

OTHER AGENCIES

ELECTION LAW ENFORCEMENT COMMISSION

Regulations of the Election Law Enforcement Commission

Campaign Cost Index Adjustments

Proposed Amendments: N.J.A.C. 19:25-1.7, 4.4, 4.5, 8.4, 8.6, 8.6A, 8.8, 8.9, 8.10, 9.2, 9.3, 9.4, 9.4A, 12.7, 12.8A, 14.4, and 17.3

Authorized By: Election Law Enforcement Commission, Jeffrey M. Brindle, Executive Director.

Authority: N.J.S.A. 19:44A-6.

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Proposal Number: PRN 2017-261.

Submit written comments by January 5, 2018, to:

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The agency proposal follows:

Summary

Statutory changes to the New Jersey Campaign Contributions and Expenditures Reporting Act, N.J.S.A. 19:44A-1 et seq. (Campaign Act) enacted in 1989 require that the New Jersey Election Law Enforcement Commission (Commission) “establish an index reflecting the changes

occurring in the general level of prices of particular goods and services . . . directly affecting the overall costs of election campaigning in this State.” N.J.S.A. 19:44A-7.1.b. The Commission must apply that index to adjust on a quadrennial basis various statutory components of the gubernatorial public financing program. See N.J.S.A. 19:44A-7.1.c.

In the 1993 amendments to the Campaign Act, the Governor and Legislature directed the Commission to adjust the limits and thresholds pertaining to non-gubernatorial candidates, committees, and political party entities for campaign cost inflation in the same manner as it adjusts the gubernatorial limits and thresholds. See P.L. 1993, c. 65 (N.J.S.A. 19:44A-7.2).

Legislation enacted in 2004 further amended the Campaign Act, leaving in place the automatic adjustment of thresholds and limits pursuant to the Gubernatorial Public Financing Program and the thresholds applicable to non-gubernatorial candidates and committees, but directed the Commission only to recommend changes for the contribution limits relating to non-gubernatorial candidates, political committees, continuing political committees, political party committees, and legislative leadership committees. See P.L. 2004, c. 28 (N.J.S.A. 19:44A-7.3). The Commission’s recommendations can be found in the Commission’s 2017 Cost Index Report, issued July 2016.

At this time, the following adjustments, applicable to non-gubernatorial candidates, candidate committees, joint candidates committees, political committees, continuing political committees, political party committees, legislative leadership committees, and other entities, are required: the political committee reporting threshold, the continuing political committee reporting threshold, the joint candidates committee Sworn Statement (Form A-2) reporting thresholds, the candidate committee Sworn Statement (Form A-1) reporting threshold, thresholds for 48-hour notice reporting of contributions and expenditures, the threshold for reporting of independent

expenditures, and the maximum penalty amounts, which may be imposed by the Commission pursuant to N.J.S.A. 19:44A-20.1 and 22. See N.J.S.A. 19:44A-7.2.

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

Calculation of the Inflationary Adjustment

Applying the methodology first described in the Commission's June 1988 "Gubernatorial Cost Analysis Report," and employed in 1992, 1996, 2000, 2004, 2008, and 2012 for the gubernatorial public financing program, and in 1996, 2000, 2004, 2008, and 2012 for non-gubernatorial candidates and committees, the Commission has determined that costs relevant to campaigning in New Jersey have risen in the period following the 2013 gubernatorial general election and has applied an index of 1.131 percent to the various limits and thresholds required to be adjusted.

N.J.S.A. 19:44A-7.1.b requires that the index be weighted according to the impact in the preceding general election for the offices of Governor and of Lieutenant Governor of the various categories of campaign expenditures. Therefore, determination of the index for 2017 required analysis of the campaign expenditures of the 2013 gubernatorial general election campaigns. Using expenditure information reported by the 2013 gubernatorial general election campaigns, the Commission concluded that 77.3 percent of 2013 general election expenditures were associated with communication of the candidates' message to voters. The remaining 22.7 percent of 2013 general election expenditures was spent administering the campaigns, that is, on candidate travel, food and beverage, fundraising, election night activities, compliance, telephone, personnel, and other administrative costs.

As it did in its 1992, 1996, 2000, 2004, 2008, and 2012 calculation of campaign cost changes, the Commission relied on established indices to evaluate the change in costs during the period between the 2013 and 2017 elections in two expenditure categories: mass communication costs and other campaign costs/administration.

