



# INSIDER NJ

## What's Good for Political Parties Should be Good for Independent Spenders

**JEFF BRINDLE** | October 20, 2020, 10:36 am | in [The Diner Booth](#)

Political parties and independent groups raise money, spend money, and participate in elections. In fact, independent spenders are becoming more dominant than parties.

Why, then, are political parties and independent groups treated so differently in New Jersey?

Take the 2017 election as an example. It was the last time gubernatorial and legislative elections were held at the same time.

Independent groups spent more than triple the amount spent by the two state parties and four legislative leadership committees- \$51.2 million compared with \$13.3 million by these "Big Six" party entities.

Yet, despite this onslaught of spending, independent groups were treated differently because current state law requires them to disclose only their spending, not their contributions. Party committees must disclose all their campaign finance activity.

Those independent spenders that disclose their source of funds do so voluntarily.

We could have had an election in 2017 where voters would have had no clue who provided the \$51.2 million in independent spending. Without legislative reform, voters in the future could easily be left in the dark.

Disclosure of donations is important because the public needs to know who is behind the funds of independent groups that have become so influential in New Jersey Elections. Disclosure also helps to enforce campaign laws.

It also is critical because the rapid growth of independent spending in New Jersey elections has corresponded with a sharp fund-raising decline by party committees, including the Big Six. These are the two state parties and four legislative leadership committees.

Between 1997 and 2008, Big Six Committees spent nearly \$200 million. Between 2009 and 2019, their total fell to about \$99 million- a 51 percent drop.

During the same periods, independent spending by special interest groups such as unions and Realtors shot up from \$7.5 million to almost \$125 million – a 1,566 percent increase.

### **Spending by Big Six Committees Versus Spending by Independent Special Interest Groups**

	1997-2008	2009-2019	Change
Big Six	\$199,643,579	\$98,815,507	-51%
Independent Groups	\$7,477,455	\$124,561,328	1,566%

As part of this growth spurt by independent groups, county and municipal committees have suffered along with state party committees. County organizations spent \$14.1 million in 2017, barely half the \$27 million they spent in 2003.

Moreover, municipal party committees spent just \$4.4 million in 2017, half of what they spent in 2010.

This steady erosion of political party activity and strength has continued in recent years.

Unlike independent groups in New Jersey, political parties are required to disclose their full financial activity to the Election Law Enforcement Commission (ELEC) on a quarterly basis. Party committees are required to report their expenditures as well as identify donors who contribute \$300 or more to the party.

Contribution limits also apply to donations made to parties, which vary depending on whether the contribution is made to the state, county, or municipal party committee. Further, those limits have not been adjusted for inflation since 2005, or almost five gubernatorial cycles.

In addition to their legal responsibilities contained in the Campaign Act N.J.S.A. 19:44A, political parties are further regulated under N.J.S.A. 19:5, which sets forth how state, county, and municipal committees are to be organized, including the dates and times they are to hold conventions and reorganization meetings. Moreover, the entire membership structure of the party organization is set forth under the law.

On the other hand, independent groups organized either as 527 political organizations, Super PACs or 501(c)4 social welfare groups are hardly regulated at all under New Jersey's campaign finance law. Unless they file voluntarily with ELEC, disclosure of activities by 527 committees (with the IRS) or Super PACs (with the Federal Election Commission) is remote, difficult to access for New Jersey citizens and often post-election.

501(c)4 groups file annual reports with the IRS but, under recent rule changes, they are no longer required to identify their donors even to IRS officials.

Independent groups are required to disclose only their expenditures in New Jersey, and only if their election advocacy expressly supports or opposes candidates or public questions.

Following the Citizens United v. FEC (2010) decision by the U.S. Supreme Court, which struck down a ban on corporate and union independent spending, Speechnow v. FEC (2010) just two months later permitted unlimited contributions to independent groups. Under New Jersey law, these donations, which sometimes can be as large as several millions of dollars, are not subject to disclosure.

Particularly given the nature of cleverly designed political advertising, which support or oppose candidates or public questions without explicitly saying so, independent groups can spend enormous sums on elections without the public having the foggiest notion of who is behind them.

To say these groups are unaccountable and barely regulated is an understatement. That is why there needs to be legislation to redress the balance between independent groups and political parties.

Political parties have historically been an integral part of electoral politics.

As political scientist Marjorie Randon Hershey maintains “Political parties are the core of democracy.”

By organizing government, political parties encourage cooperation and compromise in the political process, encouraging leaders to work together. They are a link between the people and their government, and they serve as a guide to voting by simplifying matters for voters through their symbols and labels.

Further, in this time of low voter turnout and polarized politics, the parties specialize in getting out the vote and can help to moderate politics and control extremism. As noted above, they bring accountability and transparency to the process.

ELEC has made several bipartisan proposals to strengthen political parties besides full disclosure by independent groups. Among them are raising contribution limits applicable to parties; allowing parties to participate in gubernatorial elections; removing political parties from the pay-to-play law; and including special interest PACs under pay-to-play.

Hopefully, the Legislature will consider these measures to strengthen parties in New Jersey and help place them on par with independent groups, both in terms of their transparency and ability to participate in elections.

*Jeff Brindle is the Executive Director of the New Jersey Election Law Enforcement Commission.*

*The opinions presented here are his own and not necessarily those of the Commission.*