



ELEC-TRONIC

An Election law Enforcement Commission Newsletter

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"Furthering the Interest of an Informed Citizenry"

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Website:

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Comments from the Chairman Ronald DeFilippis

Over time campaigns in New Jersey have become more sophisticated. Spending has increased by leaps and bounds and the election season has grown longer.

On top of that, new organizations such as 501(c)'s and Super PACs now prowl about the electoral horizon as if poised for a kill.

These developments have altered the approach toward campaigning and have transformed the electoral landscape. They have ushered in a period of legal challenges to once settled campaign law.

So for many, particularly individuals running for office for the first time, the complex laws and regulations can be bewildering.

To assist candidates, campaign lawyers and treasurers in understanding and complying with New Jersey's Campaign Contributions and Expenditures Reporting Act, the Election Law Enforcement Commission provides those with legal standing the opportunity to request an advisory opinion.

The process for requesting an advisory opinion is straightforward.

First, an individual or committee must have standing to make a request. The request must be in writing and contain the following information:

1. The name, mailing address and day time phone number of the entity on whose behalf the request is being made;
2. A description of the correct filing status of the entity;
3. A statement of all pertinent facts and contemplated activities that are subject to the inquiry;
4. A statement involving the question of law arising under the act;
5. A statement of the result the entity seeks;
6. Required signatures; and,
7. A statement of whether or not the entity seeking the advisory opinion consents to a 30-day period for the issuance of the opinion.

Under the law, unless an extension of time is consented to by the entity requesting the opinion, the Commission is required to issue its opinion within ten days of the receipt of the request.

When all of the above criteria are met a request is considered received.

To avoid any problems and possible violations of New Jersey's campaign finance laws, a good motto for a candidate to follow is "when in doubt don't." In other words, stop and ask whether your planned course of action is permitted.

Executive Director's Thoughts Jeff Brindle

Amid weakening campaign finance laws, strengthen disclosure: Opinion

Reprinted from Star-Ledger Opinion

Campaign finance law is in turmoil after a series of U.S. Supreme Court cases that have stripped away many government restraints over political fundraising.

Yet there is one area — disclosure — where the law remains largely intact and likely to remain that way.

That is why the bipartisan New Jersey Election Law Enforcement Commission continues to urge the Legislature to enact a state law requiring more disclosure by independent groups that now dominate the electoral landscape.

Since 2006, the Supreme Court has relaxed a ban on pre-election advertising by corporations and unions; overturned contribution limits in Vermont that it considered too low; declared that independent spending by corporations and unions not only is legal but cannot be limited; insisted publicly financed candidates cannot be given extra public funds just because they face wealthy candidates; and, most recently, swept away overall limits on how much contributors could give federal candidates and committees.

While some argue these changes eviscerated post-Watergate scandal campaign finance laws that mostly were adopted in the 1970s, the Supreme Court's

majority insisted they were necessary to preserve First Amendment freedoms.

On the issue of disclosure, however, the nation's high court for decades has been consistent and supportive.

Even as the majority struck down a ban on corporate and union independent spending in the 2010 *Citizens United v. FEC* ruling, it strongly upheld disclosure by political contributors.

Said the majority: "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."

While the U.S. Supreme Court ruling in *McCutcheon v. FEC* case on April 2 drew fire because it ended federal aggregate contribution limits, the court majority once again promoted disclosure as a check on political corruption.

"Disclosure of contributions minimizes the potential for abuse of the campaign finance system. ... Disclosure requirements burden speech but — unlike the aggregate limits — they do not impose a ceiling on speech. ...With modern technology, disclosure now offers a particularly effective means of arming the voting public with information. ... Today, given the internet, disclosure offers much more robust protections against corruption."

In a recent summary of major campaign finance cases pending nationally, the Campaign Legal Center said lower courts have gotten the message.

"Political disclosure laws remain a target but have largely withstood attack. The First, Fourth, Seventh, Ninth, Tenth and Eleventh Circuits have all upheld strong disclosure laws applicable to independent spending following *Citizens United*."

An example is a ruling on May 20 by the Ninth Circuit Court of Appeals that upheld California's disclosure laws.

In *Protect Marriage v. Bowen*, the Ninth Circuit noted that the Supreme Court recognizes that disclosure serves three important governmental interests. Those interests were outlined decades ago in *Buckley v. Valeo* (1976), another landmark campaign finance case.

First, there is a governmental interest in informing the electorate about who is financing ballot measures and candidate elections. Second, disclosure requirements help preserve the integrity of the electoral process by deterring corruption. Finally, full transparency for donors helps expose violations of campaign finance laws.

