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# **ELEC-TRONIC**

### An Election law Enforcement Commission Newsletter

P.O. Box 185, Trenton, NJ 08625 (609) 292-8700 - Toll Free Within NJ 1-888-313-ELEC (3532)

"Furthering the Interest of an Informed Citizenry"

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www.elec.state.nj.us

# Comments from the Chairman Ronald DeFilippis

Since this is the first newsletter of 2015, let me take this opportunity to outline our plans for the New Year.

But first, allow me to mention what won't change.

Because the Commission has long maintained a strong reputation for responsiveness to the public, the Commission will continue its tradition of having a real person answer the phone.

It may be old fashioned but as a State agency whose mission is disclosure, we feel it is important that our experienced receptionists still answer the phones and direct citizens to the appropriate staff member to answer their questions.

This tradition provides the public with the assurance that their concerns will be responded to. This will remain the same.

Another tradition that will not change is the assistance provided to candidates, treasurers, other interested parties, the press, and the public.

The courteous assistance of the Commission's Compliance staff, combined with their expertise, will continue to maintain a compliance rate among filers of over 90 percent.

Our policy of responding as quickly as possible to citizens who file complaints with the Commission involving violations of campaign finance law will remain unchanged as well.

The Commission's Legal and Investigative staff will continue to investigate and prosecute complaints in a fair and neutral manner.

In this, the public can be assured that New Jersey's elections are being conducted with integrity in regards to the financial activity of committees and candidates.

Finally, the Commission will continue to provide an extensive array of information that involves all of its wide jurisdictional areas, which include campaign finance, lobbying, pay-to-play, gubernatorial public financing, personal financial disclosure, and fundraisers.

Now for what is coming in 2015.

Last July 1, for Fiscal Year 2015, the Commission received a special appropriation of \$2 million for the purpose of undertaking a major upgrade of the Commission's computer operations.

The system is 15 years old and in desperate need of a complete overhaul. Fortunately, the Legislature and Governor listened to our needs and provided this extra funding for the Commission to install a modern, state-of-the-art computer system.

Among the capabilities of the new system will be the ability of all filers, including candidates, political parties, PACs, lobbyists, and pay-to-play business entities to file electronically.

Too numerous to mention, are the many other bells and whistles incorporated in the new system.

ELEC's computer staff is fully prepared to begin work on the new system as soon as the necessary approvals from the Office of Information and Technology (OIT) are forthcoming.

Speaking of state-of-the-art, the Commission is planning to move its offices to a new modern building, a mere three blocks away from its present location at 28 West State Street, Trenton, New Jersey.

In a move long in coming, the Commission will be moving to the top floor of the former New Jersey Network building at Stockton Street in Trenton.

This spacious building will allow for the entire staff to be on the same floor as well as provide adequate parking for both staff and the public.

In a word, this modern building, in conjunction with the upgrade of the computer system, will bring about even greater efficiencies than the Commission was capable of in the past.

Another area that will continue to improve as the Commission advances in terms of computer operations and modern facilities will be its candidate and treasurer training.

Beyond offsite training, online training, and video training, interested individuals and parties will be able to partake of onsite training in this new media friendly environment.

Further, as a Commission, we will continue to review procedures to determine how the enforcement process can be made even more effective than it already is.

In recent years, every effort has been made, despite limited investigative and legal staff, to move cases along more quickly. Because the Commission is so integral to the election process, fairness and efficiency with regards to enforcement is abundantly important.

During 2015, staff will continue to make progress in this vital area.

Finally, the Commission, in recent years, has worked hard to enhance its profile and reputation. Through analytical press releases, the newsletter, publications, TV appearances, and proposed legislative reforms, the Commission will continue to strive to make the public aware of its important mission.

These efforts will be enthusiastically embraced in the New Year.