Mass Communication Costs

As in the 2012 cost adjustment, the Commission obtained data from Magna Global of New York City, a McCann affiliate. The percentage increase is derived from the cost-per-thousand indices. These indices measure the change in the cost of advertising targeted to reach 1,000 individuals in the New York and Philadelphia media markets. The index was projected to increase by 16.1 percent between base years 2012-2016. See Cost-Per-Thousand Mass Communication Percentage Increases, Table 10 (July 2016).

Other Campaign Costs/Administration

The change in “all other campaign costs” was calculated using United States Bureau of Labor Statistics (BLS) Consumer Price Index (CPI) data relevant to New Jersey. The Commission used CPI data from the base year 2013 through February 2016. Statistics from the BLS for the purposes of this analysis involve data compiled for two geographic regions: New York/New Jersey (NY/NJ), and Pennsylvania/New Jersey (PA/NJ). The 2013 through 2016 inflationary number is 3.4 percent for NY/NJ and 2.2 percent for PA/NJ. See Consumer Price Index for All Urban Consumers Monthly Index Number for December, Table 11 (July 2016), citing the BLS, Monthly Index Numbers - All Urban Consumers, through February 2016.

In order to determine the percentage increase in the CPI to be used in calculating the Campaign Cost Index for 2017, the percentage change in the two regional numbers was weighted at a ratio of two-to-one to reflect the larger population of the NY/NJ region compared to the PA/NJ

region. Therefore, the 3.4 percent (NY/NJ) was doubled, to 6.8 percent. The weighted NY/NJ 6.8 percent was added to the unweighted PA/NJ's 2.2 percent, totaling nine percent. Finally, the nine percent number was divided by three to yield a weighted CPI of three percent.

Calculation of the 2017 Campaign Cost Index

As indicated below, the 16.1 percent increase in communication costs was multiplied by the proportion of 2013 campaign expenditures for mass communications, or 77.3 percent, resulting in a communication component of 12.45 percent. The three percent increase in other campaign costs/administration was multiplied by the proportion of 2013 campaign expenditures on such items, or 22.7 percent, which resulted in a component of 0.68 percent. The 12.45 percent increase in communication costs was then combined with the 0.68 percent increase in other costs to yield a total New Jersey Campaign Cost Index (NJCCI) of 13.13 percent.

Campaign Cost Index (NJCCI) Calculation

EXPENSE CATEGORY	% OF 2013 GENERAL ELECTION SPENDING	FOUR-YEAR INCREASE	COMPONENT OF CAMPAIGN INDEX*
Mass communication costs	77.3	16.1%	12.45
Other campaign costs	22.7	3%	0.68
Campaign Cost Increase			13.13

*Percentage of 2013 general election spending multiplied by four-year change in costs.

Based upon the above calculations, the Commission has determined that the cost index multiplier for the limits and thresholds applicable to publicly financed gubernatorial campaigns is 1.131. As is mentioned above, the Legislature has directed the Commission to apply the cost index multiplier for the limits and threshold applicable to publicly financed gubernatorial campaigns to non-gubernatorial candidates, candidate committees, joint candidates committees, political

committees, continuing political committees, political party committees, and legislative leadership committees as well. See N.J.S.A. 19:44A-7.2. The next step in the cost adjustment process is to multiply each specific limit or threshold by the 1.131 index. The resulting amounts are rounded as statutorily mandated pursuant to N.J.S.A. 19:44A-7.1.b.

Based upon this analysis, the Commission proposes to amend its rules as follows:

2017 Adjustments for Non-gubernatorial Candidates and Committees

Threshold	2013 Amount	Cost Index Multiplier	Unrounded	2017 Rounded Amount
Political Committee Reporting Threshold	\$2,400	1.131	\$2,714.40	\$2,800
Continuing Political Committee Reporting Threshold	\$5,500	1.131	\$6,220.50	\$6,300
48-Hour Notice Contribution Threshold	\$1,400	1.131	\$1,583.40	\$1,600
48-Hour Notice Expenditure Threshold	\$1,400	1.131	\$1,583.40	\$1,600
Joint Candidates Committee Thresholds – 2 Candidates	\$8,500	1.131	\$9,613.50	\$9,700
Joint Candidates Committee Thresholds – 3 or more Candidates	\$12,300	1.131	\$13,911.30	\$14,000
Form A-3 Threshold*	\$5,500	1.131	\$6,220.50	\$6,300
Form A-1 Threshold & School Board/Write-in Threshold	\$4,500	1.131	\$5,089.50	\$5,100
Independent Expenditure Threshold	\$1,400	1.131	\$1,583.40	\$1,600
Section 20.1 Penalties – First Time	\$7,600	1.131	\$8,595.60	\$8,600

Section 20.1 Penalties – Subsequent	\$15,200	1.131	\$17,191.20	\$17,200
Section 22 Penalties – First Time	\$7,600	1.131	\$8,595.60	\$8,600
Section 22 Penalties – Subsequent	\$15,200	1.131	\$17,191.20	\$17,200

*See Form A-3 Proposal, below.

