

NEW JERSEY ELECTION LAW ENFORCEMENT COMMISSION

MINUTES - December 16, 1976 Meeting

PRESENT

ABSENT

Frank P. Reiche, Chairman  
Sidney Goldmann, Vice Chairman  
Josephine S. Margetts, Member  
Archibald S. Alexander, Member  
Lewis B. Thurston, III, Executive Director  
Edward J. Farrell, Legal Counsel  
Herbert Alexander, Consultant  
Neil Upmeyer, E.L.E.C. staff

The meeting convened at 10:20 a.m.

Pursuant to the Open Public Meetings Law, P.L. 1975, c.231, annual notice of the meetings of the Commission, as amended, was filed with the Secretary of State's office, copies were posted in the State House Annex, copies were mailed to the Newark Star Ledger and the Philadelphia Bulletin and the entire State House Press Corps.

The purpose of this meeting was to continue the discussion of December 15, 1976 regarding the public financing of the gubernatorial general election.

1. 1977 E.L.E.C. Meeting Schedule

The Commission approved a draft of a Commission meeting schedule for 1977 which generally provides for Commission meetings on the first and third Wednesdays of each month with the exception of the first meeting which will be held on Thursday, January 6, instead of Wednesday, January 5. The appropriate notice required under the Open Public Meetings Law will timely be made.

2. Public Financing of Gubernatorial General Election

The Commission considered the following items and reached the following tentative conclusions in regard thereto:

a) Independent expenditures - It would appear to be desirable that in addition to the disclosure report required that an affidavit be executed indicating no collusion with the candidate or his representatives. Requiring a disclaimer on advertising itself, might be desired also.

b) Expenditure by candidates of their own funds - In the absence of specific language in the N. J. Statute specifying a reasonable limitation on such expenditures, it would appear that under the U. S. Supreme Court decision in Buckley v. Valeo, candidates could spend funds under their own control. It was agreed that the regulation should spell out what such control would entail, including such control as related to minor relatives.

c) Loans - It was generally agreed that the regulations should specify that any loans be evidenced by a written document. The question of forgiveness or writing-off of a loan by a bank and the provision of Title 19 prohibiting contributions by banks were discussed.

d) Basis of contributions to campaign fundraising affairs - The general problem of what basis should be used in reporting contributions for disclosure purposes, the \$600 limit and for matching of public funds was discussed at length. The basic question involves whether the gross amount of the contribution should be used for any or all of these purposes or whether a lesser net amount reflecting certain expenditures, including food and beverage, should be used. Another question would be whether food and beverage expenses should be counted toward the overall expenditure limit. Herbert Alexander related the experience of the Federal Election Commission in handling such matters. The basic questions were left for further consideration.

e) Submission of information by the candidates - A general discussion ensued regarding what information would be required of candidates to qualify for matching funds and when such information would be required to be submitted. It was envisioned that an alphabetical list in legible form would be required. For cash contributions, the name, residence address, amount of the contribution and signature of the contributor would be required. It was also envisioned that submission would come from two sources: the candidate and the state political party committee. It was tentatively agreed that submissions would be made every other Monday beginning after the primary election until September 1 and every Monday thereafter to conclusion. Additionally, because such information would be submitted in the context of an audit or investigation in order to qualify for the public funds and because the statutory dates for disclosure reports are very specific and disclosure relates only to contributions in excess of \$100, in general such information would not be considered public information. However, the Commission tentatively agreed that it would be desirable to make public on a monthly basis a computer list of contributions and contributors of other \$100 which have been certified by the Commission for matching purposes.

f) Procedures re flow of money - This topic was discussed without coming to any general conclusions. It would appear that candidates would be required to have at least two bank accounts: one regular campaign bank account and a separate campaign account for the public funds it receives. It would appear that the Commission would find it necessary to maintain at least one bank account for each candidate. The Commission agreed that further discussion of this matter was necessary prior to any final draft of regulations.

g) Compliance Costs - It was generally agreed that at least 5% of the total expenditures of a candidate for Governor might be for costs associated with compliance with the disclosure and public financing provisions of the statutes. The question of whether such costs should be excluded from the general expenditure limit was discussed.

3. Adjournment - Commission adjourned the meeting at approximately 5:00 p.m.

Respectfully submitted,



LEWIS B. THURSTON, III  
Executive Director

LBT/cm