



ELEC-TRONIC

An Election Law Enforcement Commission Newsletter

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"Furthering the Interest of an Informed Citizenry"

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Website:

www.elec.state.nj.us

Comments from the Chairman Ronald DeFilippis

In 2011 legislation was enacted that prohibits the solicitation of campaign contributions on public property.

Besides banning individuals from attempting to raise political money on public property, the law also prohibits individuals from making contributions while on property owned by taxpayers.

At the time, the legislation was long overdue. Prior to its enactment, prohibitions on soliciting campaign funds only applied to property owned by the State.

Since 2011, however, the ban has extended to property owned or leased by any county, municipality, board of education of a school district, fire district, authority, or other State or local entity or instrumentality.

Under the law, officeholders, candidates for elective office and/or their representatives, are banned [directly or indirectly] from soliciting contributions while on any publicly owned property.

This means that no equipment, such as telephones, personal computers, fax machines, e-mail, etc., owned by a public entity may be used for the purpose of soliciting campaign funds.

Similarly, no person, while located on any property owned or leased by the State or any of the other aforementioned entities may make a contribution [directly or indirectly] to an officeholder or candidate while on public property.

A promise of a contribution while over the phone or via e-mail, etc., to an officeholder or candidate who is on public property is likewise prohibited.

While the law is very comprehensive it does contain one exception to the rule. It states:

In the event property exclusively owned or leased by the State, or any agency of the State, or by any county, municipality, board of education of a school district, fire district, authority, or other State or local entity, district or instrumentality, or part thereof, is made available, through rent, reservation or otherwise, for the exclusive use of any group for a non-governmental purpose as a meeting location, the prohibition in subsection b. of this section shall not apply and the solicitation or making of contributions or funds of any nature from any or among or by the members of the group during the time the group is using the property made available as a meeting location is permitted.

In other words, organizations renting public property for non-governmental purposes may solicit or accept contributions during the time of the event.

The New Jersey Election Law Enforcement Commission (ELEC) is charged with the responsibility of enforcing the provisions of the law.

The legislation did not contain an appropriation and required ELEC to enforce the law with existing resources.



Executive Director's Thoughts Jeff Brindle

ARE INDEPENDENT COMMITTEES STILL REALLY INDEPENDENT IN THE TWITTER ERA?

Reprinted from politickernj.com

Two forces transforming modern campaigns are Super PACs and social media.

Super PACs now dominate the electoral landscape. They raise unlimited amounts of money and operate largely anonymously.

Social media provides tech savvy candidates with a less expensive way to communicate their message to supporters.

Social media also works in tandem with Super PACs. Candidates and Super PACs can talk to each other without running afoul of coordination rules.

For instance, CNN reported in November, 2014 that Republican Party committees and outside groups shared polling information related to the 2014 elections via a Twitter account. Huffington Post reported that the Democratic Party did something similar in 2012 by sharing advertising information through a Twitter account.

All they need to do is tweet and the fiction of independence on the part of Super PACs remains.

This perfect storm of Super PACs and social media has altered the electoral landscape significantly. It has relegated political parties to second class status and in many instances taken control of campaign messages away from candidates themselves.

This situation doesn't have to become the norm, however. While the Super PAC genie will not be fully put back in the bottle, there is every reason to believe the party system can be revived.

A major step toward party rehabilitation can be taken by the U.S. Supreme Court in hearing [Republican Party of Louisiana v. Federal Election Commission \(FEC\)](#).

The case involves a challenge to the constitutionality of the ban on party soft money.

In explaining party building rules, Anthony Corrado and Thomas Mann wrote in *Party Soft Money*, "So in 1979 Congress authorized a circumscribed realm of unlimited party expenditures. But it did not sanction unlimited spending on activities designed to assist a particular candidate to federal office."

The FEC subsequently adopted regulations that liberally interpreted the 1979 amendment to federal campaign finance laws. Those rules would restore to the political parties their inherent role of supporting candidates, and, in turn, usher in a period of soft money.

Having realized that by the 1980's the obituary for political parties had already been written, Herbert Alexander, noted political scientist and member of the Kennedy Commission on campaign costs, celebrated the introduction of soft money.

He said: "Anybody who believes in the two-party system will say that to the extent that soft money is used to register votes and invigorate the parties, then it is a valuable, good use of money in the system."

After observing the positive impact soft money was having, political scientist Majorie Randon Hershey wrote, "State and local parties energized by money, became more involved in campaigns . . . soft money allowed the parties to play more of a role in the most competitive races than had been the case in more than a half a century."

Despite the positive impact of state and federal parties during this period, reformers, who opposed soft money and political parties as far back as 1984, understood the foreign money scandal in 1996 as a reason to push for the elimination of soft money.

Thus the foreign money scandal led to the enactment of the Bipartisan Campaign Reform Act (BCRA) in 2002.