# 2015 Commission Meeting Schedule

The New Jersey Election Law Enforcement Commission has announced its meeting schedule for 2015. Unless otherwise indicated in the future, meetings will be held at the Commission's offices at 28 West State Street, 12<sup>th</sup> Floor, in Trenton. It is anticipated that meetings will begin at 11:00 a.m., unless otherwise indicated.

January	20, 2015 - 11:00 a.m.
February	17, 2015 - 11:00 a.m.
March	17, 2015 - 11:00 a.m.
April	21, 2015 - 11:00 a.m.
Мау	19, 2015 - 11:00 a.m.
June	16, 2015 - 11:00 a.m.
July	21, 2015 - 11:00 a.m.
August	18, 2015 - 11:00 a.m. (if necessary)
September	15, 2015 - 11:00 a.m.
October	20, 2015 - 11:00 a.m.
November	17, 2015 - 11:00 a.m.
December	15, 2015 - 11:00 a.m.

# **Executive Director's Thoughts Jeff Brindle**

# **District Court ruling another Victory for Disclosure**

#### Reprinted from politickernj.com

The D.C. District Court ruled against a Federal Elections Commission (FEC) regulation that allowed millions of dollars in political donations from corporations, labor unions, and wealthy individuals to remain secret.

This is another victory for disclosure.

In <u>Van Hollen v. FEC</u> Representative Chris Van Hollen (D-MD) (pictured) charged that the FEC improperly interpreted disclosure requirements set forth in the Bipartisan Campaign Reform Act (BCRA).

While the case impacts federal campaign finance law and the degree to which disclosure is permitted under the "electioneering communications" provision of BCRA, the lawsuit was originally brought under the Federal Administrative Procedures Act (APA).

Specifically, the case deals with the question of whether an agency, through its regulatory process, can change [in this instance narrow] a provision in the statute because it believes the provision is ambiguous.

The issue involves an interpretation by the FEC in terms of the reach or scope of the "electioneering communication's" provision of BCRA.

In other words how far can disclosure be stretched under the "electioneering communication" provision of the Act.

"Electioneering communications" include any broadcast, cable or satellite communication that meets each of the following criteria:

- 1. The communication refers to a clearly identified candidate for federal office;
- The communication is publicly distributed shortly before an election for the office that a candidate is seeking; and,
- 3. The communication is targeted to the relevant electorate.

In its interpretation of the requirements related to this section of BCRA, the FEC maintained that only if a contributor directed his or her contribution to be used for the purpose of "electioneering communications" would the respective donor be disclosed.

This interpretation created an enormous opening for wealthy interests, allowing millions of dollars to be contributed to independent groups anonymously, and, in turn, invited the challenge from Representative Van Hollen.

On November 25, 2014, Judge Amy Berman Jackson for the D.C. District Court ruled in favor of Plaintiff Van Hollen. The Judge reasoned that the FEC improperly narrowed the reach of BCRA's disclosure requirements involving 501(c)4 advocacy groups, 501(c)(6) business associations, and other groups and individuals.

To put it another way, the FEC was making law, which of course is Congress' job.

In making her decision Judge Jackson relied on language in <u>Wisconsin Right to Life</u> (2007), wherein she found nothing in that decision to restrict reporting for electioneering communications.

Further, the Judge cited <u>Citizens United</u>, in which the U.S. Supreme Court strengthened disclosure by sanctioning reporting of "electioneering communications" that went beyond the "functional equivalent" of express advocacy.

While the landmark case swept away restrictions on independent spending, <u>Citizens United</u> opened the door for registration and disclosure by outside groups of contributions and expenditures.

Judge Jackson's decision is another in a string of court rulings upholding disclosure in the field of campaign finance.

In terms of New Jersey's regulatory scheme, the decision provides further support for the Commission's proposal to require disclosure by independent groups.

As noted in previous columns, independent spending in New Jersey has ballooned in gubernatorial and legislative elections and now in local contests.

From \$14 million in 2009 to \$41 million in 2012, independent groups have begun to dominate both political parties and candidates in legislative and gubernatorial elections.

