



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

It is not widely known but children are allowed to make political contributions under New Jersey's campaign finance laws. If a child is under the age of 14 any contribution by the child is to be attributed to the child's legal guardian. On the other hand, if the individual is 14 years or older and has not reached his/her majority contributions are subject to three important guidelines.

These guidelines are:

1. That the individual is 14 years or older;
2. That the contribution is made from funds comprised of the minor's earned income; and
3. That sworn statements made by the minor and by the minor's legal guardian are submitted with the contribution which state that the decision to contribute is solely that of the minor and that the funds used to make the contribution are comprised solely of the minor's earned income.

The Commission's regulatory guidelines have been established to reduce the possibility that contributions attributed to minors are not used to circumvent contribution limits. By requiring that donations come from the minor's earned income and that contributions be accompanied by a sworn affidavit the Commission has made compliance with the law as air-tight as possible. On the other hand by permitting contributions from minors the statute and Commission regulations do not run a fowl of the constitutional First Amendment rights of free speech.

When a contribution is received from a minor, the committee and organizational treasurer, as in the case of any contributor, has the responsibility to identify the donor by following the guidelines as set forth by the Commission in N.J.A.C. 19:25-10.15 and the campaign finance compliance manual.

Another area of New Jersey's campaign finance law that may not be readily apparent involves contributions made by electronic transfer of funds. Candidate committees, joint candidate committees, special interest PACs, political party committees, and legislative leadership committees may receive a contribution made by electronic transfer of funds, including credit cards.

In receiving a contribution made by the electronic transfer of funds entities must follow the following guidelines in terms of reporting the donation.

1. The date of the receipt of a contribution is to be reported as the date on which the account owner or credit card owner authorizes that the contribution be charged to his or her account;
2. The amount of the contribution reported is the total amount that the owner of the account or credit card authorizes to be charged to the account;
3. The account used to make the electronic transfer must be owned by the individual or entity making the contribution; and,
4. The organizational treasurer is required to maintain records for each contribution received through the electronic transfer of funds, including credit cards.

All contributions collected by electronic transfer of funds must be deposited directly into the campaign or organizational account. In addition, any fees or costs incurred by the candidate or organizational committee must be reported by the entity as an expenditure to the financial institution.

While the above policies of the Commission are undoubtedly known to many organizational treasurers and others involved in the campaign process, it is important to keep participants up-to-date on the various rules set forth in the regulations and compliance manuals, especially those that may well be less apparent. In addition to consulting the Commission's compliance manual, organizational treasurers and campaign operatives may also want to click onto the Commission's website to view its new interactive training video.

The website is at www.elec.state.nj.us.

Executive Director's Thoughts Jeff Brindle

BIG BALLOT MEASURES MEAN BIG SPENDING

Reprinted from politickerni.com

This year will likely surpass all others in terms of independent, outside group spending in New Jersey elections.

Three hot wire questions are likely to end up on the ballot this fall. The three public question proposals involve increased transportation funding, more casinos in New Jersey, and mandatory state pension funding.

Even one of those issues could drive spending through the roof and likely surpass the \$41 million spent by outside groups in the 2013 gubernatorial and legislative elections. One indication: a 2012 proposal in Maryland that allowed a casino along the Potomac River drew more than \$90 million in spending pro and con. Having all three issues on the New Jersey ballot this fall surely would turn the 2013 independent spending record into dust.

Assuming all three end up on the referendum, between \$80 and \$100 million is expected to be spent by independent groups trying to influence the outcome of the "ballot question election."

So far, two of the three issues are on the ballot.

In January, the Legislature overwhelmingly approved one question (ACR-1/SCR-190). It would amend the Constitution to dedicate fuel taxes to the state's transportation fund.

In March, the Legislature approved legislation (SCR-1/ACR-1) that put another major ballot question on the fall referendum- whether to allow casinos in North Jersey.

A third proposed New Jersey ballot question (ACR-109/SCR-2) would amend the state Constitution to require full funding of state pensions. It passed the Assembly in June and is expected to face a Senate vote when the upper house reconvenes August 1.

Any ballot question eligible for the referendum this year must be passed by both houses 90 days before the November 8 election, or by August 10.

Heavy spending on ballot questions this year will set the stage for a barrage of outside spending during the 2017 gubernatorial and legislative contest.

Already over \$10 million has been raised by Super PACs and other groups supporting potential gubernatorial candidates.

Unless legislation is enacted to curb the influence of these groups, the electoral landscape as historically known will assume an entirely new shape by 2020.

Strengthening the parties, disclosure by independent groups, and reforming pay-to-play represents the best way for this Hobbesian politics of unaccountable Super PACs to be controlled.

James Madison, in Federalist Paper Number Ten, noted that there was no cure for faction in a representative democracy.

Madison added, however, that in a large republic as established by the Constitution, faction can be controlled.

Likewise, barring the elimination of free speech, which is not an option, independent, outside organizations' spending cannot be cured.

Through intelligent legislative change, though, it can be controlled.

By virtue of emerging bipartisan legislative interest in the Legislature, the opportunity to control, indeed even offset, independent, outside group activity may well be presenting itself.

Republican Minority Leader Jon Bramnick (21st Legislative District) and Democratic Assemblyman Troy Singleton (7th Legislative District) have taken the lead in individually sponsoring legislation that strengthens the parties, requires registration and disclosure by independent groups, and reforms pay-to-play.

Bill number A-3639, introduced by Minority Leader Bramnick, comprehensively makes these changes. Assemblyman Singleton has sponsored separate bills, A-3902 and A-3903 to bring about these reforms.