Form A-3 Proposal

In addition to the statutorily mandated cost index changes listed above, the Commission proposes, as it did in 1996, 2001, 2005, 2009, and 2013, application of the cost index to adjust the Form A-3 \$5,500 calendar year regulatory threshold. See N.J.A.C. 19:25-9.2, Certified Statement (Form A-3). This rule permits a continuing political committee, a political party committee, or a legislative leadership committee that does not expect to raise or spend in excess of the specified threshold amount to file a certified statement (Form A-3) in lieu of detailed quarterly reports. The purpose of the Form A-3 regulatory filing option is to relieve these committees from the obligation to file detailed quarterly reports in any year in which its financial activity is minimal. The proposed \$6,300 Form A-3 threshold amount is based upon the statutorily-mandated adjustment to \$6,300 as the threshold for quarterly reporting. Because that statutory amount is subject to the campaign cost adjustment process, the Commission proposes that the regulatory threshold amount be similarly adjusted.

48-hour Notice Threshold Proposal

In 2004, legislation extended 48-hour expenditure notice reporting to political party committees, legislative leadership committees, independent expenditure filers, and candidates, establishing a reporting threshold of \$800.00. See P.L. 2004, c. 33. N.J.S.A. 19:44A-7.2, the statute mandating the cost-index adjustments, does not specifically include and was not amended to include the new 48-hour notice requirements. In adopting rules in 2005 to implement the new

statutory requirements, however, the Commission adopted a filing threshold of \$1,000 for these new requirements to be consistent with the other 48-hour notice requirements, which had been adjusted effective January 1, 2005, pursuant to the statutorily-mandated cost index adjustments. See 37 N.J.R. 2228(a). The Commission noted at that time that it believed it would be confusing for filing entities and the public to have one filing threshold for some 48-hour expenditure notices and a different threshold for other entities. See 37 N.J.R. 2228(a). The Commission adjusted the threshold in N.J.A.C. 19:25-8.6A, 9.4A, and 12.8A, in 2008 and 2012, to maintain a uniform threshold for all 48-hour notices filed with the Commission. For the same reasons, the Commission proposes to once again adjust this threshold.

Based upon the cost index analysis, the Commission proposes to amend references in the rules as follows:

1. References to the political committee reporting threshold are proposed for amendment to increase the amount from \$2,400 to \$2,800. These references include: N.J.A.C. 19:25-1.7 (Definitions); 4.4(a) and (e) (Establishment of a political committee); and 8.8(a) (Political committee election fund reports).

2. References to the continuing political committee reporting threshold are proposed for amendment to increase the amount from \$5,500 to \$6,300. These references include: N.J.A.C. 19:25-1.7 (Definitions) and 4.5(a) (Establishment of a continuing political committee).

3. References to the 48-hour notice reporting threshold for contributions and expenditures are proposed for amendment to increase the amount from \$1,400 to \$1,600. These references include: N.J.A.C. 19:25-8.6(a) (Contributions received immediately before an election); 8.6A(a) (Expenditure made immediately before an election); 8.9(a) (Political committee contributions received immediately before an election); 8.10(a) (Political committee expenditures made

immediately before an election); 9.3(a) and (b) (Contributions received immediately before an election); 9.4(a) and (b) (Continuing political committee expenditures made immediately before a primary or general election); 9.4A(a) and (b) (Political party committee and legislative leadership committee expenditures made immediately before a primary or general election); and 12.8A(a) (Independent expenditures made immediately before an election).

4. References in N.J.A.C. 19:25-8.4(b) and (f) (Candidate certified statements (Form A-1 or A-2)) to the thresholds for reporting by joint candidates committees are proposed for amendment to increase the amounts from \$8,500 and \$12,300 to \$9,700 and \$14,000, respectively.

