



ELEC *tronic*

An Election Law Enforcement Commission Newsletter

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Comments from the Chairman

Eric H. Jaso

Now that the June primary is over, I would like to lay out some of the filing and logistical requirements applicable to winning candidates.

First, all candidates are required to file 20-day post-election reports.

Candidates who have won the primary and are preparing to contest the general election should close out their primary campaign account and establish a general election depository account.

Funds remaining in the primary account may be transferred to the general election account for the same office.

Likewise, obligations and liabilities may be transferred to the general election account as well. However, a candidate with net liabilities may opt to maintain his or her existing primary account for the purpose of retiring those liabilities.

When a candidate transfers his or her funds and obligations to a newly

designated general election account, the 20-day post report is designated as the final report of the candidate committee.

All of the above guidelines apply to joint candidate committees as well.

Following the filing of the final primary report, or 20-day post report, candidates in the general election are next required to file reports 29-days before the November election.

As in the primary, general election reports should include all contributions received and expenditures made beginning on or after the 18th day following primary day and ending on the 32nd day preceding the date of the general election.

Following the 29-day report, candidates (includes joint candidate committees) are required to report 11-days prior to the general election and 20-days following that election.

In the case of candidates who decide to maintain their primary account, they are required to report quarterly until all liabilities are satisfied and the primary report is finalized.

It should be noted that candidates may designate their primary account as their general election account for the same office subject to the following guidelines:

1. They file a certificate of organization and designation of campaign depository no later than 10 days after establishing the committee;
2. The filing should contain the name of the candidate committee and the office sought (the surname of the candidate must be included in the committee name).
3. The name and mailing address and telephone number of the chairperson; and
4. The name, mailing address and telephone number of the treasurer.

All guidelines apply to joint committees as well.

For further guidance, contact the Compliance staff at the toll free no. 1-888-313-3532 (ELEC) to answer questions.

“Furthering the Interest of an Informed Citizenry”

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Executive Director's Thoughts Jeff Brindle

Pending 'Dark Money' Legislation Targets Groups That Do Operate In Secret

Reprinted from insidernj.com

On Monday June 10, 2019, the Legislature again passed legislation that would require disclosure of contributions and expenditures by independent groups.

The vote was overwhelmingly in favor—35-0 in the State Senate and 68-0 in the Assembly.

The Governor is expected to sign the legislation, which also has bipartisan sponsorship.

In the interim, groups opposed to this good government bill are still rallying in opposition to the legislation, which would bring greater transparency to governmental and electoral processes.

According to an article in the June 12, 2019 Star-Ledger by Matt Arco, “a coalition of more than 40 progressive groups, labor unions, and faith leaders made their case” against the legislation.

The article stated that the “coalition said the current measure is a direct attack on the progressive community and will have a chilling effect.”

With all due respect, I believe they will be proven wrong.

For one thing, the bill doesn't “target” any ideological group— progressive, conservative or otherwise.

What it does is require disclosure by a very specific type of fund-raising group that literally operates in the shadows.

These are “social welfare” non-profit groups organized under section 504c4 of the IRS tax code. While some are clearly organized to promote a special cause, many have noble-sounding names and hazy purposes. They no longer are required to divulge their major contributions even to the IRS, which approves their creation. Let alone the public.

To be sure, C4 groups are not the only type of 501 non-profits that engage in political spending. There are also 501c5 groups, which include labor unions and agricultural organizations, and 501c6 groups, which include business leagues, chambers of commerce and real estate boards.

