



NEWS RELEASE

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FOR RELEASE:
February 25, 1993

PRESS ADVISORY

Please be advised that today the Commissioners have forwarded to Governor Florio the attached letter, urging the conditional veto of the campaign finance reform Bill A-100.

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State of New Jersey

ELECTION LAW ENFORCEMENT COMMISSION

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February 25, 1993

Honorable Jim Florio
Governor
State of New Jersey
State House - CN 001
Trenton, New Jersey 08625

Dear Governor Florio:

The Election Law Enforcement Commission respectfully calls your attention to very serious problems in enacting A-100, and reluctantly urges you to conditionally veto the bill until these problems are resolved.

There are potential administrative and enforcement problems with the contribution limit provisions. They create perhaps the most complicated such scheme in the nation and may be very difficult for candidates and committees to observe and for ELEC to enforce. The possibility of every candidate organizing two committees creates great complications for administering and complying with the limits. Countless permutations and combinations are possible and must be calculated before money may be given or received. ELEC and the Rosenthal Commission had urged using only one committee per candidate. Such a scheme would have still allowed joint fundraising but with much simpler reporting and contribution limit overtones. ELEC cannot successfully enforce a bill whose ostensible goal is limiting campaign contributions for individuals and entities with such a complex scheme of contribution limits.

The provision dealing with legislative leadership committees would drastically change the system of democratic government traditional in New Jersey in that this provision would endow legislative leaders with enormous fundraising ability, out of proportion to all other legislators and the established political parties. ELEC has repeatedly called for strengthening the two party system and the leadership committees created by A-100 tend to weaken our two party system. Also, meaningful campaign finance reform requires prohibition of direct corporate and union contributions.

Another principal concern is that the bill has created a criminal standard for civil prosecutions. Under A-100, ELEC must prove that an entity has "knowingly" violated the law in order to impose civil penalties. Such a standard will greatly weaken ELEC's enforcement role.

Even without these serious defects, ELEC cannot possibly administer or enforce A-100 with its current budget and staff. It would be a fraud on the public to enact legislation which cannot be properly enforced. It is obvious that a supplemental appropriation is required if A-100 is going to be

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Governor
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any more than a theoretical exercise. ELEC estimates a need for additional funding in 1993 of at least \$300,000.00.

S-70 (establishing filing fees for PACs, etc.) has passed the Senate and is presently in the Assembly State Government Committee. There is no guarantee that after A-100 is enacted that S-70 will also be enacted. Even if enacted, S-70 would not provide current funding for ELEC because implementation of S-70 will require at least a year to generate significant supplemental funding.

Another major administrative challenge is the lack of time for ELEC to prepare for administration and enforcement. The 1993 primary election has already begun for fundraising purposes. Time is needed to begin preparing regulations, forms, compliance materials, staff and candidate training, as well as the development of a difficult computer configuration. We urge that if A-100 is enacted, it not be effective until the general election in 1993.

ELEC applauds your support of meaningful campaign finance reform but feels that meeting the concerns expressed in this letter is vitally needed to assure that the citizens of our State have the kind of ethics law we are all seeking.

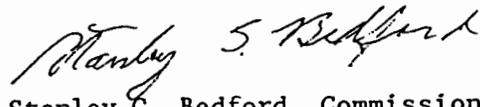
We respectfully urge you to conditionally veto A-100 until the above problems are addressed.

The Commissioners and staff of ELEC are available for consultation at your request.

Respectfully,



Owen V. McNany, III, Chairman



Stanley G. Bedford, Commissioner



David Linett, Commissioner

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c: Honorable Donald T. DiFrancesco
Honorable Garabed "Chuck" Haytaian
Honorable John A. Lynch
Honorable Joseph V. Doria, Jr.

CONTRIBUTION LIMITS OF ACS(6R) FOR A-100, et als. - February 24, 1993

<u>Entities Making Contributions</u>		<u>Entities Receiving Contributions</u>					
	Candidate (1)	Political Committee	CFC (other than political party or leadership)	State Party Committee	Legislative Leadership	County Party Committee	Municipal Party Committee
Individual to:	\$1,500 per election	No Limit	No Limit	\$25,000 per year	\$25,000 per year	\$25,000 per year	\$5,000 per year
Corporation or Union to:	\$1,500 per election	No Limit	No Limit	\$25,000 per year	\$25,000 per year	\$25,000 per year	\$5,000 per year
Association or Group to:	\$1,500 per election	No Limit	No Limit	\$25,000 per year	\$25,000 per year	\$25,000 per year	\$5,000 per year

NOTES on Contribution Limit Chart (not applicable to gubernatorial candidates who have separate limits).

(1) A candidate may establish a candidate committee, a joint candidates committee, or both.