BCRA had unintended consequences. It redirected soft money away from political parties to independent groups like Super PACs.

Between 2002 and 2010, the period prior to the much maligned Citizens United decision, there was more than a 1000 percent growth in independent group activity.

Not long after BCRA went into effect its provisions were challenged in court.

At first the pre-John Roberts Court upheld the strangle hold on political parties imposed by BCRA. But with the Roberts Court, decisions were taken that could be viewed as strengthening the political party system.

In McCutcheon v. Federal Election Commission (FEC), 2014, the U.S. Supreme Court found aggregate contribution limits as applied to donations made to candidates, parties, and PACs, unconstitutional.

A provision in a Congressional appropriations bill in 2014 expanded party fundraising as well.

As a result of these measures candidates and political parties can jointly fundraise by creating numerous accounts.

This arrangement certainly has the potential for strengthening the political party system and offsetting somewhat the influence of independent groups like Super PACs.

But what it doesn't do is enhance disclosure. Multiple accounts make the tracking of money more difficult, hence less transparent.

So the solution to strengthening parties, drying up the money that goes to Super PACs, and enhancing disclosure is for the high court to take up Louisiana Republican and find the ban on soft money unconstitutional.

Both national and state parties, like New Jersey's, would be strengthened. And the influence of Super PAC, over the electoral system diminished.

National parties would distribute more money to state parties and the need to create multiple accounts would be lessened, bringing about more straight forward disclosure.

Now that campaign expenditures by outside groups are soaring, Twitter campaigns abound and McCutcheon has ended aggregate limits, there is less of an argument for limits on soft money than ever before.

2017 COST INDEX REPORT

Contributors can give a maximum of \$4,300 per election to 2017 gubernatorial candidates under new inflation-adjusted limits and thresholds established by the New Jersey Election Law Enforcement Commission.

Also under the changes required by law every four years, gubernatorial candidates who qualify for public funding can spend a maximum of \$6.4 million in primary elections, and \$13.8 million in general elections.

They can receive up to \$4 million in public funds during the primary election, and \$9.3 million during the general election, under the Gubernatorial Public Financing Program that began in 1977.

The following chart shows the adjusted limits and thresholds under the Gubernatorial Public Financing Program. The adjustments apply to 2017 gubernatorial campaigns already underway (one person so far has declared his candidacy for the 2017 primary), or any candidates who declare later for the 2017 election.

Table 1
2017 Gubernatorial Cost Index Adjustments

Limit/Threshold	2013 Amount	2017 Amount
Contribution Limit	\$ 3,800	\$ 4,300
Qualification Threshold	\$ 380,000	\$ 430,000
Amount Not Matched	\$ 122,000	\$ 138,000
Primary Public Fund Cap	\$ 3,500,000	\$ 4,000,000
Primary Expenditure Limit	\$ 5,600,000	\$ 6,400,000
General Public Fund Cap	\$ 8,200,000	\$ 9,300,000
General Expenditure Limit	\$12,200,000	\$13,800,000

Executive Director Jeffrey Brindle said the Gubernatorial Public Financing Program has been a model for similar programs around the nation.

“Since its inception, 69 candidates have received \$117 million in public matching funds,” he said. “A public investment of just \$5.00 per vote cast has resulted in gubernatorial elections that have been issue-oriented and scandal-free.”

He added that the program has enabled three Democrats and three Republicans to win the office of

Governor, and, in some cases, helped them win reelection.

“New Jersey’s nationally renowned public financing program is intended to help persons of limited financial means seek election to the state’s highest office,” Brindle said. “Another big benefit for candidates is that it greatly reduces the time they must spend calling contributors, and enables them to spend more time reaching out to voters.”

Brindle said public financing is more important than ever with candidates facing a growing onslaught of independent special interest spending. “Especially with inflation adjustments, the public financing program equips candidates with sufficient funding to wage serious campaigns,” he said. “If they are attacked by a shadow group, they will have enough funds to respond.”

One reason for the program’s success, he said, is that limits and thresholds are adjusted every four years for inflation. These statutory changes are required by the Campaign Contributions and Expenditures Reporting Act.

In making the adjustments, New Jersey is believed to be the only state that makes the cost of advertising a major part of its inflation formula.

“Largely due to the ever-rising cost of advertising, candidates and committees face more pressure from inflation than the general public,” said Brindle, who developed the formula used for adjusting limits and thresholds. “We believe New Jersey’s approach, set forth in the statute, offers better protection against inflation than just using the general consumer price index.”

Revised fines and reporting thresholds for non-gubernatorial candidates are listed on the following page. They apply to any candidates or committees organized to take part in 2017 elections.

