



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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Website:

www.elec.state.nj.us

Comments from the Chairman Ronald DeFilippis

After every election, those who have been elected mayor, county executive, or freeholder, etc. often will hold swearing-in ceremonies or inaugurations.

These events provide the newly elected official the opportunity to again thank his or her many supporters who helped make their election possible.

They also allow the official to lay out his or her policy agenda and goals for the upcoming term.

Swearing-in ceremonies or inaugurations attract supporters of all different stripes, from campaign staff and volunteers to contractors and campaign contributors.

The events can be modest or they can be elaborate. They can cost little or they can cost much.

But in all the fanfare and hoopla that goes along with these celebratory events, it should not be lost on the newly elected official that there are certain rules and regulations under campaign finance law that must be complied with.

When the term inaugural is used, it is mainly thought of in the context of a gubernatorial inaugural.

However, the term of late has been adopted by officials holding lesser offices.

In both cases, there are rules that must be followed. But, the guidelines for a gubernatorial inaugural event are different from those for a county executive or mayor.

Inaugural activities involving a newly elected governor require an inaugural committee account to be established separate and apart from the candidate committee of the governor.

Moreover, a separate inaugural contribution limit must be adhered to and all proceeds and expenses reported to the Election Law Enforcement Commission.

An inaugural event of a lesser official is subject to a different set of rules than that of the governor.

To quote the Compliance Manual for candidates prepared by the Commission, "Funds given to, or received by, a candidate or committee for the costs of an inaugural or swearing-in celebratory event, or other election-related event, must be reported as contributions and are subject to the contribution limits and other reporting requirements of the Act."

In other words, the event must be run through the campaign account of the candidate.

Contributions are subject to contribution limits, meaning that if a contributor had contributed the maximum amount prior to Election Day, he or she would be barred from contributing an additional amount.

On the other hand, if a contributor had donated less than the maximum amount he or she could contribute an additional amount up to the limit.

All proceeds and expenditures must be included on the campaign report filed 20 days after the election or on a future quarterly report where applicable.

There are so many nooks and crannies incorporated in New Jersey's complex scheme of campaign finance and pay-to-play laws that certain requirements can be easily overlooked.

The requirements involving swearing-in ceremonies and inaugurals are among these. Nevertheless, it is important for public officials to be aware of all the requirements of the law and to comply with them.

Executive Director's Thoughts Jeff Brindle

WANING PARTIES ACROSS THE POND- WARNING SIGN FOR US AND NJ?

Reprinted from politickernj.com

The political party system in Great Britain is showing signs of decline.

According to New Statesman "In 1951, 97 percent of the electorate voted for one of the two main parties in Britain. By 2010, this had fallen to 65 percent – and according to a new poll . . . just 59 percent of those who vote in May's election will opt for Conservative or Labour."

The article states further "the Conservatives and Labour could once boast of membership over two million. Today, the figure for both is under 200,000."

America is on the same path to party decline. Federally, and throughout the states, including New Jersey, party strength is diminishing.

A Pew Research Center study found that 76 percent of the public identified themselves as Republican or Democrat in 1939. Just 18 percent considered themselves independent.

In 2012, only 56 percent were identifying themselves as Republican or Democrat, while 38 percent viewed themselves as independent.

The reasons for the weakening party systems differ between Britain and America.

Former Prime Minister Tony Blair, in devolving power to Scotland, Wales and Northern Ireland, along with his support for proportional representation in European elections, created conditions favorable to the emergence of third parties.

Economic and social problems contributed as well.

In America, changes in political culture brought about an era of single-issue politics, which contributed to party decline.

Recently, the Bipartisan Campaign Reform Act (BCRA), or McCain/Feingold, and then Citizens United, facilitated party decline by ushering in a period of sustained growth in independent groups.

Independent spending, though at a modest level, began shortly after the U.S. Supreme Court decision in Buckley v. Valeo, 1976. That ruling allowed unlimited spending by wealthy individuals as long as it was independent.

The surge in independent spending, however, resulted from the McCain/Feingold reforms, which eliminated unlimited soft money contributions to parties, thereby redirecting money to independent groups.