A joint candidates committee can accept a contribution from a contributor in an amount equal to the applicable contribution limit times the number of candidates participating in the joint candidates committee. Thus, the joint committee can receive \$1,500 times the number of candidates in the joint committee.

A candidate who has both a candidate committee and a joint candidates committee cannot accept contributions to both entities that in the aggregate exceed the applicable limit. When candidates have both individual candidate committees and a joint candidates committee, contributors and candidates must pay close attention to the amount of the contribution given to any of the individual candidate committees, or to the joint candidates committee, because a contribution made to one such committee affects what may be contributed by that contributor to another committee. For example, if \$1,500 is contributed to candidate (A), that contributor cannot make any contribution to a joint candidates committee consisting of candidates A, B, and C because one-third of any contribution made to ABC would have to be attributed to candidate A, who already received a maximum \$1,500 contribution. If \$1,500 is contributed to joint candidates committee ABC, only \$1,000 can be given to any individual candidate committee maintained by candidates A, B, or C because one-third of the \$1,500 (i.e., \$500) must be attributed to each of the three candidates. A contribution made to a joint candidates committee must, for contribution limit purposes, be divided equally among all candidates in the joint candidates committee (i.e., "equal attribution" requirement).

A candidate who has debt remaining from a candidacy prior to the effective date of these limits can accept contributions in excess of the limits up to an amount not to exceed the carryover debt.

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Entities Making Contributions	Entities Receiving Contributions						
	Candidate (1)	Political (3) Committee	CPC (other than political party or leadership)	State Party Committee	Legislative Leadership Committee	County Party Committee	Municipal Party Committee
Candidate (2) to:	\$5,000 per election	\$5,000 per election	\$5,000 per year	\$25,000 per year	\$25,000 per year	\$25,000 per year	\$5,000 per year
Political Committee (3) to:	\$5,000 per election	\$5,000 per election	\$5,000 per year	\$25,000 per year	\$25,000 per year	\$25,000 per year	\$5,000 per year
CPC (other than party or leadership) to:	\$5,000 per election	\$5,000 per election	\$5,000 per year	\$25,000 per year	\$25,000 per year	\$25,000 per year	\$5,000 per year

(2) The contribution limit is multiplied by the number of candidates participating in a joint candidates committee for both giving and receiving purposes. For example, assume a sole candidate wants to contribute to a joint candidates committee (ABC), which consists of three candidates. The contribution limit is \$5,000 times 3, or \$15,000. Assume ABC wants to give to a sole candidate. The contribution limit is again \$15,000. Assume ABC wants to contribute to another joint candidates committee (DEFG), that consists of 4 candidates. The contribution limit is \$5,000 times the 3 ABC candidates, or \$15,000, times the 4 DEFG candidates, for a total limit of \$60,000. If the candidates in that joint candidates committee also have individual candidate committees, no further contributions can be made to any of the individual candidate committees because a maximum level contribution (i.e., \$60,000) was made to DEFG.

The candidate-to-candidate limits do not apply to expenditures by one candidate on behalf of another if the giving and recipient candidates are both seeking seats in the same legislative district, or for the same office in a political subdivision. For example, there is no limit on the amount one candidate for a city council seat can spend to aid the election of another candidate also running for council.

(3) A political committee aiding or promoting the passage or defeat of a public question is not subject to any contribution limits.

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<u>Entities Making Contributions</u>	<u>Entities Receiving Contributions</u>						
	Candidate (1)	Political Committee	CPC (other than political party or leadership)	State Party Committee	Legislative Leadership Committee	County Party Committee	Municipal Party Committee
State Party Committee to:							
Legislative Leadership Committee to:							
County Party Committee (4) to:							
Municipal Party Committee to:							
National Party Committee (5) to:	\$5,000 per election	\$5,000 per election	\$5,000 per year	\$50,000 per year	\$25,000 per year	\$25,000 per year	\$5,000 per year

N O L I M I T S, except those listed in note (4) below

(4) A county party committee is limited to a contribution of \$5,000 per election if it contributes to a candidate running in another county. Further, if the candidate is running for legislature and less than 20 percent of the legislative district's population resides in that county, the limit is \$5,000 per election, but if at least 20 percent and less than 40 percent of the legislative district's population resides in the county, the contribution limit is \$25,000 per election. There is no limit if 40 percent or more of the legislative district's population resides in the county. Also, a county party committee is limited to a contribution of \$5,000 per year to a municipal party committee in another county.

(5) A national political party committee cannot contribute more than \$50,000 per year to the State political party committee. For the purposes of the other contribution limits, the national political party committee is subject to the limits of a continuing political committee (i.e., an association spending \$2,500 or more in a calendar year to aid or promote New Jersey candidates), but the bill does not state that explicitly.