign finance law, according to the firm's website.

According to his obituary, Nagy was born in New Haven, Ct. in 1940. He graduated from Middlebury College in 1962, earned a master's degree at the University of Pennsylvania in 1964 and received his law degree from Beasley School of Law at Temple University in 1973. Favorite pastimes included classical music, concerts and travel.

Friends and colleagues at ELEC remember when Nagy generously allowed the use of his backyard for agency cookouts that were always well-attended. Staff also recall how the former college running back sometimes liked to hike around office hallways

sometimes to stretch his legs while pondering ELEC legal issues.

In August 2008, he wrote an article for New Jersey Lawyer magazine entitled "What Every Lawyer Should Know About ELEC." At one point, he has this observation: "ELEC justifiably takes considerable pride in the expertise and helpfulness of its staff..." Greg Nagy helped contribute to that legacy.



Enabling all users to e-file has been a goal of ELEC since it received a special \$2 million appropriation in 2014 to modernize its computer software, equipment and website.

All Groups Now Can File Their Reports Electronically with ELEC

Treasurers of political party committees, political committees and continuing political committees (CPCs aka PACs) now are able to file their disclosure reports online instead of submitting paper copies.

"I am glad to announce that all groups that must file reports with ELEC now can do so electronically. We have been working toward this goal for a long time," said Jeff Brindle, ELEC's Executive Director.

During 2019, operators of political party committees, political committees and PACs will have the option of submitting their reports over the Internet or in paper form.

Beginning January 1, 2020, electronic filing will be mandatory, he said.

"We wanted to make sure that all groups have plenty of time to make the transition. We provided a similar grace period before lobbyists were required to file annual reports electronically in 2012," Brindle said. "We are confident that once people switch to online filing, they will find it more convenient than ever."

While some of the funds were necessary to upgrade the underlying infrastructure that users never see, the funds enabled lobbyists in April 2016 to file quarterly reports online. In May 2017, ELEC unveiled a revamped website that is simpler to use and more graphically-oriented while also being more user-friendly when viewed through laptops and smartphones.

As new users make the switch to e-filing, compliance and IT staff are available Monday through Friday 9:00 a.m. to 5 p.m. to answer questions. Call 609-292-8700 or toll-free within NJ at 1-888-313-ELEC (3532). The agency already has held six "webinars"- online seminars- to provide guidance and 125 took part in those sessions.

The latest project will benefit the four state political parties and four legislative leadership committees, 47 county party committees, about 1,134 municipal parties and party organizations, about 536 special interest continuing political committees along with scores of political committees. Gubernatorial, legislative and local candidates already file electronically.

Brindle said the development of the new online capability was a collaborative effort that involved many ELEC staff members.

"Without the professionalism and diligence of our staff, this project would have never come to fruition. I want to thank them all for their tireless efforts," Brindle said.

Anthony Giancarli, Information Technology Director, directed the project with extensive feedback from Stephanie Olivo, Compliance Director, IT Specialist Kenneth Colandrea, Administrative Analyst 2 Christopher Vigale, Report Examiner Maite Hopkins and Analyst Trainee Gianna Leonardo also made key contributions.

ELEC has scheduled in-person and online training sessions to help users learn the new E-file system.

To register, go to this website: https://www.elec.state.nj.us/seminar_train/SeminarTraining.html.

Scheduled dates are on the following page.

TRAINING SEMINARS

ELEC TRAINING SESSIONS

The seminars listed will be held at the Election Law Enforcement Commission
25 South Stockton Street, 1st Floor

For registration information, please visit ELEC's website at:
https://www.elec.nj.gov/seminar_train/SeminarTraining.html

IN-PERSON TRAINING SEMINARS BEGINS AT 10:00 AM					
ANNUAL LOBBYING	2/5/2019				
QUARTERLY LOBBYING	3/12/2019				
PAY-TO-PLAY - BUSINESS ENTITY DISCLOSURE	2/7/2019	3/6/2019			
CAMPAIGN TREASURER	4/2/2019	4/18/2019	9/12/2019	10/1/2019	
PAC (CPC/PPC)	3/14/2019	6/13/2019	9/17/2019	10/3/2019	
ELEC EFILE (R-1 FILERS)	3/19/2019	4/23/2019	5/2/2019	7/18/2019	9/19/2019
ELEC EFILE (R-3 FILERS)	3/21/ 2019	5/1/2019	9/24/2019		

Electronic File Filing System

Please register for one of the following **Webinars** at:
https://www.elec.nj.gov/seminar_train/SeminarTraining.html

WEBINARS		
ELEC EFILE (R-1 FILERS)	2/6/2019	10:00 am
	2/12/2019	2:00 pm
	3/7/2019	10:00 am
	3/19/2019	2:00 pm
	4/9/2019	10:00 am
	4/11/2019	2:00 pm
	5/7/2019	10:00 am
	5/16/2019	2:00 pm
ELEC EFILE (R-3 FILERS)	2/5/2019	10:00 am
	2/14/2019	2:00 pm
	3/5/2019	10:00 am
	3/27/2019	2:00 pm
	4/3/2019	10:00 am
	5/15/2019	2:00 pm
	5/21/2019	10:00 am

“Big Six” Committees 4th Quarter 2018

After spending the most money in a federal election year since 2012, the so-called Big Six committees ended 2018 with a combined reserve of \$1.5 million heading into a legislative election year, according to reports filed with the New Jersey Election Law Enforcement Commission (ELEC).