The attempts being made by these leaders to clean up and update New Jersey's campaign finance law may, in the end, represent a truly bipartisan effort to modernize a system that has remained largely the same for the last quarter of a century.

Over this period of time, circumstances have changed, necessitating comprehensive reform in order to keep pace with, and control, a trend that if unchecked will obliterate transparency and with it, the political party system.

Either outcome would be a shame, especially since such a result can be avoided.

With trust in government at an all-time low and a party system in New Jersey that is increasingly outflanked by heavy hitting independent groups, legislation to curb this trend is urgently needed.

The bills sponsored by Minority Leader Bramnick and Assemblyman Singleton will ease the threat to the electoral system posed by unaccountable, often anonymous, non-transparent Super PACs and other independent 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.

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	
September 15, 2016	10:00 a.m.
September 29, 2016	10:00 a.m.

BIG SIX 2ND QUARTER 2016

The “Big Six” fundraising committees report a combined cash reserve of \$1.1 million, the second lowest mid-year total since 2007, according to an analysis by the New Jersey Election Law Enforcement Commission (ELEC).

The two state parties and four legislative leadership committees have raised a combined \$1.7 million so far this year, and spent a combined \$1.5 million.

“It is not unusual during a year with no election involving the governor or the legislature for fundraising to lag,” said Jeff Brindle, ELEC’s Executive Director. “But party coffers also have been steadily declining since pay-to-play laws cut off cash from public contractors a decade ago. That used to be a major source of funding for both parties.”

**TABLE 1
CAMPAIGN FINANCE ACTIVITY BY “BIG SIX”
AT END OF SECOND QUARTER BY YEAR**

BOTH PARTIES	RAISED	SPENT	CASH-ON-HAND	NET WORTH*	STATE ELECTIONS
2007	\$5,776,859	\$2,328,316	\$8,015,277	\$7,911,808	Senate and Assembly
2008	\$3,438,622	\$2,238,356	\$1,577,591	\$ 918,612	
2009	\$3,653,103	\$1,811,223	\$3,682,236	\$3,548,060	Governor and Assembly
2010	\$2,175,742	\$1,637,673	\$1,835,526	\$1,666,742	
2011	\$3,684,467	\$1,915,020	\$3,329,478	\$3,051,770	Senate and Assembly
2012	\$2,988,610	\$2,590,387	\$1,426,366	\$1,193,221	
2013	\$3,382,737	\$1,874,081	\$3,189,889	\$3,093,711	Governor and Both Houses
2014	\$1,276,109	\$1,319,714	\$ 800,994	\$ 287,246	
2015	\$2,476,599	\$1,983,389	\$2,160,318	\$1,624,601	Assembly
2016	\$1,661,559	\$1,513,987	\$1,127,086	\$ 979,443	

*Net worth is cash-on-hand adjusted for debts owed to or by the committee.

Brindle said other factors also have curtailed party fundraising, most notably the fact that many special interest groups now are spending their money independently of parties and candidates.

Brindle said several ELEC recommendations may help reverse the slide.

These include combining the maze of so-called “pay-to-play” contribution restrictions into a single law, allowing public contractors to make larger contributions particularly to parties, adjusting other contribution limits higher for inflation, and making independent special interest groups follow the same disclosure laws as parties and candidates.

“It is very encouraging that both Assembly Minority Leader John Bramnick (R-21st) and Assemblyman Troy Singleton (D-7th) have introduced bills that incorporate ELEC’s suggestions. We hope there will be movement on the bills this fall,” Brindle said.

Democratic committees as a whole raised more money both during the quarter and since January 1. But the Republican State Committee has raised the most funds of any committee this year, mostly during the recent quarter. It had been saddled with a half-million-dollar debt for more than a year. For the first time since April 30, 2015, its cash reserves this quarter exceeded its debts. The Democratic State Committee, which ended last year's election with a smaller debt than the Republicans, continues to report a negative net worth. Net worth is cash-on-hand adjusted for debts owed to or by the committee.

TABLE 2
FUNDRAISING BY "BIG SIX" COMMITTEES
JANUARY 1 THROUGH JUNE 30, 2016

REPUBLICANS	RAISED	SPENT**	CASH-ON-HAND	NET WORTH*
New Jersey Republican State Committee	\$ 454,035	\$ 575,592	\$ 61,286	\$ 38,597
Senate Republican Majority	\$ 98,800	\$ 80,334	\$ 385,248	\$385,248
Assembly Republican Victory	\$ 145,484	\$ 72,776	\$ 164,057	\$164,057
Sub Total-Republicans	\$ 698,319	\$ 728,702	\$ 610,591	\$587,902
DEMOCRATS				
New Jersey Democratic State Committee	\$ 345,389	\$ 390,759	\$ 8,720	\$ (65,796)
Senate Democratic Majority	\$ 255,637	\$ 115,299	\$ 381,115	\$361,115
Democratic Assembly Campaign Committee	\$ 362,214	\$ 279,227	\$ 126,660	\$ 96,222
Sub Total-Democrats	\$ 963,240	\$ 785,285	\$ 516,495	\$391,541
Total-Both Parties	\$1,661,559	\$1,513,987	\$1,127,086	\$979,443

*Net worth is cash-on-hand adjusted for debts owed to or by the committee.

**Some spending totals exceed fundraising totals because cash reserves were used as well as recent contributions.

Democrats and Republicans have spent roughly the same through six months this year. Republicans reported higher combined cash-on-hand and net worth.

State Parties and Legislative Leadership Committees are required to report their financial activity to the Commission on a quarterly basis. The reports are available on ELEC's website at www.elec.state.nj.us. ELEC also can be accessed on Facebook (www.facebook.com/NJElectionLaw) and Twitter (www.twitter.com/elecny).

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.