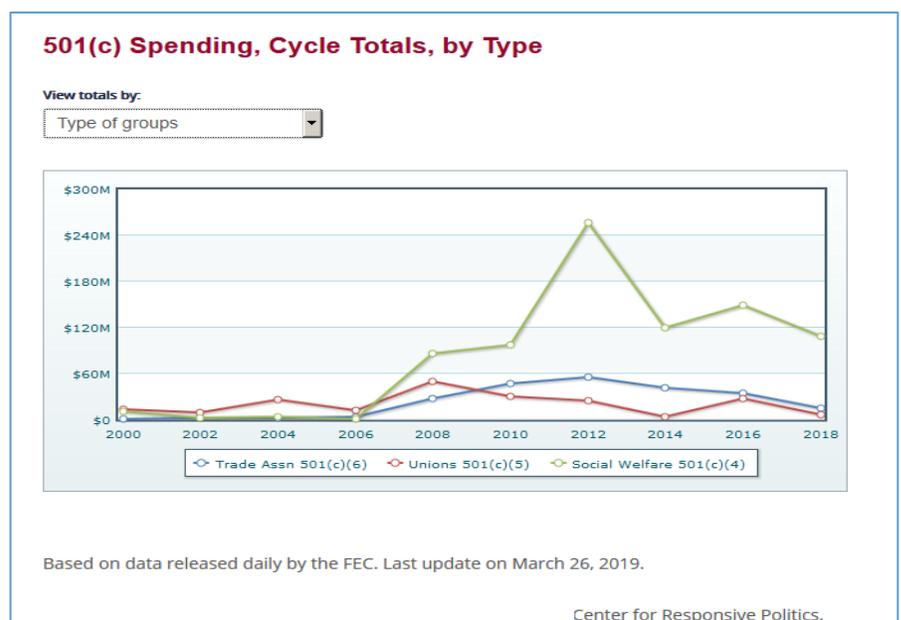
However, the fact remains that the vast majority of undisclosed spending at the federal level has been by 501c4 groups, according to the Center for Responsive Politics (see chart below).

Most spending in New Jersey elections with zero donor disclosure also has been done by 501c4s.

For instance, Committee for Our Children's Future, a 501c4 group, spent a reported \$7.8 million prior to the 2013 gubernatorial election to promote incumbent Governor Chris Christie without disclosing one dime.

Nor did another 501c4 group, One New Jersey, which spent \$2.8 million attacking Christie during the primary.

S-150 sponsored by State Senator Troy Singleton (D-7th) and Assemblyman Andrew Zwicker, is a good faith, responsible effort to bring balance to New Jersey's electoral system. It recognizes the imbalance that has taken place in New Jersey elections by the rapid growth in independent group spending and the accompanying decline in activity by parties and even candidates themselves.



Based by data released daily by the FEC. Last updated on March 26, 2019

The legislation would require 501c4 groups to disclose the identity of donors making large donations of more than \$10,000 for the purpose of influencing elections, public questions, legislation or regulations in New Jersey, a provision that is reasonable and sound, designed to protect small donors, associational rights and First Amendment freedoms.

By an 8–1 majority in *Citizens United v. FEC* (2010), the U.S. Supreme Court spoke strongly in favor of disclosure.

“The First Amendment protects political speech; and disclosure permits citizens and shareholders to react to the speech of corporate entities in a proper way. This transparency enables the electorate to make informed decisions and give proper weight to different speakers and messages.”

The justices further stated: “Disclaimer and disclosure requirements may burden the ability to speak, but they ‘impose no ceiling on campaign-related activities,’ . . . and do not ‘prevent anyone from speaking.’”

Keep in mind that under S-150, even 501c4 groups could continue to conceal the identities of donors who give less than \$10,000 for the specific purpose of influencing elections, public questions, legislation or regulations in New Jersey. Until last year, they had to report to IRS all donors above \$5,000.

The threshold amount of \$10,000 for disclosing contributions was raised from \$300 for the specific purpose of shielding all but the truly big donors from disclosure. It protects small donors and those who pay membership fees and eliminates concerns about a chilling effect on political participation.

The original focus of ELEC was to obtain more disclosure by independent special interest groups like 501c4s that are clearly becoming the dominant force in New Jersey elections. There appears to be little opposition to this provision.

Earlier this year, legislators strengthened the proposal by requiring full disclosure, including donors, by groups that try to mobilize the public for or against pending legislation or regulations. This is called grassroots lobbying or “pure” issue advocacy as opposed to election-related issue advocacy, also known as electioneering.

Keep in mind that for decades, New Jersey has had mandatory donor disclosure for one type of issue advocacy – spending on ballot questions. Ballot questions essentially are legislative proposals ratified or rejected by voters, not legislators.

U.S. Supreme Court and lower courts have consistently upheld laws requiring full disclosure for ballot question committees.

If people have a right to know who is trying to influence ballot initiatives, why aren’t they entitled to know who in particular is trying to push legislative initiatives through the legislature? Or trying to kill them? Traditional, person to person lobbying, is required to be reported by professional lobbyists, so why not high powered funded efforts to mobilize the public on behalf of legislative policies be disclosed on a more timely basis?