Table 2
2017 Adjustments for Non-Gubernatorial Candidates and Committees

Reporting Thresholds and Fines	2013 Amount	2017 Amount
Political Committee Reporting Threshold	\$ 2,400	\$ 2,800
CPC Reporting Threshold	\$ 5,500	\$ 6,300
Contribution Reporting Threshold (P.L. 2004, c.28)*	\$ 300	\$ 300
48-hr Notice Contribution Threshold	\$ 1,400	\$ 1,600
48-hr Notice Expenditure Threshold	\$ 1,400	\$ 1,600
JCC Thresholds - 2 candidates	\$ 8,500	\$ 9,700
JCC - 3 or more candidates	\$12,300	\$14,000
Form A-3 Threshold	\$ 5,500	\$ 6,300
Form A-1 & School Board/Write-in Threshold	\$ 4,500	\$ 5,100
Independent Expenditure Threshold	\$ 1,400	\$ 1,600
Section 20.1 Penalties (P.L. 2004, c.32)		
First Time	\$ 7,600	\$ 8,600
Subsequent	\$15,200	\$17,200
Section 22 Penalties (P.L. 2004, c.32)		
First Time	\$ 7,600	\$ 8,600
Subsequent	\$15,200	\$17,200
Pro Rata Return of Contributions**	\$ 300	\$ 300

*Frozen at \$300 pursuant to P.L. 2004, c.28.

**Frozen by regulation to conform to contribution reporting threshold pursuant to P.L. 2004, c.28.

Contribution limits for non-gubernatorial candidates are not adjusted automatically. In fact, they have been frozen at the same amounts since 2005.

The law requires that by July 1st each year, the Commission must issue a report that includes recommended increases in contribution limits for non-gubernatorial candidates. The report must be transmitted to the Legislature by July 15th. The Legislature then decides whether to enact legislation accepting these revisions. Recently introduced bills are pending in both houses that would do so.

The recommended 2017 non-gubernatorial contribution limit adjustments are displayed below. The Commission derived the 2017 recommended amounts by applying the cost multiplier to the contribution levels from 2005, the last year when adjustments were made.

Table 3
Recommended 2017 Non-Gubernatorial Contribution Amount Adjustments

2005 Contribution Limit	2017 Contribution Limit
\$ 2,600	\$ 3,000
\$ 7,200	\$ 8,200
\$ 8,200	\$ 9,300
\$25,000	\$29,000
\$37,000	\$42,000
\$72,000	\$82,000

A copy of the "2017 Cost Index Report" is available at ELEC's website (www.elec.state.nj.us).

QUARTERLY LOBBYING REPORTS 2016

Quarterly reports filed by New Jersey lobbyists and information they contain can now be easily searched online, it was announced by Jeff Brindle.

"This is just the latest step our agency has taken to fulfill our central mission of public disclosure," said Brindle. "With the advent of the computer age, ELEC gradually has evolved from a warehouse of paper documents to an electronic library rich in campaign finance and lobbying information."

The improvements were made possible through a state appropriation approved with bipartisan support in the 2015 state budget.

Lobbyists first began filing paper copies of annual and quarterly reports with ELEC in January, 1992. Since ELEC's website (www.elec.state.nj.us) first became active in 1997, the agency has been moving toward the day when all lobbying reports are filed and displayed electronically, said Brindle.

"We finally have reached that point," he said.

ELEC has posted summaries of information in annual lobbying reports online since 1998. Annual reports contain information such as client names and fees, salaries, spending on communications and appointed positions held by lobbyists. Starting in 2011, lobbyists have been able to file their annual reports electronically and those reports are easy to view online.

Also in 2011, ELEC began scanning quarterly lobbying reports into large electronic files that could be searched online. "Until now, people were not able to look up individual reports filed by lobbyists," Brindle said.

New Jersey lobbyists in April of this year began filing their quarterly reports electronically. Quarterly reports list lobbying activity involving legislation and executive branch activities such as permits, regulations and fines. A revamped section of the website also enables members of the public to search information contained in these reports.

"ELEC is joining a handful of states, including Ohio, Rhode Island and Washington, that let people look up information about the activities of lobbyists," said Brindle.

"This change wouldn't have been possible without the hard work of our information technology and compliance staffs as well as efforts of other ELEC workers. I also want to thank lobbyists and their staff members who provided personal feedback that made the e-filing process even better," said Brindle.

Some funds from the special appropriation already have made the agency's operations more secure and reliable by replacing outdated computer hardware and software that underpin the agency's operations.

Another improvement will be an overhaul of the agency's award-winning website. Originally slated for April, it is now set for September.

In 2017, the appropriation will enable the agency to move to full electronic filing by candidates, parties and political action committees.

TRAINING SEMINARS

The seminars listed below will be held at the Offices of the Commission, located at 28 West State St., Trenton, NJ. Since space is limited, you must reserve a seat in order to attend. Please visit ELEC's website at <http://www.elec.state.nj.us> for more information on training seminar registration.