5. References in N.J.A.C. 19:25-9.2(a) and (b) (Certified statement (Form A-3)) to the Form A-3 reporting threshold for continuing political committees are proposed for amendment to increase the amount from \$5,500 to \$6,300.

6. Reference to the Form A-1 reporting threshold for candidates are proposed for amendment to increase the amount from \$4,500 to \$5,100. These references include N.J.A.C. 19:25-8.4(a) and (e) (Candidate certified statements (Form A-1 or A-2)) and 14.4(e) (Recall committee depository and filing requirements).

7. References in N.J.A.C. 19:25-8.4(a) and (b) (Candidate certified statements (Form A-1 or A-2)) to the thresholds for reporting by school board or write-in candidates, as indicated in N.J.A.C. 19:25-8.4(d), are proposed for amendment to increase the amount from \$4,500 to \$5,100 for a single candidate committee and from \$8,500 and \$12,300 to \$9,700 and \$14,000, respectively, for candidates participating in a joint candidates committee.

8. References in N.J.A.C. 19:25-12.7(b) (Independent expenditures defined) to the threshold for reporting of independent expenditures are proposed for amendment to increase the amount from \$1,400 to \$1,600.

9. References in N.J.A.C. 19:25-17.3(a), (b), and (c) (Penalties) to penalties that may be imposed for violations of the Campaign Act are proposed for amendment to increase the penalty for a first offense from \$7,600 to \$8,600, and for a second offense from \$15,200 to \$17,200.

Social Impact

The Commission's proposed amendments will affect candidates, candidate committees, joint candidates committees, political committees, continuing political committees, political party committees, legislative leadership committees, treasurers, and persons and entities making contributions to candidates and committees, and expenditures to support or defeat candidates, committees, and public questions. The proposed amendments will serve to provide notice of the increased thresholds that trigger the obligation to report financial activity to the Commission. The adjusted limits are responsive to changes in the economy and will have a beneficial impact because they permit spending by New Jersey candidates and committees to keep pace with economic changes. The limits, which have been adjusted largely upward in response to inflation, continue to serve the important statutory public policies of eliminating undue influence upon candidates from unlimited contributions and requiring reporting of political contributions and expenditures.

The proposed amendment to adjust the threshold that permits a committee to file the Form A-3 is beneficial because it reduces the filing burden on those committees that have minimal financial activity.

The Commission believes that the proposed amendments to maintain a uniform threshold for all 48-hour notices filed with the Commission will have a positive social impact by serving as a "gap filler" to notify the public of large expenditures that would otherwise not be reported until after an election. This change increases information available to the electorate and increases public

disclosure of political campaign finances and parallels amendments made by the Commission in 2013.

Economic Impact

The principal parties to be affected by the statutorily required adjustments to the thresholds in the Campaign Act are persons making independent expenditures in elections, candidates, candidate committees, joint candidates committees, political committees, continuing political committees, political party committees, legislative leadership committees, treasurers of these entities, and contributors to these entities.

By adjusting the reporting thresholds in the Campaign Act to account for inflation in the costs of campaigns, the Commission's amendments continue to relieve candidates and certain committees with low levels of financial activity of the requirements to file detailed disclosure reports.

The Commission does not anticipate that adjustments to the 48-hour notice threshold for political party committees, legislative leadership committees, independent expenditure filers, or candidates will have any additional economic impact upon these entities, as they have been required to file 48-hour notices since 2005.

Federal Standards Statement

A Federal standards analysis is not required because the proposed amendments concern New Jersey candidates, candidate committees, joint candidates committees, political committees, continuing political committees, political party committees, and legislative leadership committees. The proposed amendments are not subject to any Federal requirements or standards.

Jobs Impact

The proposed amendments are not expected to have any measurable impact upon the number of persons employed by candidates, candidate committees, joint candidates committees, political committees, continuing political committees, political party committees, and legislative leadership committees, or on vendors supplying services or materials to those candidates and committees.

Agriculture Industry Impact

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

Regulatory Flexibility Statement

The Commission's proposed amendments do not impose any recordkeeping, reporting, or compliance requirements on small businesses, as that term is defined under the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq. While it is conceivable that small businesses may be employed to provide goods or services to persons making independent expenditures in elections, candidates, candidate committees, joint candidate committees, political committees, continuing political committees, political party committees, and legislative leadership committees, the reporting and recordkeeping requirements generated by the amendments are solely on the candidates or committees that are purchasing such goods and services.

