



ELEC-TRONIC

An Election Law Enforcement Commission Newsletter

P.O. Box 185, Trenton, NJ 08625

(609) 292-8700 - Toll Free Within NJ 1-888-313-ELEC (3532)

"Furthering the Interest of an Informed Citizenry"

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In This Issue

- Comments from the Chairman
- Training Seminars and Lobbying Reporting Dates
- Executive Director's Thoughts
- Adoption of Proposed Regulations:
[N.J.A.C. 19:25-20.20](#)
- Quarter Lobbying Reports
- Personal Financial Disclosure Reports (PFDs)
- 2015 Reporting Dates

Website:

www.elec.state.nj.us

Comments from the Chairman Ronald DeFilippis

New Jersey's campaign finance law permits officeholders to use campaign funds for the "ordinary and necessary" expenses of holding public office.

But just what does "ordinary and necessary" mean?

Generally, it means any expense that reasonably promotes or carries out the responsibilities of an individual holding elective public office.

It does not include, however, funds used for the payment of any expense arising from the furnishing, staffing or operation of an office used in connection with the elected official's duties as a public official.

Examples of permissible uses of funds under the rubric of ordinary and necessary expenses of holding public office are as follows:

1. Expenditures on communications to constituents. This includes costs associated with mailings, with holding seminars or meetings with constituents, with charitable donations, the framing of honorary resolutions, and the purchase of nominal get-well gifts and flowers, etc.;
2. The purchase of items such as a cellular phone used by the officeholder for official travel, janitorial supplies for the official's office, funding for a petty cash account, and newspapers and magazines used for the purpose of carrying out office holding duties;
3. Costs of dues for membership in educational organizations related to office holding duties, the costs of registration and attendance at conferences used in connection with his or her official responsibilities; and,
4. Expenditures for travel by means of a vehicle when used in connection with the performance of the officeholder's official duties.

While the above are all examples of permissible use under the ordinary and necessary clause, it is essential to keep in mind that no campaign money is to be used for the personal benefit of the individual.

Whenever there is any doubt with respect to uses under the ordinary and necessary provision, individuals are encouraged to call the Commission for advice and guidance.

Staff can be reached at the toll free number 1-888-313-ELEC (3532). The Commission's web address is www.elec.state.nj.us.

Training Seminars and Lobbying Reporting Dates

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

PAY-TO-PLAY		
July 17, 2015		10:00 a.m.
September 18, 2015		10:00 a.m.
November 16, 2015		2:00 p.m.
TREASURER TRAINING FOR CANDIDATES AND JOINT CANDIDATES COMMITTEES		
September 17, 2015		10:00 a.m.
September 29, 2015		10:00 a.m.
TREASURER TRAINING FOR POLITICAL PARTY COMMITTEES AND PACS		
June 17, 2015		10:00 a.m.
September 15, 2015		10:00 a.m.
December 16, 2015		10:00 a.m.
R-1 ELECTRONIC FILING SOFTWARE (REFS) TRAINING		
July 28, 2015		10:00 a.m.
September 24, 2015		10:00 a.m.
September 30, 2015		10:00 a.m.
LOBBYING REPORTING DATES		
Quarterly Filing	Inclusion Dates	ELEC Due Date
2 nd Quarter	4/1/2015 - 6/30/2015	7/10/2015
3 rd Quarter	7/1/2015 - 9/30/2015	10/13/ 2015
4 th Quarter	10/1/2015-12/31/2015	1/11/2016

Executive Director's Thoughts Jeff Brindle

N.J. Legislature should act to provide for special primary in case governor's office is vacated: Opinion

Reprinted from politickernj.com

A decades-long oversight in the New Jersey Constitution could cause havoc if a vacancy in the Office of the Governor were to occur.

Fortunately, a constitutional amendment introduced earlier this month will avoid the dilemma.

The problem stems from the fact that New Jersey's Constitution of 1844 failed to provide for a special primary election for governor in the event of a vacancy in that office.

The reason is simple. There were no primaries in those days as candidates for governor were selected by party nominating conventions.

The 1844 constitution, however, did provide for a special general election for governor.

If the Office of Governor becomes vacant prior to 60 days before the general election, a new governor would be elected in that general election.

On the other hand, if the office becomes vacant within 60 days of the general election, a new governor would be elected the next succeeding November.

In the interim, the N.J. Senate President would assume the Office of Governor and retain the position as Senate President.

The state's modern day constitution was ratified in 1947 and became effective Jan. 1, 1948.

Though primaries have been held since 1913, the modern day document simply carried forward the language of the 1844 constitution, making no provision for a special gubernatorial primary.