The Supreme Court's firm stand on disclosure has never been more important.

In the 2012 federal elections, independent groups spent \$311 million without disclosing their contributions — a total nearly 75 times higher than a decade earlier. Early reports on this year's congressional races indicate even more money may be spent without knowing the sources.

In the 2013 New Jersey legislative, gubernatorial and ballot elections, nearly \$41 million was spent by independent groups. About \$15 million occurred with zero disclosure by contributors — more than all spending in the 1985 gubernatorial election.

Legislation is pending in New Jersey that would halt this growing — and disturbing — trend, which leaves voters in the dark for no good reason.

Now is the time to pass it.

Brindle addresses County Clerks and Registers

ELEC Executive Director Jeff Brindle appeared before county clerks and registers on July 17, 2014 to discuss the growing influence of independent special interest groups in campaigns.

The session was part of the conference of Constitutional Officers Association of New Jersey, which was held at Eagle Oaks Country Club in Monmouth County.

During the meeting, the clerks indicated that their group supports pending legislation (A-2851/ S-390) recommended by ELEC.

The bill would eliminate an archaic requirement that candidates file paper copies of contribution and expenditure reports with county clerk offices even though ELEC has made those reports available online since 1999.

Under the legislation, which has cleared both legislative houses and is sitting on Governor Chris Christie's desk, county clerks would have to provide a link on their websites to ELEC's website.

TRAINING SEMINARS

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

PAY-TO-PLAY TRAINING SEMINARS	
August 1, 2014	10:00 a.m.
September 19, 2014	10:00 a.m.
November 14, 2014	10:00 a.m.
TREASURER TRAINING FOR CANDIDATES AND JOINT CANDIDATES COMMITTEES	
September 11, 2014	10:00 a.m.
September 30, 2014	10:00 a.m.
TREASURER TRAINING FOR POLITICAL PARTY COMMITTEES AND PACS	
September 23, 2014	10:00 a.m.
December 10, 2014	10:00 a.m.
R-1 ELECTRONIC FILING SOFTWARE (REFS) TRAINING	
September 9, 2014	10:00 a.m.
October 1, 2014	10:00 a.m.

LOBBYING REPORTING DATES		
Lobbying Quarterly Filing	INCLUSION DATES	ELEC DUE DATE
3 rd Quarter	7/1/14 – 9/30/14	10/10/14
4 th Quarter	10/1/14 – 12/31/14	1/12/15

“BIG-SIX” 2ND QUARTER

The so-called “Big Six” fundraising committees reported the weakest combined campaign finance activity in at least eight years, a sign that independent spending by special interest groups may be taking a toll on traditional fundraising committees, according to an analysis by the New Jersey Election Law Enforcement Commission (ELEC).

“It may be no coincidence that in the year after special interest groups spent a record \$41 million independently of parties and candidates, traditional fundraising committees are struggling,” said Jeff Brindle, ELEC’s Executive Director.

Reports filed by the two state parties and four legislative leadership committees revealed a combined reserve of just \$800,994. At this point last year, the cash-on-hand for both parties totaled \$3.2 million - nearly four times as much. Even compared to 2012, which was an off-election year, the total is low.

Big Six fundraising, spending and reserve totals all were the lowest in at least eight years.

**TABLE 1
CAMPAIGN FINANCE ACTIVITY BY “BIG SIX”
AT END OF SECOND QUARTER BY YEAR**

BOTH PARTIES	RAISED	SPENT	CASH-ON-HAND	NET WORTH*
2007	\$5,776,859	\$2,328,316	\$8,015,277	\$7,911,808
2008	\$3,438,622	\$2,238,356	\$1,577,591	\$ 918,612
2009	\$3,653,103	\$1,811,223	\$3,682,236	\$3,548,060
2010	\$2,175,981	\$1,637,912	\$1,835,526	\$1,666,742
2011	\$3,684,467	\$1,915,020	\$3,329,478	\$3,051,770
2012	\$2,988,610	\$2,590,387	\$1,426,366	\$1,193,221
2013	\$3,382,737	\$1,874,081	\$3,189,889	\$3,093,711
2014	\$1,276,109	\$1,319,714	\$ 800,994	\$ 287,246

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

Brindle said the Big Six committees clearly are still recovering from the financial drain of last year’s elections, when the governor’s seat and all 120 legislative seats were in contention for the first time since 2001.

“But independent special interest spending outside normal party channels, coupled with other factors, also may be making it harder for parties and leadership PACs to raise money,” Brindle said. “The other factors include tighter contribution restrictions on contractors, the economy, and fewer self-financed candidates who once made major contributions to party committees,” he added.