TREASURER TRAINING FOR CANDIDATES AND COMMITTEES	
September 14, 2016	10:00 a.m.
September 27, 2016	10:00 a.m.
TREASURER TRAINING FOR POLITICAL COMMITTEES AND PACS	
September 22, 2016	10:00 a.m.
December 14, 2016	10:00 a.m.
R-1 ELECTRONIC FILING SOFTWARE (REFS) TRAINING	
July 27, 2016	10:00 a.m.
September 15, 2016	10:00 a.m.
September 29, 2016	10:00 a.m.

Lobbying Reporting Dates

INCLUSION DATES		ELEC DUE DATE
Lobbying Quarterly Filing		
2 nd Quarter	4/1/2016 to 6/30/2016	7/11/2016
3 rd Quarter	7/1/2016 to 9/30/2016	10/11/2016
4 th Quarter	10/1/2016 to 12/31/2016	1/10/2017
Lobbying Annual Report*	1/1/2015 - 12/31/2015	2/16/2016

* A certified benefit notice shall be transmitted to all benefit recipients itemized on Schedule G-1 no later than February 1st of the year in which the report is due to be filed (the year following the year in which the benefit was received).

REPORTING DATES

Inclusion Dates		Report Due Date
Fire Commissioner - 2/20/2016		
29-day Preelection Reporting Date	Inception of campaign* - 1/19/16	1/22/2016
11-day Preelection Reporting Date	1/20/16 - 2/6/16	2/9/2016
20-day Postelection Reporting Date	2/7/16 - 3/8/16	3/11/2016
48 Hour Notice Reports Start on 2/7/2016 through 2/20/2016		
April School Board - 4/19/2016		
29-day Preelection Reporting Date	Inception of campaign* - 3/18/16	3/21/2016
11-day Preelection Reporting Date	3/19/16 - 4/5/16	4/8/2016
20-day Postelection Reporting Date	4/6/16 - 5/6/16	5/9/2016
48 Hour Notice Reports Start on 4/6/2016 through 4/19/2016		
May Municipal - 5/10/2016		
29-day Preelection Reporting Date	Inception of campaign* - 4/8/16	4/11/2016
11-day Preelection Reporting Date	4/9/16 - 4/26/16	4/29/2016
20-day Postelection Reporting Date	4/27/16 - 5/27/16	5/31/2016
48 Hour Notice Reports Start on 4/27/2016 through 5/10/2016		
Runoff (June)** - 6/14/2016		
29-day Preelection Reporting Date	No Report Required for this Period	
11-day Preelection Reporting Date	4/27/16 - 5/31/16	6/3/2016
20-day Postelection Reporting Date	6/1/16 - 7/1/16	7/5/2016
48 Hour Notice Reports Start on 6/1/2016 through 6/14/2016		
Primary (90 day start date: 3/9/2016)*** - 6/7/2016		
29-day Preelection Reporting Date	Inception of campaign* - 5/6/16	5/9/2016
11-day Preelection Reporting Date	5/7/16 - 5/24/16	5/27/2016
20-day Postelection Reporting Date	5/25/16 - 6/24/16	6/27/2016
48 Hour Notice Reports Start on 5/25/2016 through 6/7/2016		
General (90 day start date: 8/10/2016)*** - 11/8/2016		
29-day Preelection Reporting Date	6/25/16 - 10/7/16	10/11/2016
11-day Preelection Reporting Date	10/8/16 - 10/25/16	10/28/2016
20-day Postelection Reporting Date	10/26/16 - 11/25/16	11/28/2016
48 Hour Notice Reports Start on 10/26/2016 through 11/08/2016		
Runoff (December)** - 12/6/2016		
29-day Preelection Reporting Date	No Report Required for this Period	
11-day Preelection Reporting Date	10/26/16 - 11/22/16	11/25/2016
20-day Postelection Reporting Date	11/23/16 - 12/23/16	12/27/2016
48 Hour Notice Reports Start on 11/23/2016 through 12/6/2016		
PACs, PCFRs & Campaign Quarterly Filers		
1st Quarter	1/1/16 - 3/31/16	4/15/2016
2nd Quarter	4/1/16 - 6/30/16	7/15/2016
3rd Quarter	7/1/16 - 9/30/16	10/17/2016
4th Quarter	10/1/16 - 12/31/16	1/17/2017

* Inception Date of Campaign (first time filers) or from January 1, 2016 (Quarterly filers).

** A candidate committee or joint candidates committee that is filing in a 2016 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 14, 2016 for Primary Election Candidates and June 17, 2016 for Independent General Election Candidates.

Note: A fourth quarter 2015 filing is needed for Primary 2016 candidates if they started their campaign prior to 12/9/15.

A second quarter 2016 filing is needed by Independent/Non-Partisan General Election candidates if they started their campaign prior to 5/11/2016.