Citizens United, decided by the U.S. Supreme Court in 2010, lifted a ban on corporate and labor independent spending. By doing so, it furthered the trend ignited by McCain Feingold.

Between 2002 and 2008, two years prior to Citizens United, and following McCain/Feingold, independent spending grew by over 1,000 percent.

After Citizens United, and the emergence of Super PACs, independent groups, in many instances sponsored by wealthy individuals, spent more than \$1.7 billion nationally.

This trend did not by-pass New Jersey. As in other states, independent spending soared in the Garden State.

During the 2013 gubernatorial and legislative elections over \$41 million was spent by outside groups.

The trend continued this year, but at the local level. In the Newark and Trenton Mayoralty elections in May, about \$5.6 million was spent independently, mostly in Newark.

Two weeks ago, a super PAC spent an estimated \$200,000 just on school board elections in Elizabeth.

The presence of independent groups is overwhelming political parties, as evidenced by independent groups spending about three times as much as state party entities in 2013.

In the Newark contest outside groups spent nearly as much as all candidates and political committees combined.

Further evidence is seen by the decrease in fundraising by political parties at all levels over the last decade.

There is not much that New Jersey elected officials can do about party decline internationally or nationally. But, political parties can be revived in New Jersey.

As indicated in an earlier column, the prohibition on state parties participating in gubernatorial elections should be lifted.

Allowing parties to get involved in gubernatorial elections will shift contributions back to groups that are most accountable.

Moreover, public contractors should be permitted to contribute up to \$25,000 per year to political parties. At the same time, stringent limits should be applied to public contractor donations to political action committees (PACs).

Independent groups should be required to register in New Jersey and disclose their contributors and expenditures – just like parties and candidates. And, public contractor donations to these groups should be highlighted in the reports, thereby enhancing transparency.

Finally, Congress should be urged to loosen the rules applicable to the federal accounts of state parties, allowing them more flexibility in the use of those funds.

These reforms would begin to redress the imbalance that now exists between independent groups and the political parties.

Political parties are highly regulated in New Jersey, represent broad coalitions of people rather than narrow interests, serve as a link between the people and their government, and organize government.

They are infinitely more accountable than often-secretive independent groups and should be strengthened.

STIFF ANTI-GIFT LAWS SET NJ APART

By Joe Donohue

For all the talk about New Jersey and political corruption, residents can be proud of the state's strict laws against official gift-taking.

Few states have such tight limits.

For state officers, employees and legislators, the state has a zero tolerance policy about gifts offered in relation to official duties.

This applies to cash, gift cards, trips, meals, tickets and other enticements.

One exception is that there can be reimbursement up to \$500 for trips outside New Jersey not paid for by the state.

When it comes to gifts from lobbyists, state legislators or staff, as well as state officers or staff, can accept no more than \$250 per year and must disclose the gifts. The restriction also applies to any spouse, child, parent or sibling residing in the same house as the official.

The definition of gift does not include political contributions.

Statistics available on the lobbying restrictions, which became law in 2004, show a dramatic decline in gift-giving after their adoption.

In 2003, lobbyists reported \$83,216 in benefit passing-the equivalent of \$107,099 in 2014 dollars.

Gift-giving peaked in 1992, when, lobbyists reported giving \$163,375 to state lawmakers- the equivalent of \$275,971 in current dollars.

By stark contrast, lobbyists in 2013 doled out only \$4,022, a record low.

Compared to other states like Ohio, California and Virginia where gift-taking has become news, New Jersey's largesse is minimal.

In Ohio, the Office of the Legislative Inspector General, in its 2013 Annual Lobbying Statistical Report, found that lobbyists handed out more than \$25,344 in outright gifts in 2013.

That is more than six times the total spent on ALL benefit passing in New Jersey, including meals and events.

But Ohio lobbyists in 2013 also spent another \$583,338 on meals, beverages and events to court legislators and administrative officials. Most of the recipients of those benefits do not have to be disclosed under Ohio law.

In California, lobbyists have given legislators and their staff more than \$5 million in gifts since 2000, including \$900,000 in 2012 and 2013, according to the Sacramento Bee.