On Jan. 31, 2001, Gov. Christine Todd Whitman resigned as governor. Three years later, on Nov. 15, 2004, Gov. James E. McGreevey resigned.

In both instances, the lack of constitutional language providing for a special gubernatorial primary was of no consequence. Both governors resigned within 60 days of election so the process proceeded as normal.

That is because Senate President Donald DiFrancesco served out Whitman's term during the 2001 elections, while Senate President Richard Codey replaced McGreevey and served as governor through the 2005 elections. Neither ran in the general election.

The resignations of successive governors set in motion a debate that resulted in the ratification of a 2005 constitutional amendment that created the Office of the Lieutenant Governor.

Similar to past procedure, the lieutenant governor assumes the governorship upon a gubernatorial vacancy, but only until a special general election is called.

But once again, the 2005 amendment carried forward the 1844 language, overlooking the need for a constitutional provision enabling a special gubernatorial primary.

This oversight perpetuates the potential for havoc if a vacancy in the state's highest office occurs.

There is no problem if a vacancy occurs within 60 days of the general election. The primary would be held the following June and the general election the following November.

But what if a vacancy were to occur 61 days before the general election?

First, the constitution does not make provisions for a special primary election and second, even if it did, there would not be enough time for a special primary to be organized.

So, the constitution needs to be amended to remedy this oversight.

A resolution (SCR-164) introduced by state Senator Jim Whelan (D-Atlantic) does just that. The proposed amendment extends from 60 to 240 days before the general election the cutoff point for a special election. By so doing, it ensures that the special primary will always be held on a regular primary day, both saving money and eliminating confusion.

One simple sentence will eliminate a glaring hole in the constitution that has been with us for decades.

The bill was discussed at the Senate State Government Committee meeting on May 14, but no action was taken. It is hoped that the bill will move quickly through the N.J. Legislature so it can go on the ballot this fall.

The legislature also should approve other related legislation by Sen. Whelan; S-1647 would authorize public financing of primary election campaigns in the event of a special election.

These two legislative initiatives will correct major oversights in the event of a special election.

Adoption of Proposed Regulations

[N.J.A.C. 19:25-20.20](#)

The New Jersey Election Law Enforcement Commission approved its regulations concerning Governmental Affairs Agent's annual registration fee. [N.J.A.C. 19:25-20.20\(a\)](#) and [\(b\)](#) was amended to indicate a \$575.00 annual fee for each Governmental Affairs Agent. The proposal notice (**Proposed Amendment: N.J.A.C. 19:25-20.20**) appeared in the New Jersey Register on March 2, 2015 at 47 N.J.R. 518(a), and was approved by the Commission on June 16, 2015.

Quarter Lobbying Reports

Note: This is an abbreviated version of an earlier press release

A bill requiring New Jersey employers to provide paid sick leave appeared to be the most heavily lobbied legislative initiative in 2014, according to a new analysis by the Election Law Enforcement Commission (ELEC).

ELEC's first-ever analysis of quarterly lobbying reports found that 69 different organizations made contact with legislators about either A-2354 or S-785. These are the Assembly and Senate bills, respectively, that would mandate the benefit.

The \$32 billion 2014-2015 state budget bill drew less attention.

Among all bills listed by lobbyists, an average of three organizations made contact on each one.

Table 1
2014 Bills with Most Reported Lobbying
Activity Based on Number of Represented Entities

RANK	ISSUE	BILL NUMBERS	OFFICIAL CONTACTS	NUMBER OF ENTITIES
1	Paid sick leave	A2354/S785	294	69
2	State budget 2014-2015	S2015/A3482	240	58
3	Employment rights for ex-convicts	A1999/S2124	266	48
3	Requires state contractors to use American made products	S1811/A3059	292	48
4	Prescription drug monitoring	S1998/A3062	130	33
5	Prescription drug disposal	A709/S2370	102	31
6	Power restoration for nursing homes	A1071/S2128	190	30
6	Patient designated caregivers in hospitals	A2955/S2127	251	30
7	Right to die	A2270/S382	155	29
7	Health insurance data encryption	S562/A3322	176	29
8	Addiction warnings	S2366/A3712	71	27
8	Healthcare disclosure	A1069/S869	201	27
9	Open space ballot question	SCR84/ACR130	142	26
10	Biosimilar drugs	A2477/S1705	158	24
10	Bidding law revisions	A2388/S2253	148	24

The sick leave bill would have a financial impact on employers across New Jersey. As a result, it faced intense opposition along with strong support from a wide array of groups both big and small.

These included 21 businesses, 21 business associations, 9 ideological groups, 6 unions, 7 associations representing various interests, 4 hospitals and one public agency.