Housing Affordability Impact Analysis

The proposed amendments will have an insignificant impact on the affordability of housing in New Jersey and there is an extreme unlikelihood that the proposed amendments to campaign finance thresholds for non-gubernatorial candidates would evoke a change in the average costs associated with housing.

Smart Growth Development Impact Analysis

The proposed amendments will have an insignificant impact on smart growth and there is an extreme unlikelihood that the amendments would evoke a change in housing production in Planning Areas 1 or 2, or within designated centers, under the State Development and Redevelopment Plan in New Jersey because the proposed amendments concern New Jersey candidates, candidate committees, joint candidates committees, political committees, continuing political committees, political party committees, legislative leadership committees, and persons making independent expenditures in elections.

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

SUBCHAPTER 1. GENERAL PROVISIONS

19:25-1.7 Definitions

The following words and terms, when used in this chapter and in the interpretation of the Act, shall have the following meanings unless a different meaning clearly appears from the context.

...

"Continuing political committee" includes any group of two or more persons acting jointly, or any corporation, partnership, or any other incorporated or unincorporated association, including a political club, political action committee, civic association or other organization, which in any calendar year contributes or expects to contribute at least [\$5,500] **\$6,300** to aid or promote the candidacy of an individual, or the candidacies of individuals, for elective public office, or the passage or defeat of a public question or public questions, and which may be expected to make

contributions toward such aid or promotion or passage or defeat during a subsequent election, provided that the group, corporation, partnership, association, or other organization has been determined by the Commission to be a continuing political committee in accordance with N.J.S.A. 19:44A-8(b). A continuing political committee does not include:

1. – 2. (No change.)

...

"Political committee" means any group of two or more persons acting jointly, or any corporation, partnership, or any other incorporated or unincorporated association, which is organized to, or does, aid or promote the nomination, election, or defeat of any candidate or candidates for public office, or which is organized to, or does aid or promote the passage or defeat of a public question in any election if the persons, corporation, partnership, or incorporated or unincorporated association raises or expends [\$2,400] **\$2,800** or more to so aid or promote the nomination, election, or defeat of a candidate or candidates or the passage or defeat of a public question. A group or association organized to promote the candidacy of one or more candidates or aid or defeat the passage of a public question, without a term of existence substantially longer than the campaign, is a political committee. Political committee does not include:

1. – 5. (No change.)

...

SUBCHAPTER 4. ESTABLISHMENT OF REPORTING COMMITTEES

19:25-4.4 Establishment of a political committee

(a) A political committee shall be established by appointing a treasurer and establishing a depository no later than the date on which the political committee first receives any contribution

or makes or incurs any expenditure that when combined with other contributions received in an election, or expenditures made or incurred in an election, totals [\$2,400] **\$2,800** or more.

(b) – (d) (No change.)

(e) A political committee shall file a registration statement and designation of campaign depository for each election in which it raises or expends [\$2,400] **\$2,800** or more to aid or promote the nomination, election, or defeat of a candidate or candidates, or the passage or defeat of a public question.

(f) (No change.)

19:25-4.5 Establishment of a continuing political committee

(a) An organization shall become eligible to be certified by the Commission as a continuing political committee by appointing an organizational treasurer and organizational depository no later than the date on which the prospective continuing political committee first receives any contribution or makes or incurs any expenditure that when combined with other contributions received or expenditures made in a calendar year totals [\$5,500] **\$6,300** or more.

(b) – (e) (No change.)

SUBCHAPTER 8. CANDIDATE, JOINT CANDIDATES, AND POLITICAL COMMITTEE REPORTING

19:25-8.4 Candidate certified statements (Form A-1 or A-2)

(a) There shall be no obligation to file the election fund reports referred to in N.J.A.C.

19:25-8.1 on behalf of any candidate committee of a candidate who files no later than five months after the date on which the committee is established, or no later than the 29th day before the

election in which the candidate is seeking office, whichever is earlier, a certified statement (Form A-1) to the effect that the total amount expended or to be expended on behalf of his or her candidacy by the candidate committee, or by any candidate committee, joint candidates committee, political committee, continuing political committee, political party committee, legislative leadership committee, or person shall not in the aggregate exceed [\$4,500] **\$5,100** in that election.