This activity is now filtering down to the local level, with \$5.5 million spent in May non-partisan mayoralty elections and \$200,000 spent independently in the Elizabeth School Board contest this November.

Expect independent groups to double their output in 2017, when the Assembly and governor are up for election.

To once again gain control over the elections process, the Legislature should consider enacting legislation that requires disclosure by outside groups. ELEC's proposal merely calls for independent groups to be treated in the same way as political parties and candidates. This simple and constitutional action will bring much needed transparency to the process.

## **Proposed Regulations**

P.L.2014, c.58, and N.J.A.C. 19:25-8.12.

Executive Director Jeffrey M. Brindle announced that the New Jersey Election Law Enforcement Commission (Commission) is proposing an amendment to the time and place of filing reports for candidates or joint candidates in an election for an office elected by a municipal or countywide constituency, or a school district, or for legislative office.

According to Brindle, the proposed amendment removes the requirement of such candidates to file a duplicate copy of the campaign treasurer's report with the county clerk of the county in which the candidate resides, which codifies recently enacted statutory amendments, see P.L.2014, c.58, and N.J.A.C. 19:25-8.12.

The proposed amendment was published in the New Jersey Register on December 1, 2014, and is currently available the Commission's on website www.elec.state.nj.us. Copies of the Commission's

proposal 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 17, 2015 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 this hearing and requests that any testimony be limited to no more than ten minutes. Persons wishing to testify at the February 17, 2015 hearing are requested to reserve time to speak by contacting Administrative Assistant Elbia L. Zeppetelli at (609) 292-8700 no later than Friday, February 13, 2015.

Submit written comments by February 17, 2015, to:

### Michelle R. Levy, Esq., Associate Legal Director **Election Law Enforcement Commission** P. O. Box 185 Trenton, New Jersey 08625-0185

Written comments can also be emailed elec.rulemaking@elec.state.nj.us by February 17, 2015. Please put "Comment" in the subject line.

Please note that pursuant to amendments to N.J.S.A. 52:14B-4, effective July 1, 2014, the Commission has implemented electronic notification of regulatory activity, and will be discontinuing the mailing of hard copies of rulemaking secondary notice. If you wish to be added to the electronic distribution list for Commission rulemaking proceedings, please email

elec.rulemaking@elec.state.nj.us, and put "Subscribe" in the subject line.

# TRAINING SEMINARS 2015

The seminars listed below will be held at the Offices of the Commission, located at 28 West State St., Trenton, NJ. Please visit ELEC's website at <a href="http://www.elec.state.nj.us">http://www.elec.state.nj.us</a> for more information on training seminar registration.

BUSINESS ENTITY PA	Y-TO-PLAY TRAINING			
January 26, 2015	10:00 a.m.			
February 13, 2015	10:00 a.m.			
March 13, 2015	10:00 a.m.			
March 25, 2015	10:00 a.m.			
TREASURER TRAINING FOR CANDIDATE	ES AND JOINT CANDIDATES COMMITTES			
March 18, 2015	10:00 a.m.			
March 31, 2015	10:00 a.m.			
April 23, 2015	10:00 a.m.			
September 17, 2015	10:00 a.m.			
September 29, 2015	10:00 a.m.			
TREASURER TRAINING FOR POLITICAL PARTY COMMITTEES AND PACS				
March 26, 2015	10:00 a.m.			
June 17, 2015	10:00 a.m.			
September 15, 2015	10:00 a.m.			
December 16, 2015	10:00 a.m.			
R-1 ELECTRONIC FILING SOFTWARE (REFS) TRAINING				
March 19, 2015	10:00 a.m.			
April 2, 2015	10:00 a.m.			
April 28, 2015	10:00 a.m.			
July 28, 2015	10:00 a.m.			
September 24, 2015	10:00 a.m.			
September 30, 2015	10:00 a.m.			