Twenty-seven groups indicated they opposed the legislative proposal, 19 expressed support and 23 others monitoring it listed no position.

Opponents include the New Jersey Business and Industry Association, New Jersey Chamber of Commerce, New Jersey Builders Association, and New Jersey State League of Municipalities.

Supporters include AARP, New Jersey Education Association, New Jersey Hospital Association, and New Jersey Citizens Action.

The paid sick leave bill, which has been reported out of two committees and is pending in the Assembly, topped all other proposals both in number of groups lobbying on the issue and the number of official contacts it prompted.

Other top issues in 2014 included the fiscal year 2015 state budget, bills requiring state contractors to buy American made goods, a bill giving terminally ill patients the right to die and a ballot question authorizing more funds for open space preservation. Ten of the top 15 bills by number of groups involved health care issues.

Under New Jersey law, all lobbyists must file reports with ELEC every three months that detail their efforts to influence legislators and administration officials. Activities that must be disclosed include lobbying efforts involving legislation, nominations, public contracts, regulations, fines, rate setting and permits or licenses.

The analysis of 2014 quarterly lobbying reports resulted from research by Kyle Morgan, a Ph.D. candidate in political science at Rutgers University. Morgan, an Eagleton Institute fellow, worked as an intern at ELEC between January and April, 2015. He compiled data from paper reports into an electronic catalog of nearly 59,000 records.

Jeff Brindle, ELEC's Executive Director, praised the work done by Morgan. He said it helps fulfill the Commission's mission of disclosure.

"This is the first time the agency has attempted to analyze quarterly lobbying reports. Commission staff have historically analyzed many other issues related to lobbying and campaign finance. These include gubernatorial and legislative elections, independent spending, state contractor contributions, special interest spending and annual lobbying reports," he said.

"ELEC collects thousands of reports every year from lobbyists and candidates that disclose their funding and activities. But disclosure doesn't stop simply because reports are on file," Brindle said. "One of our jobs is to plow through piles of reports and uncover trends and other meaningful information that can be useful to policy-makers, media members, academics and the general public," he said.

Full press release: http://www.elec.state.nj.us/pdf/press_releases/pr_2015/pr_06022015.pdf.

Personal Financial Disclosure Reports (PFDs)

Ninety-one percent of the candidates who sought legislative seats in the June 2 primary filed personal financial disclosure reports (PFDs), according to an analysis by the New Jersey Election Law Enforcement Commission (ELEC).

Incumbents complied at a higher rate than challengers, the analysis shows. Of the 74 incumbents who participated in the primary election, 100 percent filed their disclosure forms. Among the 97 challengers, 81, or 84 percent, submitted their forms.

Table 1
Percentage of Legislative Primary Candidates
Who Filed Personal Disclosure Forms with ELEC

GROUP	TOTAL FILERS	TOTAL CANDIDATES	2015	2013	2011
Incumbents	74	74	100%	99%	97%
Challengers	97	81	84%	90%	87%
Total Candidates	171*	155	91%	94%	91%

*Includes one candidate for a special Senate election in Camden County.

“As I have said before, most candidates comply with our laws. The information candidates provide on their financial disclosure forms helps provide background to voters just like the information they disclose on their campaign fundraising and spending,” said Jeff Brindle, ELEC’s Executive Director.

This year’s election is unusual because, except for one special state Senate election in the 5th legislative district, it involves just the 80 seats in the state Assembly. The last time that happened was 1999.

Republican and Democrat incumbents both had the highest compliance rate- 100 percent. Democratic challengers had the lowest rate- 79 percent- while Republican challengers were the next lowest at 87 percent.

Table 2
Compliance Rate by Party Affiliation

GROUP	2015	2013	2011
Republican Incumbents	100%	100%	95%
Democratic Incumbents	100%	99%	98%
All Republicans	92%	97%	92%
All Candidates	91%	94%	91%
All Democrats	90%	91%	91%
Republican Challengers	87%	95%	90%
Democratic Challengers	79%	83%	83%

New Jersey law requires candidates for Governor, State Senate, and Assembly to file the seven-page personal financial disclosure forms during the year of their candidacy.

The disclosure forms require candidates to identify sources of earned income, such as salaries or bonuses, and unearned income, such as rents and dividends. Disclosure is required if the source of income exceeds \$1,000 in any one category. The statements list only sources of income, not dollar amounts. Candidates also report sources of income received by spouses and children of candidates.

Candidates also must disclose gifts valued at more than \$250, and whether they own any property in a city where casino gambling is authorized.

Among candidates who filed their forms, most- 81 percent- checked the salary category. Salary Spouse was the second most frequently checked box- 42 percent. Honorariums were the least frequent item at 1 percent.