The latest version, S-150 recognizes the need to offset the growing influence of independent groups over elections and public policy in New Jersey and does so by requiring registration and disclosure

of electioneering activity as well as issue advocacy, both of significant importance and influence in the Garden State.

S-150 is a strong piece of legislation that is in the best interest of the public by bringing sunlight and a certain balance to our electoral and policy processes.

If in the eyes of some the bill is not perfect, then it can be improved legislatively in the future or through the regulatory process.

But now is not the time to stand in the way of progress and halt the drive toward bringing greater openness to our electoral and governmental processes. The public deserves to have this legislation become law.

Governor Murphy Signs Bill Requiring Expanded Disclosure By Independent Special Interest Groups

By Joe Donohue

Governor Phil Murphy signed legislation (S-150/S-1500/A-1524) on June 17, 2019 that will require special interest groups that engage in independent spending on state and local elections as well as legislative initiatives to identify their largest donors.

The legislation was approved 35-0 in the state Senate on June 10, 2019 and 68-0 in the state Assembly on the same day.

“This law will make significant progress in delivering reforms that will lift the veil of secrecy that surrounds the activities of groups working to influence the political process,” said state Senator Troy Singleton (D-8th), chief sponsor of the Senate bill.

Assemblyman Andrew Zwicker (D-16th) applauded the governor for supporting the bill after earlier issuing a conditional veto of a similar version. “This, above all, is a good government bill. The people of New Jersey deserve to know the origin of the money used to influence our political process. Transparency is critical if we are to ensure the trust of the public.”

The bill also won praise from Assembly Minority Leader Jon Bramnick (R-21st), a co-sponsor and long-time supporter of the measure. “This is an important piece of legislation that passed both houses with overwhelming bi-partisan support and would help restore the public’s trust in government.”

Under the legislation, special interest groups that spend independently of candidates and parties will have to disclose

donors over \$10,000 and expenses over \$3,000 if they take part in a state or local elections, or they seek to mobilize the public for or against legislation or regulations through “grassroots lobbying.”

The law is effective October 16, 2019. Groups engaged in these activities will have to file their first reports by January 15, 2020.

Shortly after the *Citizens United v. FEC* ruling in 2010, which allowed corporations and unions to engage in unlimited independent spending in elections, the Election Law Enforcement Commission recommended that state law be revised to require independent spenders to disclose their biggest contributors.

Before Governor Murphy enacted the new law, independent spenders were required only to report their expenses, not their donors, though some major groups have disclosed their donors voluntarily.

Even though he signed the bill, Governor Murphy continued to express concerns about some provisions, particularly one added by the sponsors that greatly expands contributor disclosure by groups that undertake grassroots lobbying.

The American Civil Liberties Union (ACLU) of New Jersey and other groups oppose this provision because they fear loss of anonymity might prompt some large donors to withhold their support due to fear of harassment.

On June 25, 2019, Americans for Prosperity, a 501c4 social welfare non-profit group based in Arlington, Virginia, filed a lawsuit in the U.S. District Court against New Jersey Attorney General Gurbir Grewal and three members of the Election Law Enforcement Commission.

The lawsuit contends provisions in new law, particularly its compelled disclosure of contributions for lobbying-related issue advocacy, are unconstitutional and would chill donations. It is seeking a preliminary injunction.

Governor Murphy said he signed the bill only on the condition that the Legislature enact a “cleanup” bill to remove this provision and make other changes. On the same day Murphy enacted the disclosure bill, Assemblyman Zwicker introduced A-5633, which contained the revisions sought by the governor.

Senate President Stephen Sweeney (D-3rd) said he sees no immediate need for amendatory legislation. “All I’ve said is if there’s any unintended consequences, then we would adjust it,” he told the Star-Ledger on June 19, 2019.

DISCLOSURE LAW COMPARISON	PREVIOUS LAW		UNDER S-150/S-1500/A-1524	
	Contributions	Expenditures	Contributions	Expenditures
Threshold for Filing Disclosure Report	No Disclosure Required	Spending Above \$1,600	Spending Above \$3,000	
Amount Disclosed	No Disclosure Required	All	>\$10,000	>\$3,000
Group Does Express Advocacy Ads*	No Disclosure Required	Disclosure Required	Disclosure Required	Disclosure Required
Group Does Election-related Issue Ads (Electioneering)	No Disclosure Required	No Disclosure Required	Disclosure Required	Disclosure Required
Group Does Non-Election Issue Ads (Grassroots Lobbying)	Disclosure rare**	Disclosure Required	Disclosure Required	Disclosure Required

*Express advocacy means explicit appeals for votes using phrases like "vote for" or "vote against."

