

OTHER AGENCIES
ELECTION LAW ENFORCEMENT COMMISSION
Annual Fee for Governmental Affairs Agents
Proposed Amendment: N.J.A.C. 19:25-20.20

Authorized By: Election Law Enforcement Commission, Jeffrey M. Brindle, Executive Director.
Authority: N.J.S.A. 52:13C-23.2.
Calendar Reference: See Summary below for explanation of exception to calendar requirement.
Proposal Number: PRN 2015-019.

The sitting New Jersey Election Law Enforcement Commission will conduct a **public hearing** concerning this notice of proposal on Tuesday, May 19, 2015, at 11:00 A.M. at:

Election Law Enforcement Commission
Edward J. Farrell Memorial Conference Room
28 West State Street, 12th floor
Trenton, New Jersey

Persons wishing to testify are requested to reserve time to speak by contacting Administrative Assistant Elbia L. Zeppetelli at (609) 292-8700 no later than Friday, May 15, 2015.

Submit written comments by May 19, 2015, to:

Michelle R. Levy, Esq.
Associate Legal Director
Election Law Enforcement Commission
P.O. Box 185
Trenton, New Jersey 08625-0185

E-mail written comments by May 19, 2015, to: elec.rulemaking@elec.state.nj.us. Please put "Comment" in subject line.

The agency proposal follows:

Summary

Pursuant to the authority of N.J.S.A. 52:13C-23.j, the Election Law Enforcement Commission (Commission) has established by rule a \$425.00 annual registration fee for each governmental affairs agent; see N.J.A.C. 19:25-20.20(a). A governmental affairs agent (GAA) is defined as a person who is compensated to influence legislation, regulations, or governmental processes by communicating with or providing a benefit to a high level State official for more than 20 hours in a calendar year; see N.J.S.A. 52:13C-20.g and N.J.A.C. 19:25-20.2. The \$425.00 annual fee was established in 2004. During the intervening decade, the Commission has created, implemented, and maintained an electronic filing system for annual reports, and is producing a similar electronic system for lobbying quarterly reporting. The disclosure system has been vastly improved by implementing a searchable electronic reporting system of lobbying

financial records. The electronic filing system increases disclosure to the public, as well as increases efficiency for both GAAs and the Commission.

The intent of lobbying disclosure is to instill public confidence in the integrity of the process by which laws are made and enforced in the State of New Jersey. Regular public disclosure of the identity and scope of activity of those who are paid to influence actions of the State Legislature and State officials, and transparency in the legislative process work toward the goal of instilling public confidence in governmental integrity. This objective is achieved through registration and reporting by GAAs and public disclosure of the information to the Commission.

The Commission proposes to increase the annual fee by \$150.00 to \$575.00 in order to establish and maintain the Commission's electronic infrastructure used to administer the Legislative and Governmental Process Activities Disclosure Act, see N.J.S.A. 52:13C-18 et seq. Based on the cumulative rate of inflation for the last decade and an increase in spending by GAAs during that time, the Commission believes that it is appropriate to increase the annual fee for GAAs by \$150.00.

To implement imposition of the proposed fee increase, the Commission proposes that N.J.A.C. 19:25-20.20(a) and (b) be amended to indicate a \$575.00 annual fee for each GAA.

As the Commission has provided more than a 60-day comment period on this notice of proposal, this notice is excepted from the rulemaking calendar requirements, pursuant to N.J.A.C. 1:30-3.3(a)5.

Social Impact

The proposed amendment to N.J.A.C. 19:25-20.20 is expected to have minimal social impact, as the proposed fee increase affects only registered GAAs.

Economic Impact

The proposed amendment will increase the annual fee for GAAs by \$150.00. The annual fee is only applicable to GAAs who register to lobby in the State of New Jersey, of which there are currently 984. GAAs are retained by a "represented entity," that is, "any person, partnership, committee, association, corporation, labor union, or any other organization that employs, retains, designates, engages, or otherwise uses the services of any governmental affairs agent to influence legislation, regulation, or governmental processes"; see N.J.A.C. 19:25-20.2. Individuals who spend less than 20 hours per calendar year to influence legislation, regulation, or governmental processes are not GAAs, need not register with the Commission, and, therefore, will not be subject to the proposed registration fee increase. The Commission believes that the importance of creating and maintaining electronic filing systems in order to maintain transparency in lobbying activity outweighs the economic impact of the proposed inflationary adjustment in GAA registration fees.

Federal Standards Statement

A Federal standards analysis is not required because the proposed amendment concerns New Jersey GAAs. The amendment is not subject to any Federal requirements or standards.

Jobs Impact

The proposed amendment is not expected to result in the generation or loss of jobs.

Agriculture Industry Impact

The proposed amendment is not expected to have any impact on the agriculture industry in the State of New Jersey.

Regulatory Flexibility Analysis

The proposed amendment does not impose recordkeeping or reporting requirements on small businesses as that term is defined under the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq. However, GAAs who file with the Commission may be small businesses, and will have increased compliance expenses under the proposed amendment, that is, an increased annual registration fee. The Commission believes that the costs associated with complying with the proposed amendment are not prohibitive and serves a clear public interest in the disclosure of the required information.

Housing Affordability Impact Analysis

The proposed amendment will have an insignificant impact on affordable housing in New Jersey and there is an extreme unlikelihood that the amendment regarding the increase in annual fees for GAAs would evoke a change in the average costs associated with housing.

Smart Growth Development Impact Analysis

The proposed amendment will have an insignificant impact on smart growth development and there is an extreme unlikelihood that it will evoke a change in housing production in Planning Areas 1 or 2, within designated centers, under the State Development and Redevelopment Plan in New Jersey because the amendment concerns annual fees for GAAs.

Full text of the proposal follows (additions indicated in boldface **thus**; deletions indicated in brackets [thus]):

SUBCHAPTER 20. REPRESENTED ENTITIES AND GOVERNMENTAL AFFAIRS AGENTS

19:25-20.20 Annual fee

(a) Each governmental affairs agent who is an individual and whose activities are subject to the Act during any part of a 12-month period commencing on January 1 and ending on the following

December 31 shall pay an annual fee of [\$425.00] **\$575.00**, and shall submit with the agent's annual fee two identical, two-by-two-inch, color photographs taken of the governmental affairs agent within six months showing a full-face, front view of the agent with a plain white or off-white background.

(b) In the event that the governmental affairs agent is a partnership, committee, association, corporation, or other organization or group of persons, the annual fee shall be [\$425.00] **\$575.00** for each individual from the partnership, committee, association, corporation, or other organization or group of persons, who is required to wear a name tag pursuant to N.J.A.C. 19:25-20.6.

(c) - (e) (No change.)