Table 3
Categories Checked Most Often by Candidates

CATEGORY	NUMBER	FREQUENCY
Salary-Candidate	138	81%
Salary- Spouse	72	42%
Other	55	32%
Rent	45	26%
Dividends	40	23%
Reimbursement	32	19%
Bonus	16	9%
Fees	15	9%
Salary-Children	15	9%
Commissions	11	6%
Gifts	9	5%
Profit	8	5%
Royalties	4	2%
Own Property In City With Casinos	3	2%
Honorariums	2	1%

Copies can be viewed by going to the "View a Candidate or Election Related Committee Report" search page (<http://www.elec.state.nj.us/ELECReport/StandardSearch.aspx>) and entering the candidate's name. Look for form PFD-1.

The bipartisan Commission has urged the Legislature to move to May 15 the deadline for the filing of personal financial disclosure reports. Currently, candidates are supposed to file these forms within 10 days after they file their nomination petitions, which causes difficulties both for the candidates and ELEC.

May 15 is the same date that incumbent legislators must file separate disclosure forms with the Office of Legislative Services. By using the same deadline for both reports, the filing process will be more orderly while still providing disclosure well before the election. A link to the fillable PFD form is listed below.

http://www.elec.state.nj.us/pdf/files/forms/compliance/pfd1_LG.pdf

2015 REPORTING DATES

		<i>Inclusion Dates</i>	<i>Report Due Date</i>
Fire Commissioner - 2/21/2015			
29-day pre-election		Inception of campaign* - 1/20/15	1/23/2015
11-day pre-election		1/21/15 - 2/7/15	2/10/2015
20-day post-election		2/8/15 - 3/10/15	3/13/2015
48 Hour Notice Reports Start on 2/8/2015 through 2/21/2015			
School Board Election - 4/21/2015			
29-day pre-election		Inception of campaign* - 3/20/15	3/23/2015
11-day pre-election		3/21/15 - 4/7/15	4/10/2015
20-day post-election		4/8/15 - 5/8/15	5/11/2015
48 Hour Notice Reports Start on 4/8/2015 through 4/21/2015			
May Municipal Election - 5/12/2015			
29-day pre-election		Inception of campaign* - 4/10/15	4/13/2015
11-day pre-election		4/11/15 - 4/28/15	5/1/2015
20-day post-election		4/29/15 - 5/29/15	6/1/2015
48 Hour Notice Reports Start on 4/29/2015 through 5/12/2015			
Runoff (June)** - 6/9/2015			
29-day pre-election		No Report Required for this Period	
11-day pre-election		4/29/15 - 5/26/15	5/29/2015
20-day post-election		5/27/15-6/26/15	6/29/2015
48 Hour Notice Reports Start on 5/27/2015 through 6/9/2015			
Primary Election*** - 6/2/2015			
29-day pre-election		Inception of campaign* - 5/1/15	5/4/2015
11-day pre-election		5/2/15 - 5/19/15	5/22/2015
20-day post-election		5/20/15 - 6/19/15	6/22/2015
48 Hour Notice Reports Start on 5/20/2015 through 6/2/2015			
90 Day Start Date: 3/4/2015			
General Election*** - 11/3/2015			
29-day pre-election		6/20/15 - 10/2/15	10/5/2015
11-day pre-election		10/3/15 - 10/20/15	10/23/2015
20-day post-election		10/21/15 - 11/20/15	11/23/2015
48 Hour Notice Reports Start on 10/21/2015 through 11/3/2015			
Runoff (December)** - 12/8/2015			
29-day pre-election		No Report Required for this Period	
11-day pre-election		10/21/15 - 11/24/15	11/27/2015
20-day post-election		11/25/15 - 12/25/15	12/28/2015
48 Hour Notice Reports Start on 11/25/2015 through 12/8/2015			
PACs, PCFRs & Campaign Quarterly Filers			
1 st Quarter		1/1/15 - 3/31/15	4/15/2015
2 nd Quarter****		4/1/15 - 6/30/15	7/15/2015
3 rd Quarter		7/1/15 - 9/30/15	10/15/2015
4 th Quarter		10/1/15 - 12/31/15	1/15/2016

* Inception Date of Campaign (first time filers) or from January 1, 2015 (Quarterly filers).

** A candidate committee or joint candidates committee that is filing in a 2015 Runoff election is not required to file a 20-day post-election report for the corresponding prior election (May Municipal or General).

*** Form PFD-1 is due on April 9, 2015 for Primary Election Candidates and June 12, 2015 for Independent General Election Candidates.

**** A second quarter report is needed by Independent/Non-Partisan General Election candidates if they started their campaign before 5/5/2015.