**Only if donations were given with the specific intent of communicating with the public.

Note: This chart refers to legal requirements. Some independent groups have voluntarily disclosed their donors and expenditures.

Bills Enacting FY 2019 Budget, Legalizing Marijuana And Raising Corporate Tax Draw Most Lobbyists

Legislation enacting the \$36.5 billion state budget for fiscal year 2019, legalizing recreational marijuana in New Jersey and boosting the corporate business surtax rank among the most lobbied bills during the current legislative session, according to a new analysis by the New Jersey Election Law Enforcement Commission (ELEC).

Other issues sparking interest have included earned sick leave, out-of-network medical bills, a \$15 minimum wage, offshore windmills and special ratepayer subsidies to keep the state's three active nuclear plants in operation.

"The bigger the stakes, the more vigorous the lobbying," said Jeff Brindle, ELEC's Executive director. "Lobbying is an essential part of government. Special interest groups have a legitimate and integral role in helping to shape policies that affect the people of New Jersey."

The analysis was based on quarterly lobbying reports filed since the beginning of the 218th Legislature in January 2018. It excluded lobbying on the pending budget for fiscal year 2020.

Table 1
Bills with Most Reported Lobbying Activity
Based on Number of Represented Entities*

RANK	BILL NUMBERS	ISSUE	OFFICIAL CONTACTS	NUMBER OF ENTITIES	STATUS**
1	S2019/A4200	FY2019 Budget	296	112	E
2	S2703/A4497	Legalized Recreational Marijuana	201	68	P
3	A4202/S2746	Corporate Business Surtax	211	65	E
4	A1827/S2171	Earned Sick Leave	185	65	E
5	A2039/S485	Out-of-Network Medical Bills	197	57	E
6	S2313/A3724	Nuclear Plant Subsidies	186	54	E
7	A15/S15	\$15 Minimum Wage	214	48	E
8	A3723/S2314	Offshore Wind Energy	185	48	E
9	S10/A10	Medical Marijuana	129	44	P
10	A4495/S2989	Corporate Surtax Changes	89	40	E

*Totals may also reflect lobbying done prior to introduction and on related bills

** E=Enacted; P=Pending

Given the billions of dollars it expends and thousands of groups it affects, the budget signed by Governor Phil Murphy on July 1, 2018 drew the most zealous attention both in number of lobbying entities (112) and contacts with high-ranking state officials (296).

Groups ranging from funeral directors to libraries to Uber drivers were among those weighing in on the state's annual spending plan. "The state budget touches every citizen's life in one way or another," said Brindle.

Recent analysis in other states also show budget bills are a magnet for special interest activity. A \$91 billion budget adopted in Florida drew more than 500 lobbyists and also ranked as the most lobbied bill, according to a recent Tampa Bay Times story.¹

When the list is re-ranked according to official contacts made by the lobbying groups, the budget remains number one but the remaining top 10 was reshuffled. A bill amending the corporate surtax slipped off the list and was replaced by bills legalizing sports betting, which was enacted June 11, 2018.

¹ Langston Taylor, "Florida House: These Were the 9 Most-lobbied Bills of the Session," Tampa Bay Times, May 5, 2019.

Table 2
Reported Lobbying Activity Based on
Number of Official Contacts*

RANK	BILL NUMBERS	ISSUE	OFFICIAL CONTACTS	NUMBER OF ENTITIES
1	S2019/A4200	FY2019 Budget	296	112
2	A15/S15	\$15 Minimum Wage	215	48
3	A4202/S2746	Corporate Business Surtax	211	65
4	S2703	Legalized Recreational Marijuana	201	68
5	A2039/S485	Out-of-Network Medical Bills	198	57
6	S2144/A3724	Nuclear Plant Subsidies	186	54
7	A1827/S2171	Sick Leave	185	65
8	A3723/S2314	Offshore Wind Energy	185	48
9	S10/A10	Medical Marijuana	129	44
10	A4111/S2602	Sports Betting	91	23

*Totals may also reflect lobbying done prior to introduction and on related bills

While state law requires lobbyists to disclose their official contacts involving legislation and other regulated activities, the reader should be aware that such a contact can be limited or broad.