(b) There shall be no obligation to file the election fund reports referred to in N.J.A.C. 19:25-8.1 on behalf of a joint candidates committee if the joint committee files no later than five months after the date on which the committee is established, or no later than the 29th day before the election in which the joint candidates are seeking office, whichever is earlier, a certified statement (Form A-2) to the effect that the total amount to be expended on behalf of the joint candidacies by the joint candidates committee or by any candidate committee, joint candidates committee, political committee, continuing political committee, political party committee, legislative leadership committee, or person shall not in the aggregate exceed the following amounts:

1. In the case of a joint candidates committee consisting of two candidates, [\$8,500] **\$9,700** in the election; or
2. In the case of a joint candidates committee consisting of three or more candidates, [\$12,300] **\$14,000** in the election.

(c) – (d) (No change.)

(e) A candidate shall not be eligible to file a sworn statement (Form A-1) in an election if that candidate controls or retains campaign funds from any prior election for the same office in an amount that exceeds [\$4,500] **\$5,100**.

(f) A joint candidates committee consisting of two candidates shall not be eligible to file a sworn statement (Form A-2) in an election if the candidates comprising that joint candidates committee control or retain campaign funds from any prior election for the same offices in an amount that exceeds [~~\$8,500~~] **\$9,700**, or in the case of a joint candidates committee consisting of more than two candidates, if the candidates comprising the joint candidates committee retain funds from any prior election for the same offices in an amount that exceeds [~~\$12,300~~] **\$14,000**.

19:25-8.6 Contributions received immediately before an election

(a) A campaign treasurer of a candidate committee, or joint candidates committee, shall file a report (Form C-1) or other written notice of any contribution in excess of [~~\$1,400~~] **\$1,600**, or any aggregate contributions from a contributor, which total in excess of [~~\$1,400~~] **\$1,600**, received on or after the 13th day preceding the date of an election in which the candidate, or joint candidates, is or are seeking election, and received up to and including the date of the election, which report shall contain:

1. – 5. (No change.)

(b) (No change.)

19:25-8.6A Expenditure made immediately before an election

(a) A campaign treasurer of a candidate committee, or joint candidates committee, shall file a report (Form E-1) or other written notice with the Commission of an expenditure of money or other thing of value in excess of [~~\$1,400~~] **\$1,600**, or aggregate expenditures that total in excess of [~~\$1,400~~] **\$1,600**, made, incurred, or authorized by the candidate committee or joint candidates committee to support or defeat a candidate in an election, or to aid the passage or defeat of any

public question, during the period of time between the 13th day prior to the election and the date of the election.

(b) – (d) (No change.)

19:25-8.8 Political committee election fund reports

(a) A political committee receiving or expending [\$2,400] **\$2,800** or more in an election shall file election fund reports of all contributions received, all expenditures made, and all other financial transactions of its election fund subject to reporting, and such reports shall be filed on the same dates and be pertinent to the same periods of time as set forth in N.J.A.C. 19:25-8.1 for candidate committee reports.

(b) (No change.)

19:25-8.9 Political committee contributions received immediately before an election

(a) A campaign treasurer of a political committee shall file a report (Form C-1) or other written notice of any contribution in excess of [\$1,400] **\$1,600**, or any aggregate contributions from a contributor, which total in excess of [\$1,400] **\$1,600**, received on or after the 13th day preceding the date of the election and received up to and including the date of the election, which report shall contain:

1. - 5. (No change.)

(b) (No change.)

19:25-8.10 Political committee expenditures made immediately before an election

(a) A campaign treasurer of a political committee shall file a report (Form E-1) of any expenditure of money or other thing of value in excess of [\$1,400] **\$1,600** made, incurred, or authorized by the political committee to support or defeat a candidate in an election, or to aid the passage or defeat of a public question, which expenditure is made, incurred, or authorized on or after the 13th day preceding the date of the election and up to and including the date of the election.

The report shall contain:

1. – 3. (No change.)

(b) (No change.)

SUBCHAPTER 9. CONTINUING POLITICAL COMMITTEE, POLITICAL PARTY COMMITTEE, AND LEGISLATIVE LEADERSHIP COMMITTEE REPORTING

19:25-9.2 Certified statement (Form A-3)

(a) There shall be no obligation to file the quarterly reports referred to in N.J.A.C. 19:25-9.1 on behalf of a continuing political committee, political party committee, or legislative leadership committee that files no later than January 15 of a calendar year a certified statement (Form A-3) to the effect that the total amount to be raised or expended in that calendar year shall not exceed [\$5,500] **\$6,300**. Such committee is required to file the certified statement (Form A-3) notwithstanding that the committee did not receive any contribution or make any expenditure in a calendar year.

