

NEW JERSEY ELECTION LAW ENFORCEMENT COMMISSION

PUBLIC SESSION MINUTES

MARCH 16, 1984

PRESENT

Andrew C. Axtell, Chairman
Alexander P. Waugh, Jr, Vice Chairman
M. Robert DeCotiis, Member
Haydn Proctor, Member
Scott A. Weiner, Executive Director
Edward J. Farrell, Counsel

Chairman Axtell called the meeting to order and announced that pursuant to the Open Public Meetings Law, P.L. 1975, c.231, special notice of the meeting of the Commission had been filed with the Secretary of State's office, and distributed to the entire State House press corps.

The meeting convened at 9:30 a.m. at the office of Counsel Edward J. Farrell, 43 Maple Avenue, Morristown, New Jersey.

Executive Director Scott A. Weiner reported that the minutes of the March 5, 1984 Commission meeting were not ready for distribution and would be presented to the Commission at the next scheduled meeting.

1. Resignation of Commissioner DeCotiis

Commissioner DeCotiis formally advised the Commission that he was resigning as of the conclusion of today's meeting. Chairman Axtell, on behalf of the Commission and the State of New Jersey expressed appreciation for the dedicated service and invaluable contributions made by Commissioner DeCotiis during his membership with the Election Law Enforcement Commission. Mr. DeCotiis announced that he will be joining the National Campaign Staff of Senator Gary Hart.

2. Advisory Opinion No. 06-1984 - Jesse Rosenblum

Mr. DeCotiis did not participate in the consideration of this Advisory Opinion.

The Executive Director distributed a draft Advisory Opinion directed to Mr. Jesse Rosenblum who inquired as to whether expenses associated with the publication of a newsletter/newspaper were reportable. Mr. Rosenblum is the publisher and is also a candidate for the school board in Closter. The Commission reviewed the draft Advisory Opinion and on the motion of Commission Waugh, seconded by Commission Proctor, the Advisory Opinion was approved by a vote of 3-0.

3. Review of Proposed Regulations Pertaining to Campaign Finance Reporting

General Counsel Farrell distributed a draft of regulations incorporating and responding to the recent statutory amendments which were enacted in January 1984. General Counsel Farrell led the discussion concerning the regulations by reviewing each section and indicating those provisions which were substantively different from the regulations currently in effect or which had been amended from earlier drafts. In particular, the Commission discussed the following topics and provisions:

- 1) Continuing Political Committees. General Counsel Farrell provided an overview of the concept of continuing political committees paying particular attention to the discretion which has been vested in the Commission to determine categories of such committees and develop specific reporting requirements with respect to each category.
- 2) Political Clubs. It was noted that the proposed regulations maintain the concept that political clubs, which generally perform the functions of a political party committee, will be considered, for reporting purposes, as political party committees. This concept is evidenced in the definition of political party committees.
- 3) Reporting By Political Committees. It was noted that the statutory definition of political committees incorporates a \$1,000 threshold for reporting. The proposed regulations incorporate that threshold and clarify the fact that the threshold applies only to independent committees. It was noted that this interpretation is consistent with current Commission policy and is intended to prevent a candidate or the committee from establishing apparently separate organizations each spending less than \$1,000. The proposed regulations will allow political committees, spending less than \$2,500 but more than \$1,000 to elect to file quarterly reports rather than campaign cycle reports. This option will not be available to candidate campaign committees and is intended to allow relatively small political committees to adopt the reporting system which would be best suited to their operation and needs.
- 4) Classification of Continuing Political Committees. An extensive discussion focussed upon the regulatory definition of continuing political committees and the establishment of three classifications of such committees. Section 4.7(a)(2) was reviewed. This provision expands upon the statutory definition to the extent that expenditures in subsequent elections, by continuing political committees, must be at a level of \$1,000 or more to require continued reporting as a continuing political committee. Section 4.7(b), setting forth the classifications of continuing political committees was also reviewed in depth.
- 5) Deposit of Receipts. Commissioner DeCotiis suggested that Section 6.2 be amended to indicate that the requirement to deposit funds within 10 days in no way alleviates the obligation to disclose the receipt of funds as of the date of receipt. The Commission members concurred with Commissioner

DeCotiis' suggestion and directed the staff to make an appropriate amendment to the draft.