For example, a lobbyist might report that a client hospital's chief operating officer met with a bill's legislative sponsor and an aide in an office. That would count as one contact.

On the other hand, another lobbyist might report sending emails to all 120 members of the legislature urging them to support, oppose or modify the same bill. ELEC staff also counts such an outreach effort as one official contact even though it may target more than one lawmaker.

Another caveat- while quarterly lobbying reports disclose direct attempts to influence legislation, they don't disclose more indirect efforts.

Lobbyists sometimes organize "grassroots" campaigns to mobilize the public for or against legislation using advertisements aired on television or other media. Efforts to harness legislative constituents in this way are disclosed in annual lobbying reports.

The heaviest lobbying based on official outreach was done by a broad array of interests representing unionized teachers, businesses, municipalities, hospitals, bankers and others.

Table 3
Top Ten Represented Entities by Number of Official
Contacts to Date in 2018-2019 Legislative Session

ENTITY	OFFICIAL CONTACTS
New Jersey Education Association	764
New Jersey Business and Industry Association	487
New Jersey State League of Municipalities	412
NJ Principals and Supervisors Association	378
New Jersey Hospital Association	199
New Jersey State Bar Association	175
Affiliated Physicians and Employers Master Trust AMT	151
National Federation of Independent Business	150
Wellcare Health Plans Inc	131
New Jersey Bankers Association	128

Lobbyists are required by law to file both annual and quarterly reports with ELEC. Annual reports list fees, salaries, major expenditures, grassroots lobbying and other information. Quarterly reports are filed every three months by each registered lobbyist. These reports detail efforts to influence legislation or executive branch actions, such as permits, regulations or fines. Lobbyist reports and information collected from them can be searched via ELEC's website (www.elec.state.nj.us).

An earlier analysis of annual reports touched on some of the bills mentioned in this release. Entitled "Wind, Weed and Atoms Powered Lobbying Spending in 2018," it can be read at https://www.elec.state.nj.us/pdf/files/press_releases/pr_2019/pr_03042019.pdf.

"ELEC collects thousands of reports every year from lobbyists that disclose their spending and activities. Disclosure doesn't end just because reports are on file," Brindle said. "One of ELEC's jobs is to study these reports and identify trends and other meaningful information that can be useful and interesting to policy-makers, media members, academics and the general public," he said.

This press release is a compilation of figures reported to the Commission and is not intended to express any opinion concerning the accuracy or completeness of any filed report. Although the commission has taken all reasonable precautions to prevent mathematical or typographical errors, they may occur.

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			
CAMPAIGN TREASURER	9/12/2019	10/1/2019	
PAC (CPC/PPC)	9/17/2019	10/3/2019	
ELEC EFILE (R-1 FILERS)	7/18/2019	9/19/2019	
ELEC EFILE (R-3 FILERS)	9/24/2019		

Webinars

Introducing ELEC's new web-based Electronic File Filing System. Please register for one of the following Webinars:

R-1 Webinars

- August 14, 2019 2:00 p.m.
- September 04, 2019 10:00 a.m.
- September 10, 2019 2:00 p.m.
- September 18, 2019 10:00 a.m.
- September 26, 2019 2:00 p.m.
- October 02, 2019 10:00 a.m.
- October 04, 2019 10:00 a.m.
- October 15, 2019 2:00 p.m.
- October 23, 2019 2:00 p.m.
- November 19, 2019 10:00 a.m.

R-3 Webinars

- July 08, 2019 10:00 a.m.
- August 20, 2019 2:00 p.m.
- October 08, 2019 10:00 a.m.

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		
APRIL SCHOOL BOARD – APRIL 16, 2019		
29-day Preelection Reporting Date	3/15/2019*	3/18/2019
11-day Preelection Reporting Date	3/16/2019 - 4/2/2019	4/5/2019
20-day Postelection Reporting Date	4/3/2019 - 5/3/2019	5/6/2019
48-Hour Notice Reports Start on 4/3/2019 through 4/16/2019		
MAY MUNICIPAL – MAY 14, 2019		
29-day Preelection Reporting Date	4/12/2019*	4/15/2019
11-day Preelection Reporting Date	4/13/2019 - 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

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