(b) In the event a continuing political committee, political party committee, or legislative leadership committee files a certified statement (Form A-3) pursuant to (a) above, and total expenditures exceed [\$5,500] **\$6,300** during the calendar year for which the statement was filed, the committee shall:

1. File a quarterly report pursuant to N.J.A.C. 19:25-9.1 on the date relevant to the calendar year quarter in which [~~\$5,500~~] **\$6,300** of expenditures was exceeded, and that quarterly report shall include all contributions received and all expenditures made from the beginning of the calendar year; and
2. (No change.)

(c) (No change.)

19:25-9.3 Contributions received immediately before an election

(a) An organizational treasurer of a continuing political committee, a political party committee, or a legislative leadership committee shall file a report or other written notice with the Commission of any contribution in excess of [~~\$1,400~~] **\$1,600**, or any aggregate contributions from a contributor, which total in excess of [~~\$1,400~~] **\$1,600**, received after the closing date of its most recent quarterly report and on or before the date of an election in which the committee has made or intends to make any contribution or expenditure to aid or promote any candidate or the passage or defeat of any public question. The closing dates of quarterly reports are set forth in N.J.A.C. 19:25-9.1(a).

(b) The report or written notice described in (a) above shall be filed with the Commission within 48 hours of receipt of a contribution in excess of [~~\$1,400~~] **\$1,600**, or within 48 hours of receipt of aggregate contributions from a contributor, which total in excess of [~~\$1,400~~] **\$1,600**, except that all such contributions or aggregate contributions received prior to the 13th day preceding the date of an election may be reported together on a report or written notice to be filed with the Commission no later than the 11th day before that election. A contribution or aggregate

contributions from a contributor totaling in excess of [\$1,400] **\$1,600** received on or after the 13th day before the election must be reported within 48 hours of receipt.

(c) – (d) (No change.)

19:25-9.4 Continuing political committee expenditures made immediately before a primary or general election

(a) An organizational treasurer of a continuing political committee shall file a report (Form E-3) of an expenditure of money or other thing of value in excess of [\$1,400] **\$1,600**, or aggregate expenditures that total in excess of [\$1,400] **\$1,600**, made, incurred, or authorized in a primary or general election by the continuing political committee to support or defeat a candidate, or to aid the passage or defeat of a public question, which expenditure is, or aggregate expenditures are, made, incurred, or authorized after March 31 and on or before the day of the primary election, or after September 30 and on or before the day of the general election. The report shall contain:

1. – 3. (No change.)

(b) The report or written notice described in (a) above shall be signed by the organizational treasurer and filed with the Commission within 48 hours of the making, authorizing, or incurring of the expenditure, or aggregate expenditures, except that all expenditures or aggregate expenditures made, incurred, or authorized before the 13th day preceding the date of a primary or general election may be reported together on a report or written notice to be filed no later than the 11th day before that election. A report of an expenditure or aggregate expenditures in excess of [\$1,400] **\$1,600** made, incurred, or authorized on or after the 13th day preceding the date of a primary or general election shall be filed within 48 hours of receipt. Use of electronic facsimile transmission (that is, fax) to file the report or written notice is permitted.

19:25-9.4A Political party committee and legislative leadership committee expenditures made immediately before a primary or general election

(a) An organizational treasurer of a political party committee or an organizational treasurer of a legislative leadership committee shall file a report (Form E-3) or written notice of an expenditure of money or other thing of value in excess of [\$1,400] **\$1,600**, or aggregate expenditures that total in excess of [\$1,400] **\$1,600**, made, incurred, or authorized in a primary or general election by the political party committee or legislative leadership committee to support or defeat a candidate, or to aid the passage or defeat of a public question, which expenditure is, or aggregate expenditures are made, incurred, or authorized after March 31 and on or before the day of the primary election, or after September 30 and on or before the day of the general election.

The report shall contain:

1. – 3. (No change.)

(b) The report or written notice described in (a) above shall be signed by the organizational treasurer and filed with the Commission within 48 hours of the making, authorizing, or incurring of the expenditure, or aggregate expenditures, except that all expenditures or aggregate expenditures made, incurred, or authorized before the 13th day preceding the date of a primary or general election may be reported together on a report or written notice to be filed no later than the 11th day before that election. A report of an expenditure or aggregate expenditures in excess of [\$1,400] **\$1,600** made, incurred, or authorized on or after the 13th day preceding the date of a primary or general election shall be filed within 48 hours of receipt. Use of electronic facsimile transmission (that is, fax) to file the report or written notice is permitted.