The newspaper reported that the largest recipient of gifts since 2000 was state Sen. Ron Calderon (D-Los Angeles). He received \$40,000- more than twice any other legislator.

In February, 2014, Calderon was indicted by a federal grand jury on charges including bribery, money laundering and tax fraud. He has denied any wrongdoing.

The indictment prompted new reform bills, including one that would have reduced from \$440 to \$200 the amount of gifts legislators could accept from one source. The bill would have banned some gifts, including tickets to concerts and sporting events, spa services and golf outings.

But Governor Jerry Brown vetoed the bill on October 3, 2014.

His veto message states: "In 1990, the Legislature imposed a gift limit with an inflation adjustment. This bill would lower that limit and create a list of gifts prohibited altogether -- adding further complexity without commensurate benefit. Proper disclosure, as already provided by law, should be sufficient to guard against undue influence."

"Politicians should be subject to various constraints. I would point out, however, that some balance and common sense is required," Brown added.

Until this year, Virginia did not prohibit its officials from accepting gifts. It required only that they disclose them.

Gift-taking by legislators in 2013 totaled \$276,000, according to the Daily Press of Newport News.

But state gift rules have stiffened after an indictment that led to the September 2014 conviction of former Virginia Governor Robert McDonnell.

A federal jury decided McDonnell had stepped over the line when he accepted \$177,000 in gifts and loans from a wealthy businessman. McDonnell, the state's 71st governor, was the first convicted of a crime.

"In pursuit of a lifestyle that they could ill afford, McDonnell and his wife eagerly accepted luxury items, designer clothes, free vacations and the businessman's offer to pay the costs of their daughter's wedding," said a September 4, 2014 press release by the Department of Justice, which prosecuted the case.

"In return, McDonnell put the weight of the governor's mansion behind the businessman's corporate interests," the release added.

The ex-governor, who still may appeal, continues to profess his innocence.

A Washington Post story dated September 7, 2014 said the jury members felt the issue was clear.

"The jury's quick and devastating verdict showed that the public doesn't care much about legal nuances, such as what constitutes an 'official act.' The public just thinks, reasonably enough, that elected officials should not accept lavish personal gifts from people who want something in return," said the article.

In January, Governor Terry McAuliffe imposed a \$100 gift limit for executive branch members and their families. Virginia law was revised July 1 to ban gifts of more than \$250 from anyone a legislator knows is a lobbyist or state contractor. The cap does not apply to "intangible" gifts such as meals or trips.

2015 Commission Meeting Schedule

The New Jersey Election Law Enforcement Commission has announced its meeting schedule for 2015. Unless otherwise indicated in the future, meetings will be held at the Commission's offices at 28 West State Street, 12th Floor, in Trenton. It is anticipated that meetings will begin at 11:00 a.m., unless otherwise indicated.

January	20, 2015 - 11:00 a.m.
February	17, 2015 - 11:00 a.m.
March	17, 2015 - 11:00 a.m.
April	21, 2015 - 11:00 a.m.
May	19, 2015 - 11:00 a.m.
June	16, 2015 - 11:00 a.m.
July	21, 2015 - 11:00 a.m.
August	18, 2015 - 11:00 a.m. (if necessary)
September	15, 2015 - 11:00 a.m.
October	20, 2015 - 11:00 a.m.
November	17, 2015 - 11:00 a.m.
December	15, 2015 - 11:00 a.m.

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.

TREASURER TRAINING FOR POLITICAL PARTY COMMITTEES AND PACS	
December 10, 2014	10:00 a.m.

Lobbying Reporting Dates

Lobbying Quarterly Filing	INCLUSION DATES	ELEC DUE DATE
4 th Quarter	10/1/14 – 12/31/14	1/12/15

Reporting Dates

	INCLUSION DATES	REPORT DUE DATES
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		
1 st Quarter	1/1/14 - 3/31/14	4/15/2014
2 nd Quarter***	4/1/14 - 6/30/14	7/15/2014
3 rd Quarter	7/1/14 - 9/30/14	10/15/2014
4 th 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.