

NEW JERSEY ELECTION LAW ENFORCEMENT COMMISSION

PUBLIC SESSION MINUTES

FEBRUARY 21, 1984

PRESENT

Andrew C. Axtell, Chairman
Alexander P. Waugh, Jr., Vice Chairman
M. Robert DeCotiis, Member *
Haydn Proctor, Member
Scott A. Weiner, Executive Director
Edward J. Farrell, Counsel
Gregory E. Nagy, Staff Counsel

* Arrived late

Chairman Axtell called the meeting to order and announced that pursuant to the Open Public Meetings Law, P.L. 1975, c.231, special notice of the meeting of the Commission advising of the changed time and location had been filed with the Secretary of State's office and distributed to the entire State House press corps.

The meeting convened at 9:20 a.m. at the office of Counsel Edward J. Farrell, 43 Maple Avenue, Morristown, New Jersey.

1. Approval of Minutes of Public Sessions of Commission Meetings of February 6, 1984 and February 15, 1984

On a motion by Commission Proctor, seconded by Commission Waugh and a vote of 3-0, the Commission approved the minutes of the public session of February 6, 1984 and February 15, 1984.

2. Advisory Opinion No. 05-1984

The Commission reviewed a one-page Advisory Opinion request from Assemblyman Joseph W. Chinnici who asked whether he could accept a contribution to his 1983 general election candidacy which was not received until after the date on which he had closed his campaign account. The Commission also reviewed a three-page draft Advisory Opinion, dated February 21, 1984, and prepared by Staff Counsel Nagy. On a motion by Commission Proctor, seconded by Commission Waugh and a vote of 3-0, the Commission approved the Advisory Opinion for release.

3. Review of Proposed Regulations with respect to Reporting Act Amendments

Counsel Farrell distributed a 29 page draft of regulations to implement the amendments to the Campaign Contributions and Expenditures Reporting Act contained in Chapter 579 of the Laws of 1983. The draft regulations superseded those distributed at the meeting of February 6, 1984. Mr. Farrell stated that the regulations should clarify that where a political committee is associated with a candidate, the financial activity of that committee should be considered in determining the total contributions and expenditures made on behalf of the candidacy. Commission Proctor expressed concern that candidates should not be able to establish a number of associated political clubs and thereby avoid reaching the \$2,000 threshold for detailed reporting.

Mr. Farrell discussed the requirement that reporting entities receiving a contribution in excess of \$250 from a single source after the closing of the 11-day pre-election report, but prior to the date of the election, must give notice to the Commission within 48 hours of receipt. Commission Waugh inquired whether a continuing political committee which received such a contribution after closing a quarterly report, but prior to the date of an election, would be also required to give such notice. He stated that such a requirement might create undue hardship on a continuing political committee which received contributions in excess of \$250 but had no intention or even knowledge of an impending State or municipal election. Mr. Farrell suggested that as an alternative the Commission could provide in its regulations that the continuing political committee would be relieved from the notice requirement if after the filing of its quarterly report it did not make any further expenditures to any candidate, or any public question, in the ensuing election.

Mr. Farrell stated that the definition for "political club" was deleted and the filing requirements for such entities also was deleted from the first draft because they were included in the new requirements for "continuing political committees." Executive Director Weiner asked if a political club that only spends \$1,500 per year and is not tied to any candidate could be permitted to file quarterly reports rather than be compelled to file reports for each election in which it was active. Mr. Farrell indicated that the Commission did have authority to treat clubs as political party committees (as it had in prior regulations) for this purpose, and believed therefore the Commission could have them file quarterly reports.* A consensus was expressed to draft such a regulation.

Mr. Farrell stated that the draft reporting requirements for continuing political committees recognized three different categories of such committees: major purposes committees, multi-purpose committees and peripheral purpose committees. The major purpose continuing political

* Commissioner DeCotiis joined the meeting for the discussion on this matter.

committees were those that spent more than 50 percent of total expenditures in a calendar year for election activities. The multi-purpose committees were those that spent 50 to 10 percent of expenditures for election activities. Finally, the peripheral purpose continuing political committees were those that spent not more 10 percent, unless the total election-related expenditures exceeded \$10,000. A major purpose continuing political committee would be required to report contributions in the same proportion as the activities of the committee are related to election activity. The multi-purpose continuing political committee would be required to report contributions in a lump sum, unless the contributions were earmarked for election activity. Finally the peripheral continuing political committee would not have to report contributions unless they were earmarked for election activity. These requirements would supersede the current regulations governing political action committee reporting.

Mr. Farrell requested that the Commissioners indicate their general approval to the approach taken by the draft regulations. The Commissioners stated that Mr. Farrell, in consultation with Executive Director Weiner, should continue the drafting of the regulations, and that a review of the policy decisions should be undertaken at the next Commission meeting. Commissioner DeCotiis asked whether the existing regulation N.J.A.C. 19:25-7.2 provides authority for the Commission to enforce a prohibition against personal use by candidates of campaign funds. Mr. Farrell stated that he would explore that question.

4. Executive Director's Report

Mr. Weiner reported that the Federal Election Commission is actively considering the Trenton offices of the Commission as a site for a terminal which would provide copies of the campaign reports filed with the Federal Election Commission. New Jersey is especially attractive as such a site because it could serve persons from Philadelphia and New York City. Other sites being considered by the Federal Election Commission are Los Angeles, Chicago, Colorado and Georgia. Mr. Weiner will be attending a meeting in Washington on March 6 to present New Jersey's application.

5. Executive Session

On a motion by Commission Proctor, seconded by Commission Waugh and a vote of 4-0, the Commission voted to go into Executive Session to discuss enforcement actions and and investigative matters, the results of which will be made public at their conclusion.

6. Adjournment

On a motion by Commission Proctor, seconded by Commission Waugh and a vote of 4-0, the Commission voted to adjourn.

Respectfully submitted,

SCOTT A. WEINER
Executive Director