The two state parties and four legislative leadership committees raised \$6.2 million and spent \$5.4 million during 2018. The focus was mainly on federal congressional elections though there also were special legislative elections to fill ten seats. This year, there will be contests for all 80 Assembly seats.

Table 1
Campaign Finance Activity by “Big Six”
January 1 through December 31, 2018

BOTH PARTIES	RAISED	SPENT	CASH-ON-HAND	STATE OR FEDERAL	ELECTION TYPE
2007	\$19,177,655	\$23,367,064	\$ 377,324	State	S/A
2008	\$ 6,653,676	\$ 5,186,294	\$1,844,704	Federal	P/S/H
2009	\$12,368,082	\$12,919,862	\$1,297,457	State	G/A
2010	\$ 6,180,605	\$ 5,918,029	\$1,540,032	Federal	H
2011	\$15,035,468	\$15,547,359	\$1,028,142	State	S/A
2012	\$ 7,063,133	\$ 6,391,757	\$1,684,525	Federal	P/S/H
2013	\$13,885,028	\$14,727,957	\$ 841,599	State	G/S/A
2014	\$ 4,872,907	\$ 4,048,955	\$1,662,052	Federal	S/H
2015	\$ 3,896,539	\$ 3,579,018	\$1,984,629	State	A
2016	\$ 4,518,172	\$ 3,842,223	\$1,667,465	Federal	P/H
2017	\$12,243,328	\$13,348,131	\$ 738,454	State	G/S/A
2018	\$ 6,194,632	\$ 5,393,169	\$1,546,522	Federal	S/H

P=Presidential; S=US or State Senate; H=House; G=Gubernatorial; A=Assembly

Jeff Brindle, ELEC’s Executive Director, said it is normal for party coffers to be depleted after an election year. A year ago, after the governor’s seat and all 120 legislative seats were decided in 2017, the Big Six committees ended up with \$738,454 in combined cash-on-hand versus \$1.5 million this year.

“Perhaps not surprisingly, the two committees with the most at stake this fall carried over the largest balances among their respective parties,” said Brindle. “The Democratic Assembly Campaign Committee reported \$635,823 as of December 31 while the Assembly Republican Victory Committee reported \$187,031.”

Brindle noted that the two state parties, which were the biggest spenders in 2018, ended up with the smallest cash reserves- \$117,803 for the Republican State Committee and \$102,682 for the Democratic State Committee.

Table 2
Campaign Finance Activity by “Big Six” Committees
2014 Versus 2018

REPUBLICANS	RAISED	SPENT	CASH-ON-HAND	NET WORTH*
New Jersey Republican State Committee	\$ 876,007	\$ 860,993	\$ 117,803	\$ 117,803
Senate Republican Majority	\$ 316,334	\$ 211,268	\$ 172,251	\$ 172,251
Assembly Republican Victory	\$ 303,545	\$ 206,833	\$ 187,031	\$ 187,031
SUBTOTAL – REPUBLICANS - 2018	\$1,495,886	\$1,279,094	\$ 477,085	\$ 477,085
Subtotal - 2014	\$2,286,487	\$1,801,330	\$ 994,468	\$ 466,737
Versus 2014 (%)	-35%	-29%	-52%	2%
DEMOCRATS				
New Jersey Democratic State Committee	\$3,001,834	\$3,285,349	\$ 102,682	\$ 36,960
Senate Democratic Majority	\$ 459,634	\$ 200,409	\$ 330,932	\$ 310,932
Democratic Assembly Campaign Committee	\$1,237,278	\$ 628,317	\$ 635,823	\$ 605,384
SUB TOTAL – DEMOCRATS - 2018	\$4,698,746	\$4,114,075	\$1,069,437	\$ 953,276
Subtotal- 2014	\$2,586,420	\$2,247,625	\$ 667,584	\$ 541,875
Versus 2014 (%)	82%	83%	60%	76%
BOTH PARTIES				
TOTAL - 2018	\$6,194,632	\$5,393,169	\$1,546,522	\$1,430,361
Total 2014	\$4,872,907	\$4,048,955	\$1,662,052	\$1,008,612
Versus 2014 (%)	27%	33%	-7%	42%

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

With Democrats now in control of the governor’s seat and both legislative houses, their fund-raising has improved since four years ago, when a Republican occupied the governor’s post. Democratic fund-raising, spending, cash-on-hand and net worth all were up compared to 2014. Republican fund-raising, spending and cash-on-hand was down compared to four years ago, though net worth was up slightly.

