

NEW JERSEY ELECTION LAW ENFORCEMENT COMMISSION

PUBLIC SESSION MINUTES

JANUARY 11, 1982

PRESENT

Sidney Goldmann, Chairman
Josephine S. Margetts, Member
Andrew C. Axtell, Member
M. Robert DeCotiis, Member
Scott A. Weiner, Executive Director
William R. Schmidt, Assistant Executive Director
Gregory E. Nagy, Staff Counsel
Edward J. Farrell, General Legal Counsel
Alexander Waugh, Jr., Member designate

The Chairman called the meeting to order and announced that pursuant to the Open Public Meetings Law, P.L. 1975, c.231, annual notice of the meetings of the Commission, as amended, has been filed with the Secretary of State's office, and that copies have been filed in the State House Annex, and mailed to the Newark Star Ledger, the Philadelphia Bulletin and the entire State House press corps.

The meeting convened at 10:20 a.m. at the Commission's offices.

1. Executive Session

On a motion by Commissioner Margetts, seconded by Commissioner DeCotiis and a vote of 4-0, the Commission voted to resolve to go into executive session to discuss the executive session minutes of the meetings on December 14 and December 21, 1981 and to discuss investigations and enforcement actions, the results of which will be made public at their conclusion.

2. Approval of Minutes of Public Session of Commission Meeting of December 14, 1981

The Commission reviewed the minutes and on a motion by Commissioner Margetts, seconded by Commissioner Axtell and a vote of 4-0, approved the minutes of the public session of the above-cited meeting.

3. Approval of Minutes of Public Session of Commission Meeting of December 21, 1981

The Commission reviewed the minutes and on a motion by Commissioner Axtell, seconded by Commissioner DeCotiis and a vote of 4-0, approved the minutes of the public session of the above-cited meeting.

4. Advisory Opinion Request No. 01-82

The Commission reviewed the draft of the advisory opinion prepared in response to a request submitted by Martin S. Barber on behalf of the New Jersey Republican State Committee on the issue

of whether surplus funds in the election recount account may be distributed to the Republican State Party Committee. On a motion by Chairman Goldmann, seconded by Commissioner Margetts and a vote of 4-0, the Commission approved the draft opinion.

Report on Common Cause Forum

The Executive Director presented an oral report on the forum conducted by Common Cause concerning public financing of gubernatorial elections; the forum was held on Wednesday, January 6, 1982. The Executive Director reported that in addition to himself, the panelists included Peter Levine, who was with the campaign of Congressman Roe, Joseph Sullivan, reporter from the New York Times, Dan Weisman, reporter for the Newark Star Ledger, Gina Glantz, affiliated with John Degnan, Richard McGlynn, Republican candidate, Neil Upmeyer, Director of Elections, Department of State, and Assemblyman-elect Richard Zimmer, affiliated with the Kean general election campaign. Mr. Levine was the only panelist who opposed public financing of gubernatorial primary elections. The Executive Director reported that representatives of Common Cause and most of the panelists supported the idea of eliminating the expenditure limit. He reported that Richard McGlynn complimented ELEC and its staff. The Executive Director also summarized his own remarks at the forum, particularly the Commission's position against expenditure limits, the need to recognize the inter-relationship among the issues (e.g. \$800 contribution limit, \$50,000 contribution threshold, the cap on public funds); the issue of possibly financing political parties in addition to or in lieu of financing candidates; and the question of developing different models for public financing of the gubernatorial primary as opposed to the gubernatorial general election.

6. Staff Report on Public Financing

The Executive Director distributed the first portion of the preliminary staff report on public financing. The first portion included issue papers addressing the \$800 contribution limit, the \$50,000 contribution and expenditure threshold, and the cap on public funds and the two-for-one matching ratio. In addition, the report contained the responses to the questionnaire from gubernatorial candidates and from treasurers or other staff. The Executive Director explained that the staff were preparing papers on other issues including expenditure limits, limits on bank loans, restrictions on the use of public funds, repayment of surplus campaign funds, providing public funds to political parties and limits on candidates' funds.

The Executive Director directed the attention of the Commission to his January 11, 1982 memorandum concerning public financing - preliminary staff report and the outline of public financing study. He said that the first step is the preparation of

the preliminary staff report, part of which was distributed at today's meeting. The purpose of the papers and preliminary staff report is to help the Commission focus its discussion and to agree on decision criteria, e.g. reduce the spending of public funds, limit the field candidates, encourage the solicitation of small contributions, increase competition. After the initial review by the Commission, a preliminary Commission report will be prepared. The preliminary report will be developed in sections that can be distributed to the State House press, editorial boards, key legislators and committee staff and representatives of the Kean administration. By issuing a series of analysis sections, the Commission might be able to maintain momentum of the discussion of public financing. This activity will be followed by conferences between ELEC staff and campaign staffs to elicit additional observations on the workings of the public finance program and its impact. This activity will be followed with public hearings outside of Trenton; the hearings would be held by the Commission. Next, the staff will develop its recommendations which will then be reviewed by the Commission. This activity will be followed by the preparation of a draft report and a final report.

