

## RX FOR AILING CAMPAIGN FUND SYSTEM: STRONGER PARTIES, SIMPLER PAY-TO- PLAY, AND MORE

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

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.

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