**TABLE 2
FUNDRAISING BY "BIG SIX" COMMITTEES
JANUARY 1 THROUGH JUNE 30, 2014**

REPUBLICANS	RAISED	SPENT**	CASH-ON-HAND	NET WORTH*
New Jersey Republican State Committee	\$ 345,282	\$ 600,406	\$157,239	\$(293,530)
Senate Republican Majority	\$ 105,115	\$ 44,071	\$117,279	\$ 117,279
Assembly Republican Victory	\$ 112,432	\$ 84,942	\$ 68,203	\$ 68,203
Sub Total-Republicans	\$ 562,829	\$ 729,419	\$342,721	\$(108,048)
DEMOCRATS				
New Jersey Democratic State Committee	\$ 167,023	\$ 186,584	\$139,461	\$ 126,920
Senate Democratic Majority	\$ 127,704	\$ 175,089	\$ 38,252	\$ 18,252
Democratic Assembly Campaign Committee	\$ 418,553	\$ 228,622	\$280,560	\$ 250,122
Sub Total-Democrats	\$ 713,280	\$ 590,295	\$458,273	\$ 395,294
Total-Both Parties	\$1,276,109	\$1,319,714	\$800,994	\$ 287,246

*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.

Brindle once again called on the Legislature to enact pending 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 allowing them to contribute slightly more, and apply inflation adjustments to contribution limits that apply to other donors.

"ELEC has endorsed these changes on a bipartisan basis. They may help restore some balance to the political fundraising situation in New Jersey," said Brindle.

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).

REPORTING DATES

	INCLUSION DATES	REPORT DUE DATES
Fire Commissioner - 2/15/2014		
29-day pre-election	Inception of campaign* - 1/14/14	1/17/2014
11-day pre-election	1/15/14 - 2/1/14	2/4/2014
20-day post-election	2/2/14 - 3/4/14	3/7/2014
48 Hour Notice Reports Start on 2/2/2014 through 2/15/2014		
School Board Election - 4/23/2014		
29-day pre-election	Inception of campaign* - 3/22/14	3/25/2014
11-day pre-election	3/23/14 - 4/9/14	4/14/2014
20-day post-election	4/10/14 - 5/10/14	5/13/2014
48 Hour Notice Reports Start on 4/10/2014 through 4/23/2014		
May Municipal Election - 5/13/2014		
29-day pre-election	Inception of campaign* - 4/11/14	4/14/2014
11-day pre-election	4/12/14 - 4/29/14	5/2/2014
**20-day post-election	4/30/14 - 5/30/14	6/2/2014
48 Hour Notice Reports Start on 4/30/2014 through 5/13/2014		
Runoff Election (June)** - 6/10/2014		
29-day pre-election	No Report Required for this Period	
11-day pre-election	4/30/14 - 5/27/14	5/30/2014
20-day post-election	5/28/14-6/27/14	6/30/2014
48 Hour Notice Reports Start on 5/28/14 through 6/10/14		
Primary Election - 6/3/2014		
29-day pre-election	Inception of campaign* - 5/2/14	5/5/2014
11-day pre-election	5/3/14 - 5/20/14	5/23/2014
20-day post-election	5/21/14 - 6/20/14	6/23/2014
48 Hour Notice Reports Start on 5/21/14 through 6/3/14		
90 Day Start Date: 3/5/14		
General Election - 11/4/2014		
29-day pre-election	6/21/14 - 10/3/14	10/6/2014
11-day pre-election	10/4/14 - 10/21/14	10/24/2014
20-day post-election	10/22/14 - 11/21/14	11/24/2014
48 Hour Notice Reports Start on 10/22/14 through 11/4/14		
Runoff Election** - 12/2/2014		
29-day pre-election	No Report Required for this Period	
11-day pre-election	10/22/14 - 11/18/14	11/21/2014
20-day post-election	11/19/14 - 12/19/14	12/22/2014
48 Hour Notice Reports Start on 11/19/14 through 12/2/14		
PACs, PCFRs & Campaign Quarterly Filers		
1st Quarter	1/1/14 - 3/31/14	4/15/2014
2nd Quarter***	4/1/14 - 6/30/14	7/15/2014
3rd Quarter	7/1/14 - 9/30/14	10/15/2014
4th Quarter	10/1/14 - 12/31/14	1/15/2015

* Inception Date of Campaign (first time filers) or from January 1, 2014 (Quarterly filers).

** A candidate committee or joint candidates committee that is filing in a 2014 Runoff election is not required to file a 20-day post-election report for the corresponding prior election (May Municipal or General).

*** A second quarter report is needed by Independent General Election candidates if they started their campaign before May 6, 2014.