7. Report on Status of S-3474

The Executive Director reported that based upon comments of legislators, lobbyists and the Governor's assistant counsel, it was his opinion S-3474 would not be acted on favorably by the General Assembly or by the Governor.

8. Lobbyist Reporting Program

The Executive Director distributed a copy of Form L-1, Annual Report of Lobbying Activity. This is the form to be used by lobbyists and legislative agents in filing their annual reports on January 31, 1982 for calendar year 1980. The Executive Director reported that the forms and instructions have been prepared after great staff effort by Mr. Nagy, Ms. Hoffman, Ms. Pollock and Ms. Schultz. He reported that the form had been sent informally to a couple of legislative agents who reported back that they could have filled out the form without instructions. They also reported that the Chamber of Commerce held a meeting last week attended by 75 of its members and that only one substantive question came out of that meeting; he reported that we had revised the form in response to the issue raised at the Chamber of Commerce meeting.

The Executive Director said that a seminar for lobbyists, legislative agents and the press will be held on January 22, 1982. He said he will introduce the session, that General Legal Counsel Farrell will present the legal background, and that he will go through the form in detail with those attending.

In response to a question from a member of the Commission, the Executive Director said that there are approximately 400 legislative agents registered with the Office of the Attorney General; however, not all of those registered with the Attorney General have to report to this office. He also noted that lobbyists do not register with the Attorney General's office but do have to report with ELEC. He compared the situation we have with candidates, where we know nearly all of those running for office, with the situation with legislative agents, where we do not have a defined list of those required to file annual reports with ELEC. He noted that the competitive setting of lobbying should help this office in identifying legislative agents and lobbyists who failed to file.

The Executive Director stated that some legislative agents and lobbyists may have problems with meeting the filing date because the forms will not be distributed until January 12 and the seminar on filling out the forms is not being held until January 22, eight days before the filing date. Also, the Commission could not provide a blanket extension of the statutory filing deadline. In response of the fact the same lobbyists or legislative agents might have difficulty complying with the filing, the Executive Director proposed a policy whereby he would be authorized to grant brief extensions on a case by case basis, upon a demonstration of circumstances warranting the extension. The Commission discussed this matter and directed the Executive Director to implement such a policy.

9. Report on Pre-filed Bills in the Senate and Assembly

The Executive Director distributed a January 8, 1982 memorandum concerning bills, pre-filed in the Senate and Assembly, of interest to ELEC. The Executive Director noted that Senator Perskie's proposed bill on the use of excess campaign funds has not yet been introduced.

10. Executive Director's Report

The Executive Director distributed a January 6, 1982 memorandum on amendments to Sections 8 and 16 of the Campaign Reporting Act which was signed into law by Governor Byrne on December 16, 1981. The new Act, P.L. 1981, c.337, requires that campaign reports contain the name and address of each person co-signing any loan received by a candidate or political committee.

The Executive Director distributed a January 6, 1982 memorandum prepared by Staff Counsel concerning the U. S. Supreme Court decisions in Citizens Against Rent Control v. Berkeley. The decision, decided December 14, 1981, struck down as unconstitutional limitations on contributions given to campaigns involving ballot questions. This decision contrasts with the Court's decision in Buckley v. Valeo wherein the Court decided that contributions to candidates could be limited. The Court, in the Citizens Against Rent Control opinion, expressly ruled that the Buckley opinion cannot be read to support such limits as applied to ballot questions.

The Executive Director distributed a copy of an article entitled "The Liberals' Dilemma", written by Bob Narus and appearing in the New Jersey Reporter, October 1981. Mr. Narus' article discusses Initiative and Referendum.

11. Consultant on Public Financing Report

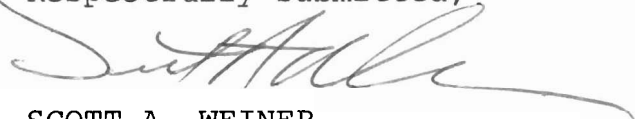
Commissioner Axtell introduced a motion to retain Chairman Goldmann as a consultant to the Commission in its preparation of the report on the public financing of gubernatorial elections. Commissioner Axtell cited that Chairman Goldmann was appointed to the original Commission and served on the Commission during the 1977 gubernatorial general election and the 1981 gubernatorial primary and general elections when public funds were made available to gubernatorial candidates. In light of the Chairman's distinguished service and his great experience in public financing of gubernatorial elections and his breadth of knowledge and judgment about New Jersey government, Commissioner Axtell moved and Commissioner Margetts seconded that Chairman Goldmann be appointed as a consultant to the Commission in its deliberations on the issue of public financing of gubernatorial elections and that he receive a fee of \$1,000 for the period of the consulting. The motion carried 3-0 with Chairman Goldmann abstaining.

12. Remarks by Chairman Goldmann

The Chairman noted that this was his last meeting as a member of the Election Law Enforcement Commission. He commented that the last eight years have been both interesting and challenging but the time had come for him to step down. He expressed the hope that the Commission would face the challenges ahead with the same dedicated balance as it has in the past.

13. Adjournment - On a motion by Commissioner Axtell, seconded by Commissioner DeCotiis and a vote of 4-0, the Commission voted to adjourn.

Respectfully submitted,



SCOTT A. WEINER
Executive Director