### **LOBBYING REPORTING DATES**

	INCLUSION DATES	ELEC DUE DATE
Lobbying Quarterly Filing		
1 <sup>st</sup> Quarter	1/1/2015 to 3/31/2015	April 10, 2015
2 <sup>nd</sup> Quarter	4/1/2015 to 6/30/2015	July 10, 2015
3 <sup>rd</sup> Quarter	7/1/2015 to 9/30/2015	October 13, 2015
4 <sup>th</sup> Quarter	10/1/2015 to 12/31/2015	January 11, 2016

## **2015 REPORTING DATES**

	Inclusion Dates	Report Due Date
Fire Commissioner - 2/21/2015		
29-day pre-election	Inception of campaign* - 1/20/15	1/23/2015
11-day pre-election	1/21/15 - 2/7/15	2/10/2015
20-day post-election	2/8/15 - 3/10/15	3/13/2015
48 Hour Notice Reports Start on 2/8/2015 through 2/21/2015		
School Board Election - 4/21/2015		
29-day pre-election	Inception of campaign* - 3/20/15	3/23/2015
11-day pre-election	3/21/15 - 4/7/15	4/10/2015
20-day post-election	4/8/15 - 5/8/15	5/11/2015
48 Hour Notice Reports Start on 4/8/2015 through 4/21/2015		
May Municipal Election - 5/12/2015		
29-day pre-election	Inception of campaign* - 4/10/15	4/13/2015
11-day pre-election	4/11/15 - 4/28/15	5/1/2015
20-day post-election	4/29/15 - 5/29/15	6/1/2015
48 Hour Notice Reports Start on 4/29/2015 through 5/12/2015		
Runoff (June)** - 6/9/2015		
29-day pre-election	No Report Required for this Period	
11-day pre-election	4/29/15 - 5/26/15	5/29/2015
20-day post-election	5/27/15-6/26/15	6/29/2015
48 Hour Notice Reports Start on 5/27/2015 through 6/9/2015		
Primary Election*** - 6/2/2015		
29-day pre-election	Inception of campaign* - 5/1/15	5/4/2015
11-day pre-election	5/2/15 - 5/19/15	5/22/2015
20-day post-election	5/20/15 - 6/19/15	6/22/2015
48 Hour Notice Reports Start on 5/20/2015 through 6/2/2015		
90 Day Start Date: 3/4/2015		
General Election*** - 11/3/2015		
29-day pre-election	6/20/15 - 10/2/15	10/5/2015
11-day pre-election	10/3/15 - 10/20/15	10/23/2015
20-day post-election	10/21/15 - 11/20/15	11/23/2015
48 Hour Notice Reports Start on 10/21/2015 through 11/3/2015		
Runoff (December)** - 12/8/2015		
29-day pre-election	No Report Required for this Period	
11-day pre-election	10/21/15 - 11/24/15	11/27/2015
20-day post-election	11/25/15 - 12/25/15	12/28/2015
48 Hour Notice Reports Start on 11/25/2015 through 12/8/2015		
PACs, PCFRs & Campaign Quarterly Filers		
1 <sup>st</sup> Quarter	1/1/15 - 3/31/15	4/15/2015
2 <sup>nd</sup> Quarter****	4/1/15 - 6/30/15	7/15/2015
3 <sup>rd</sup> Quarter	7/1/15 - 9/30/15	10/15/2015
4 <sup>th</sup> Quarter	10/1/15 - 12/31/15	1/15/2016

<sup>\*</sup> Inception Date of Campaign (first time filers) or from January 1, 2015 (Quarterly filers).

<sup>\*\*</sup> A candidate committee or joint candidates committee that is filing in a 2015 Runoff election is not required to file a 20-day post election report for the corresponding prior election (May Municipal or General).

<sup>\*\*\*</sup> Form PFD-1 is due on April 9, 2015 for Primary Election Candidates and June 12, 2015 for Independent General Election Candidates.

<sup>\*\*\*\*</sup> A second quarter report is needed by Independent/Non-Partisan General Election candidates if they started their campaign before 5/5/2015.