6) Administrative Termination of Reporting Requirements. The Commission reviewed Section 9(c) which incorporates the statutory authority of the Commission to waive reporting requirements. It was noted that the proposed regulation does not set forth specific criteria, other than the general statutory criteria, to make such determinations. It was agreed that the draft provision was appropriate and would allow the Commission to make individual determinations based upon the specific facts of each application.

7) Reporting of Contributions Received by Continuing Political Committees Immediately Prior to an Election. Section 10.6 was reviewed. Commissioner Waugh noted that the draft requires reporting of contributions of \$250 or more following the last quarterly report by a continuing political committee with respect to any election which the committee has made a contribution. Commissioner Waugh suggested that that provision was too narrow and should be amended to include elections with respect to which a committee intends to make contributions or in which the committee is otherwise active. The Commission members concurred with the suggestion of Commissioner Waugh and directed the staff to make appropriate amendments to that section.

8) Reporting of Receipts and Expenditures By Continuing Political Committees. The Commission reviewed the proposed regulations with respect to the reporting of receipts and expenditures by continuing political committees. Particular attention was paid to nature of the reporting to be done by multi-purpose and peripheral continuing political committees. General Counsel Farrell noted that Section 11.6, expenditures, should be amended to parallel the provisions pertaining to pro rata reporting of contributions.

9) Testimonial Affairs. Commissioner DeCotiis suggested that Section 12.2 pertaining to testimonial affairs should be reconsidered in light of the recent amendments to the Act. General Counsel Farrell stated that the section should most likely be deleted. The General Counsel was asked to review the section and make any changes which he deemed appropriate.

On a motion by Commissioner Waugh, seconded by Commissioner Proctor and a vote of 4-0 the Commission approved the proposed regulations for publication, with such amendments as were discussed at the meeting. The staff was directed to prepare the regulations in appropriate form and to provide for **their publication in the New Jersey Register**. The Executive Director indicated that he would advise the Commission of the period during which a public hearing or hearings should be held.

4. Executive Director's Report

The Executive Director advised the Commission of plans to implement quarterly reporting. The statutory amendments provide for the filing of the first quarterly report on April 15, 1984. The Executive Director noted that the preparation of the regulations and design of a new quarterly reporting form necessitated an extension of the filing deadline. The Executive Director

proposed that the deadline be extended from April 15 to May 15 except with respect to the those county or municipal political committees in jurisdictions conducting May municipal elections. In those cases, a filing in early May, in advance of the municipal election, would be required.

The Executive Director reported that a mailing would be sent to all political party committees, and other standing committees advising them of the new reporting requirement and the extended deadline. A draft copy of the proposed quarterly reporting form was circulated among the Commission. The Executive Director stated that the typesetting of the form should be completed by April 6, 1984. He also reported that a sample form would be prepared and included as part of the mailing to continuing political committees.

Specific training sessions with respect to quarterly reporting requirements will be scheduled by the staff. The Executive Director will be attending a luncheon meeting of an informal gathering of PAC directors on March 21, 1984. In addition, training sessions will be scheduled throughout the State. It was noted that reporting by "multi-purpose" or "peripheral" continuing political committees could not take place prior to the adoption of the proposed regulations. In the interim, the staff would apply existing Commission policy wherever necessary or appropriate.

Chairman Axtell, with the concurrence of the Commission members, expressed approval for the implementation plans described by the Executive Director.

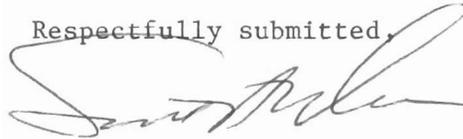
5. Executive Session

On a motion by Commissioner Proctor, seconded by Commissioner Waugh and a vote of 4-0, the Commission voted to go into executive session for the purpose of considering investigative and enforcement matters.

6. Adjournment

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

Respectfully submitted,



Scott A. Weiner
Executive Director