

NEW JERSEY ELECTION LAW ENFORCEMENT COMMISSION

PUBLIC SESSION MINUTES

JANUARY 21, 1986

PRESENT:

Andrew C. Axtell, Chairman  
Haydn Proctor, Member  
Owen V. McNany, Member  
Frederick M. Herrmann, Executive Director  
Jeffrey M. Brindle, Deputy Director  
Edward J. Farrell, General Counsel  
Gregory E. Nagy, Staff Counsel  
Sandra L. Magee, Secretary to the Commission

ABSENT:

Alexander P. Waugh, Jr.,  
Vice Chairman

Chairman Axtell called the meeting to order and announced that pursuant to the "Open Public Meetings Act," P.L. 1974, c. 231, special notice of the meeting of the Commission has been filed with the Secretary of State's office and distributed to the entire State House press corps.

The meeting convened at 11:00 a.m. at the office of General Counsel Edward J. Farrell, 43 Maple Avenue, Maplewood, New Jersey.

1. Approval of Public Session Minutes of January 7, 1986

On a motion by Commissioner Proctor, seconded by Commissioner McNany and a vote of 3-0, the Commission approved the public session minutes of January 7, 1986.

2. Executive Director's Report

- 1) Bill A-1028 (Zimmer) - Executive Director Herrmann reported that the Assembly State Government Committee will meet on January 23, 1986 to discuss this initiative and referendum bill. Mr. Herrmann said that, at his request, Assemblyman Zimmer removed the Commission from the responsibility of administering this legislation, specifically reviewing all petition proposals for legal sufficiency. That function is more appropriate for the Office of Legislative Services, or the Attorney General. Mr. Herrmann also said there were flaws in the bill as prefiled concerning reporting of money spent during the circulation of petitions, and ELEC staff is working with the sponsor to improve the reporting aspects.
- 2) League of Women Voters Breakfast - Mr. Herrmann stated that he attended the League of Women Voters Breakfast on January 13, 1986. The League presented its new book at the breakfast entitled, Spotlight on Government.

3) Administrative

Mr. Herrmann said that the Commission's Prime computer is now fully operational.

Mr. Herrmann reported that representatives from the Federal Election Commission (FEC) will visit the Commission in February to conduct a press conference, explaining the workings of the FEC remote access system which has recently been set up at the Commission office. Mr. Herrmann invited the Commissioners to attend.

Mr. Herrmann said that the Commission staff produced a work calendar for 1986 outlining the entire year of ELEC responsibilities. He said that this calendar is an excellent tool for the staff.

4) Public Financing

Executive Director Herrmann reported that in the State of the State address, Governor Kean in speaking about Gubernatorial Public Funding said that he supports a higher spending cap of \$4 million, a one-to-one match, and a higher qualification threshold of \$200,000. He said that he is also concerned with the public/private fund mix. Governor Kean said that he also wants a \$250 cap on matching of contributions that would be limited to contributions from individuals. Mr. Herrmann said that that Governor did not make any suggestion concerning the contribution limit or a cap on public funds. He said that no bill has been introduced at this time, and the Commission may wish to reserve comment until the Governor's views are entirely known.

5) Public Financing Hearing

Executive Director Herrmann reported on the Public Financing Hearing, which is scheduled for January 29, 1986 at the State House Annex, 4th Floor, in Trenton.

Chairman Axtell said that the Commission members should make every effort to attend this hearing.

Mr. Herrmann said that Dr. Herbert Alexander, a national expert and author in the field of campaign finance, has accepted the Commission's invitation to testify at the hearing.

General Counsel Farrell said he received a call from Dr. Alexander asking for materials on the Supreme Court action regarding Friends of Tom Kean v. E.L.E.C. Mr. Herrmann said that he had sent Dr. Alexander copies of the brief and had discussed with him a number of topics he might address in his testimony.

Mr. Herrmann said that all 1985 gubernatorial candidates were invited to attend the hearing as well as other legislators interested in public financing. The Commission asked that responses be returned by January 21. Mr. Herrmann remarked that another hearing could be planned depending on how much response there is to the January 29 hearing. Chairman Axtell said that individual testimony should be held to time limit to expedite the hearing. Mr. Herrmann said that the hearing may last most of the day. He invited the Commissioners to join Dr. Alexander, some of the staff, and him at a dinner with Dr. Alexander after the hearing.

### 3. Proposed Changes in Regulations

Staff Counsel Nagy reviewed proposed changes in the Commission's regulations that he recommended be submitted to the Office of Administrative Law in the Department of State as proposals:

- 1) Section 9.2(f) which provides that a candidate who designates a joint campaign fund is liable for civil penalties if the fund does not file timely or correctly. Mr. Nagy recommended that in addition to the candidate, the campaign treasurer of the committee who acknowledges the designation, should be listed as a party liable for such penalties.
- 2) Section 10:6 which sets forth the requirements that a continuing political committee (CPC) file 48-hour notice of contributions over \$250 prior to an election should be relaxed. Mr. Nagy proposed that the CPC be permitted to hold all such 48-hour notices until the 11-day preelection report.
- 3) Section 15.47 concerns the \$250 contribution limit for inaugural events. Mr. Nagy said that this section should be expanded to incorporate Commission standards for determining what constitutes a single source of a contribution as has been done for the \$800 gubernatorial contribution limit. Incorporating these standards in the inaugural event regulations will codify current practice.
- 4) Mr. Nagy recommended enacting a regulation concerning the default process to formalize the current practice of entering a Final Decision if no response is made within 20 days after personal service of the complaint.

On a motion by Commissioner McNany, seconded by Commissioner Proctor and a vote of 3-0, the Commission authorized Mr. Nagy to submit these changes to the Office of Administrative Law as proposals.

### 4. Executive Session

On a motion by Commissioner Proctor, seconded by Commissioner McNany and a vote of 3-0, the Commission voted to go into executive session to discuss investigative and enforcement matters, the results of which will be made public a their conclusion.

5. Adjournment

On a motion by Commissioner McNany, seconded by Commissioner Proctor and a vote of 3-0, the Commission voted to adjourn at 12:17 p.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "F. M. Herrmann", with a long horizontal flourish extending to the right.

FREDERICK M. HERRMANN

FHM/sm