Brindle said he is hopeful pending legislation recommended by ELEC that requires disclosure by independent committees and increases contribution limits for candidates and parties will boost the fortunes of party committees.

“During the past decade, there has been a tremendous shift in influence from parties and candidates to independent groups. Hopefully, these legislative changes will create a better balance by helping to restore influence to the parties,” he said.

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/elecnj).

2019
Reporting Dates

	INCLUSION DATES	REPORT DUE DATE
FIRE COMMISSIONER - FEBRUARY 16, 2019		
29-day Preelection Reporting Date	Inception of campaign* - 1/15/19	1/18/2019
11-day Preelection Reporting Date	1/16/2019 - 2/2/2019	2/5/2019
20-day Postelection Reporting Date	2/3/2019 - 3/5/2019	3/8/2019
48-Hour Notice Reports Start on 2/3/2019 through 2/17/2019		
MAY MUNICIPAL - MAY 14, 2019		
29-day Preelection Reporting Date	Inception of campaign* - 4/12/2019	4/15/2019
11-day Preelection Reporting Date	4/8/2019 - 4/30/2019	5/3/2019
20-day Postelection Reporting Date	5/1/2019 - 5/31/2019	6/3/2019
48-Hour Notice Reporting Starts on 5/1/2019 through 5/14/2019		
RUNOFF (JUNE) ** - JUNE 11, 2019		
29-day Preelection Reporting Date	No Report Required for this Period	
11-day Preelection Reporting Date	5/1/2019 - 5/28/2019	5/31/2019
20-day Postelection Reporting Date	5/29/2019 - 6/28/2019	7/1/2019
48-Hour Notice Reporting Starts on 5/29/2019 through 6/11/2019		
PRIMARY (90-DAY START DATE: MARCH 6, 2019)*** - JUNE 4, 2019		
29-day Preelection Reporting Date	Inception of campaign* - 5/3/2019	5/6/2019
11-day Preelection Reporting Date	5/4/2019 - 5/21/2019	5/24/2019
20-day Postelection Reporting Date	5/22/2019 - 6/21/2019	6/24/2019
48-Hour Notice Reporting Starts on 5/22/2019 through 6/5/2019		
GENERAL (90-DAY START DATE: AUGUST 7, 2019)*** - NOVEMBER 5, 2019		
29-day Preelection Reporting Date	6/22/2019 - 10/4/2019	10/7/2019
11-day Preelection Reporting Date	10/5/2019 - 10/22/2019	10/25/2019
20-day Postelection Reporting Date	10/23/2019 - 11/22/2019	11/25/2019
48-Hour Notice Reporting Starts on 10/23/2019 through 11/5/2019		
RUNOFF (DECEMBER)** - DECEMBER 3, 2019		
29-day Preelection Reporting Date	No Report Required for this Period	
11-day Preelection Reporting Date	10/23/2019 - 11/19/2019	11/22/2019
20-day Postelection Reporting Date	11/20/2019 - 12/20/2019	12/23/2019
48-Hour Notice Reporting Starts on 11/20/2019 through 12/3/2019		

PACS, PCFRS & CAMPAIGN QUARTERLY FILERS		
1 st Quarter	1/1/2019 - 3/30/2019	4/15/2019
2 nd Quarter	4/1/2019 - 6/30/2019	7/15/2019
3 rd Quarter	7/1/2019 - 9/30/2019	10/15/2019
4 th Quarter	10/1/2019 - 12/31/2019	1/15/2019

GOVERNMENTAL AFFAIRS AGENTS (Q-4)		
1 st Quarter	1/1/2019 - 3/30/2019	4/10/2019
2 nd Quarter	4/1/2019 - 6/30/2019	7/10/2019
3 rd Quarter	7/1/2019 - 9/30/2019	10/10/2019
4 th Quarter	10/1/2019 - 12/31/2019	1/10/2020

*Inception Date of Campaign (first time filers) or from January 1, 2019 (Quarterly filers).

**A candidate committee or joint candidates committee that is filing in a 2019 Runoff election is not required to file a 20-day postelection report for the corresponding prior election (May Municipal or General).

***Form PFD-1 is due on April 15, 2019 for the Primary Election Candidates and June 14, 2019 for the Independent General Election Candidates.

Note: A fourth quarter 2018 filing is needed for the Primary 2019 candidates if they started their campaign prior to December 6, 2018.

A second quarter is needed by Independent/Non-Partisan General Election candidates if they started their campaign prior to May 9, 2018.

HOW TO CONTACT ELEC

www.elec.state.nj.us

In Person: 25 South Stockton Street, 5th Floor, Trenton, NJ

By Mail: P.O. Box 185, Trenton, NJ 08625

By Telephone: (609) 292-8700 or Toll Free Within NJ 1-888-313-ELEC (3532)

DIRECTORS:

Jeffrey M. Brindle

Joseph W. Donohue

Demery J. Roberts

Amanda Haines

Stephanie A. Olivo

Anthony Giancarli

Shreve Marshall

Christopher Mistichelli