SUBCHAPTER 12. REPORTING OF EXPENDITURES; INDEPENDENT EXPENDITURES

19:25-12.7 Independent expenditures defined

(a) (No change.)

(b) An expenditure by a person from his, her, or its own funds of more than [\$1,400] **\$1,600** in an election to support or defeat a candidate, which expenditure is made without the cooperation or prior consent of, or without consultation with or at the request or suggestion of, a candidate or any person or committee acting on behalf of the candidate, or an expenditure by a person from his, her, or its own funds of more than [\$1,400] **\$1,600** for a communication to aid the passage or defeat of a public question, which expenditure is made without consultation with or at the suggestion of any individual or committee supporting or opposing a public question, is an independent expenditure.

(c) (No change.)

19:25-12.8A Independent expenditures made immediately before an election

(a) A person who makes an independent expenditure in an amount in excess of [\$1,400] **\$1,600**, as defined in N.J.A.C. 19:25-12.7(b), from his, her, or its own funds during the period of time between the 13th day prior to an election and the date of the election, shall file a written notice of the expenditure with the Commission, which notice shall include the following:

1. – 3. (No change.)

(b) (No change.)

SUBCHAPTER 14. RECALL ELECTIONS

19:25-14.4 Recall committee depository and filing requirements

(a) – (d) (No change.)

(e) There shall be no obligation to file the election fund reports referred to in (c) and (d) above on behalf of any recall committee that files no later than on the first date established for candidate committee reports by N.J.A.C. 19:25-8.3(b) falling after the date of the establishment of the recall committee depository, or no later than the 29th day before the recall election, whichever is earlier, a certified statement to the effect that the total amount expended or to be expended on behalf of the recall committee in the recall election shall not in the aggregate exceed [\$4,500] **\$5,100**.

SUBCHAPTER 17. COMPLAINTS AND OTHER PROCEEDINGS; VIOLATIONS

19:25-17.3 Penalties

(a) Any person, including any candidate, treasurer, candidate committee or joint candidates committee, political committee, continuing political committee, political party committee, or legislative leadership committee, charged with the responsibility under the terms of the Act, for the preparation, certification, filing, or retention of any reports, records, notices, or other documents, who fails, neglects, or omits to prepare, certify, file, or retain any such report, record, notice, or document at the time or during the time period, as the case may be, and in the manner prescribed by law, or who omits or incorrectly states or certifies any of the information required by law to be included in such report, record, notice, or document, any person who proposes to undertake or undertakes a public solicitation, testimonial affair, or other activity relating to contributions or expenditures in any way regulated by the provisions of the Act who fails to comply with those regulatory provisions, and any other person who in any way violates any of the provisions of the Act shall, in addition to any other penalty provided by law, be liable to a penalty

of not more than [\$7,600] **\$8,600** for the first offense and not more than [\$15,200] **\$17,200** for the second and each subsequent offense.

(b) Any corporation or labor organization of any kind, which provides to any of its officers, directors, attorneys, agents, or other employees any additional increment of salary, bonus, or monetary remuneration of any kind, which, in whole or in part, is intended by that corporation or labor organization to be used for the express purpose of paying or making a contribution, either directly or indirectly, of money or other thing of value to any candidate, candidate committee, joint candidates committee, political party committee, legislative leadership committee, political committee or continuing political committee shall, in addition to any other penalty provided by law, be liable to a penalty of not more than [\$7,600] **\$8,600** for the first offense and not more than [\$15,200] **\$17,200** for the second and each subsequent offense.

(c) A candidate, candidate committee, joint candidates committee, political committee, continuing political committee, political party committee, legislative leadership committee, or person that makes, incurs, or authorizes an expenditure for the purpose of financing a communication aiding or promoting the nomination, election, or defeat of any candidate or aiding the passage or defeat of any public question, which is an expenditure that the candidate, committee, individual, or group is required to report pursuant to the Act, and that fails, neglects, or omits to include required political identification information in the manner prescribed by the Act or this chapter shall be liable to a penalty of not more than [\$7,600] **\$8,600** for the first offense and not more than [\$15,200] **\$17,200** for the second and each subsequent offense.