



NEWS RELEASE

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CONTACT: FREDERICK M. HERRMANN, Ph.D.
EXECUTIVE DIRECTOR

FOR RELEASE:

January 23, 2006

PRESS ADVISORY

Executive Director Frederick M. Herrmann announced today that the New Jersey Election Law Enforcement Commission is proposing new rules to implement recently-enacted legislation restricting so-called "pay-to-play" contributions. As reflected in the proposed new rules, the Commission's role under the new "pay-to-play" laws begins once a business entity has been awarded a contract, valued in excess of \$17,500, with a New Jersey government entity. Herrmann stated that prior to that point, regulation of the award of contracts to businesses that have made "pay-to-play" contributions is primarily a matter of government procurement law and not within the Commission's jurisdiction.

Herrmann explained that the provisions of the law applicable to Executive Branch contracts differ in significant respects from the provisions that are applicable to contracts with State agencies in the Legislative Branch, counties, and municipalities because the restrictions on contracts arise from different legislation. Therefore, the Commission is proposing two separate subchapters for the new "pay-to-play" rules, one for Executive Branch contracts, and the other for contracts with State agencies in the Legislative Branch, counties, and municipalities

Among other provisions, the proposed new rules:

- Define terms specifically applicable to the "pay-to-play" legislation such as "business entity," "fair and open process," and "contribution reportable by the recipient";
- Reiterate the statutory prohibition on certain contributions by a "business entity" during the term of a contract with a government entity;
- List the entities to which a "business entity" contribution is prohibited;

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- Allow, under certain circumstances, for the repayment of a prohibited contribution;
- Impose upon a “business entity” with a Legislative, county, or municipal contract a continuing duty to report prohibited contributions;
- Provide procedures to allege a violation of the “pay-to-play” law; and,
- Recite the Commission’s statutory authority to impose penalties if a business entity with a State, Legislative, county, or municipal contract makes a prohibited contribution and if an entity receives a prohibited contribution.

Dr. Herrmann also announced that the Commission has proposed a new rule to implement that portion of the new law that prohibits contributions by a county political party committee to another county political party committee during the period of time from January 1st through June 30th of each year, a practice commonly referred to as “wheeling.”

The proposed amendments appeared in the New Jersey Register on January 3, 2006, and are currently available on the Commission’s website at www.elec.state.nj.us. Copies of the Commission’s proposals may also be obtained by calling the Commission at (609) 292-8700.

The Commission will conduct a hearing to elicit public comment concerning the proposal on **Tuesday, February 21, 2006**, at 11:15 a.m. at:

Election Law Enforcement Commission
Edward J. Farrell Memorial Conference Room
28 West State Street, 12th Floor
Trenton, New Jersey

The Commission invites participation in the hearing and requests that any testimony be limited to no more than ten minutes. Persons wishing to testify are requested to reserve time to speak by contacting Administrative Assistant Elbia L. Zeppetelli at (609) 292-8700, no later than Friday, February 17, 2006.

Submit written comments by March 6, 2006, to:

Michelle R. Levy, Associate Legal Director
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