



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

My column this month will involve expenditure reporting and the Commission's educational efforts to assure compliance.

The law is straightforward in requiring that the following information be reported:

1. The date the expenditure was made;
2. The full name and address of the payee;
3. The purpose of the expenditure;
4. The amount of the expenditure; and,
5. The number of the check.

The Commission's regulations go even further in providing specific examples of that which is required in terms of setting forth the purpose of the expenditure.

In the regulations, it is stipulated that the "specific" election-related reason for the expenditure shall be provided. The regulations state that descriptions such as newspaper advertising, telephone expenses, postage, printing of campaign flyers, and headquarters' rental are acceptable.

Similar reporting requirements exist with regard to expenditures made by credit card.

The regulations cite two uses of credit cards.

First, when a committee reimburses a person or entity for a charge made against that person or entities credit card, the following information is required.

1. The name of the credit card holder;
2. The name and address of the vendor;
3. The date of the purchase;
4. The purpose of the purchase which includes a specific itemization of the goods and services purchased;
5. The amount of the purchase; and,
6. The name of the payee; and the number, date, and amount of the reimbursement check.

Second, when the committee itself uses a credit card, the following information is to be reported.

1. The name and address of the lending institution issuing the card;
2. The check number, payment date, and amount of expenditure paid to the issuer of the card; and,
3. An itemization of each purchase, including name and address of the vendor, date and amount of purchase, the purpose of the purchase, and goods and services acquired.

The same information is required for debit card use.

It is also important to mention that the statute and regulations enunciate how candidates can use their campaign funds.

There are six permissible uses of campaign funds by candidates. They are: payment of campaign expenses; the making of donations to charity; contributions to other candidates; overhead expenses of the campaign; reimbursement of contributors; and the payment of ordinary and necessary expenses of holding public office.

The law prohibits campaign funds from being used for personal use. Nor can campaign funds be used for criminal defense purposes. The regulations provide guidance on what constitutes personal use.

In terms of educating candidates and committees regarding the guidelines for spending campaign dollars, the Commission provides online training for treasurers, training seminars, telephonic training on an individual basis, manuals and regulations. In each case, guidance is provided in terms of how campaigns should spend their money.

Executive Director's Thoughts Jeff Brindle

RX FOR WHAT AILS CAMPAIGN FUND SYSTEM: STRONGER PARTIES, SIMPLER PAY-TO-PLAY RULES, MORE DISCLOSURE

Reprinted from politickernj.com

New Jersey's campaign finance law needs to be renewed, redefined, and overhauled to meet the challenges to the electoral system posed by independent and often anonymous special interest spending.

A quarter century ago, the Ad Hoc Commission on Legislative Ethics and Campaign Finance, chaired by the late Rutgers Professor Alan Rosenthal, proposed major revisions to the State's Campaign Finance Act.

While there have been other subsequent changes to the law, notably the addition of contribution restrictions for public contractors, the reforms enacted in 1993 remain the primary basis of campaign finance law in New Jersey to this day.

The recommendations made by the Ad Hoc Commission addressed the perceived weaknesses of the electoral system at the time. These infirmities included a political party system that was on life support, the difficulty legislative leaders had in effectively imposing party discipline on their members, and the permissible uses of campaign funds.

Among its recommendations were to impose limits on contributions to candidates and political parties while letting parties spend unlimited sums on non-gubernatorial candidates, create legislative leadership PACs, and spell out how campaign funds could be spent.

These proposals were among the changes adopted by the Legislature in 1993, which resulted in a comprehensive overhaul of the State's campaign finance law.



Undoubtedly, the Rosenthal Commission amendments served the public and electoral system very well. But, changing times have given rise to circumstances that demand fresh solutions.

Thomas Jefferson had the idea that every generation needs a new revolution. It seems the time has come for a new revolution in New Jersey's campaign finance law.

The Act needs to be redrawn to meet the challenges wrought by the Bipartisan Campaign Reform Act of 2002 (BCRA) and the U.S. Supreme Court's decision in Citizens United in 2010.

Foremost among those challenges is the ever increasing influence of outside, independent, groups over the process of elections in New Jersey.

Independent, often anonymous, groups spent over \$41 million in the 2013 gubernatorial and legislative election. That figure dwarfs the \$14 million spent by political parties. This past November, independent groups spent \$11 million attempting to influence the outcome of the Assembly elections, representing 35 percent of all spending.

These groups come in various forms. Some are Super PACs. Others are organized under either sections 527 or 501(c) of IRS law. Call them what you will, but these groups are metastasizing.

A staggering \$80 and \$100 million will most certainly be spent by these groups this year advocating for or against three significant ballot questions. Independent groups now are spending millions even on some local campaigns. And far more spending will follow in the gubernatorial and legislative contests in 2017.

These often dark money groups have come to dominate elections, assume many of the traditional roles of political parties, usurp the ability of candidates to control their campaign message, and drive the issue agenda of election campaigns.

Therefore, at this time, New Jersey's campaign finance scheme needs to be changed to redirect the flow of cash from outside regulated groups to accountable political parties and candidates.

The reform of the State's Campaign Finance Act needs to do three things: (1) strengthen the political parties; (2) simplify pay-to-play; and, (3) require registration and disclosure by independent groups.

Political parties once again are on the ropes. They can be strengthened by increasing limits on contributions donated to them, exempting them from the pay-to-play law, allowing them to participate in gubernatorial elections, and permitting them to contribute to each other. Contributions and expenditures over a certain threshold, perhaps \$3,000, should be disclosed within 48 hours year-round.

A convoluted and complex pay-to-play law should be simplified by adopting one State law that applies across the board, by eliminating the fair and open loophole, by including special interest PACs under the law, by increasing permissible contractor donations to \$1,000, and by enhancing disclosure.

Finally, independent groups that participate in New Jersey elections should be required to register with the New Jersey Election Law Enforcement Commission and report their contributions and expenditures. These groups should be treated the same as political parties and candidates.

Taken as a package, these changes would serve to dry up the sources of money now going to independent groups and by doing so strengthen the political parties and candidates by rechanneling the flow of money to those areas of greater accountability and transparency.

History has shown that reforming campaign finance law changes the electoral landscape in ways that alter the pathway to influence over the outcome of elections.

In New Jersey that pathway to influence should be with the people through their candidates and political parties, not through hidden, outside groups.

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.

LOBBYST TRAINING ELECTRONIC FILING	
April 5, 2016	10:00 a.m.
TREASURER TRAINING FOR CANDIDATES AND COMMITTEES	
Wednesday, April 6, 2016	10:00 a.m.
Tuesday, April 26, 2016	10:00 a.m.
Wednesday, September 14, 2016	10:00 a.m.
Tuesday, September 27, 2016	10:00 a.m.
TREASURER TRAINING FOR POLITICAL COMMITTEES AND PACS	
Wednesday, June 22, 2016	10:00 a.m.
Thursday, September 22, 2016	10:00 a.m.
Wednesday, December 14, 2016	10:00 a.m.
R-1 ELECTRONIC FILING SOFTWARE (REFS) TRAINING	
Thursday, April 7, 2016	10:00 a.m.
Thursday, April 21, 2016	10:00 a.m.
Wednesday, July 27, 2016	10:00 a.m.
Thursday, September 15, 2016	10:00 a.m.
Thursday, September 29, 2016	10:00 a.m.

Lobbying Reporting Dates

	INCLUSION DATES	ELEC DUE DATE
Lobbying Quarterly Filing		
1 st Quarter	1/1/2016 to 3/31/2016	4/11/2016
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.