

# Lobbying in Jersey and on Federal Level: The Good, The Bad and The Ugly

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**COMMENTARY**

If anyone doubts the significance of lobbyists within the governmental process, they need only look as far as the “fiscal cliff” negotiations.

While attention has been focused on tax increases for the wealthy, overlooked are the tax breaks given to well healed corporate interests.

These tax breaks are brought to you courtesy of effective lobbying activity.

For example, as The Wall Street Journal reports, tax credits were retained for companies operating in American Samoa, such as StarKist.

Then, there is the accelerated tax write-off for NASCAR track owners and the \$222 million rum tax rebate for distillers.

And, what of Hollywood and the green energy industries?

The Wall Street Journal reports that Hollywood will receive tax breaks in 2013 and 2014 amounting to \$430 million and companies like General Electric and Siemens (under the wind production tax credit) will get breaks costing tax payers \$12 billion.

The point here is not to knock these corporate interests. These interests employ thousands upon thousands of people and their well being is vital to the economic health of the nation.

Rather, the point is to highlight the influential role that lobbyists play in the process and the importance that disclosure laws play in shedding light on that influence.

The foregoing comments relate to lobbying efforts at the federal level. But they could just as well have been said in relation to lobbying within the states, including New Jersey.

New Jersey has almost 1,000 lobbyists who represent a myriad of interests, the sum of which creates a very competitive atmosphere, especially during the budget process.

This plurality of interests is what Madison referred to in Federalist Paper Number 10 when he recognized the inevitable formation of factions and emphasized the establishment of a republic as a way to control these factions, or interests.

Part of the effort to control factions (or interests) lies with the regulation of lobbying through registration procedures and disclosure.

New Jersey does a very good job of regulating lobbyists. It does this primarily through a strong disclosure law that is deficient in only one respect.

The law does not require lobbying at the local level of government to be disclosed.

This is a weakness because significant lobbying takes place relative to county and municipal governmental activity, particularly regarding contracts and building permits.

New Jersey requires lobbyists to file both annual financial reports and quarterly activity reports.

Last year, an Election Law Enforcement Commission report showed that in 2011 lobbyist spending in the Garden State soared to a record \$74 million.

The spending increase was driven by a huge outlay for grassroots television and radio advertising. Mass communications spending reached \$15.2 million in 2011.

This information and much more was available to the public through the analytical report and through the Commission's website, which contains copies of individual lobbying reports.

The problem though is that this information is only available with regard to lobbying at the State level. Reporting of lobbying activity at the local level is not subject to law.

This needs to change. The Election Law Enforcement Commission has recommended that legislation be enacted that would require lobbying of local governments as well as by local governments to be disclosed.

Passage of this legislation would complete the circle and make New Jersey's lobbying law one of the, if not, the most extensive disclosure laws in the country.

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