



State of New Jersey

ELECTION LAW ENFORCEMENT COMMISSION

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William H. Eldridge
Chairman

Owen V. McNary, III
Vice Chairman

David Linett
Commissioner

Frederick M. Herrmann, Ph.D.
Executive Director

Jeffrey M. Brindle
Deputy Director

Gregory E. Nagy
Legal Director

James P. Wyse
Counsel

PUBLIC SESSION MINUTES

DECEMBER 13, 1994

Chairman Eldridge, Vice Chairman McNary, Commissioner Linett, senior staff, and Deputy Legal Director Nedda Gold Massar were present.

Chairman Eldridge called the meeting to order and announced that pursuant to the "Open Public Meetings Act," N.J.S.A. 10:4-6 et seq., special notice of the meeting of the Commission had been filed with the Secretary of State's Office and distributed to the entire State House Press Corps.

The meeting convened at 9:00 a.m. at the Maplewood Municipal Building, Maplewood, New Jersey.

1. Public Hearing on False Political Advertising

The hearing was recorded by a Court Reporter. A transcript of the hearing will be made available.

2. Approval of Public Session Minutes of November 15, 1994

On a motion by Commissioner Linett, seconded by Vice Chairman McNary and passed by a vote of 3-0, the Commission approved the Public Session Minutes of November 15, 1994.

3. Executive Directors' Report

Executive Director Herrmann reported that Governor Christine Todd Whitman has withdrawn the name of Ellen Souter for the position of Election Law Enforcement Commission Commissioner.

A. Staff Activities

Executive Director Herrmann acknowledged the fine job that Legal Director Nagy has done with respect to drafting regulations to implement the new campaign law. He said that all of the major pieces of the new statute are in place in the regulations.

The Executive Director announced that Senior Compliance Officer Carol Neiman once again led ELEC in the New Jersey State Employees Charitable

Campaign. He said that thanks to Ms. Neiman's efforts, ELEC won its third Platinum Award in a row. According to the Executive Director ELEC had 100 percent participation and surpassed its goal of \$2,000.00.

Executive Director Herrmann reported that on November 16, 1994, Deputy Director Brindle and Director of Administration Barbra Fasanella met with Building Manager Bill Black about the need for a security desk on the main floor. He said that staff initiated a petition for this purpose within the building in response to the Building Manager's request to determine the need.

Executive Director Herrmann advised the Commission that on November 16, 1994, Deputy Director Brindle and Director Fasanella met with Office of Management and Budget (OMB) staff about ELEC's FY-96 budget. He said that as a result of that meeting, OMB agreed to restore \$25,000 to ELEC's budget. He noted that the budget cut now amounts to approximately eight percent instead of ten percent. Executive Director Herrmann said that the budget cut is now \$112,000, with a new target of \$1.305 million.

Executive Director Herrmann reported that Director of Compliance and Information Evelyn Ford and Senior Compliance Officer Carol Neiman staffed the ELEC consulting table at the League of Municipalities Conference in Atlantic City.

The Executive Director mentioned that in November he was interviewed on WZBN-TV (Channel 25) by Tom Caputo concerning the functions of ELEC with a Mercer County emphasis. He reported also that on December 6, 1994, he participated in a meeting of the Rutgers Club sponsored by the Rutgers University Center for Government Services on the implementation of the new recall law.

Executive Director Herrmann advised the Commission that he has been named to the Peer Review Board of the Ethics Section of Spectrum: The Journal of State Government.

B. Legislative Activities

Executive Director Herrmann said that on November 21, 1994, he testified before the Assembly State Government Committee on A-2176 (Lance), which eliminates the requirement that a candidate or a committee designate its campaign bank account as the "election fund of (the name of the candidate or the committee)."

The Executive Director said that ELEC supports the bill as the requirement was superfluous and confusing. He said that many candidates thought that their candidate committee had to be named the "election fund of _____," even though ELEC's regulations say that it may be called anything as long as the candidate's name and office sought are part of the committee's name.

Executive Director Herrmann said that on December 8, 1994, he attended the Senate State Government Committee wherein the Committee released S-1310

(Haines) that eliminates the 500-word ballot statement requirement of the public financing program. He indicated that ELEC had no position on the bill and he did not testify.

The Executive Director advised the Commission that the Committee also released the ACS for A-655 (Russo) with extensive amendments. Executive Director Herrmann said that the bill lengthens the terms of ELEC's Commissioners and changes various appointment procedures. He noted that ELEC's position has been that the terms should be longer and that he testified to that effect. He added that ELEC has no position on the changing of the procedures for appointment.

Executive Director Herrmann said that the amendments are as follows:

1. The Governor picks members without nominations from the State Chairs of the two political parties;
2. No legislative agent, candidate, or appointed State official (except academics) may serve on ELEC;
3. The Governor designates a Chair for term - members choose the Vice Chair of the opposite party;
4. There is a one-year ban on a former Commissioner appearing before the Commission; and,
5. There is a two four-year term for ELEC service with current members grandfathered in.

E. Future Meetings

On a motion by Commissioner Linett, seconded by Vice Chairman McNany and passed by a vote of 3-0, the Commission approved the annual meeting schedule.

Meetings will be held on the third Tuesday of each month.

The Commission determined to hold meetings on January 17, 1995, in Trenton at 9:00 a.m.; February 21, 1995, in Somerville at 9:00 a.m.; and, March 21, 1995, in Maplewood at 9:00 a.m.

4. Proposed Regulations on Contribution Reporting and Contribution Limits

For detailed information please see the memorandum from Gregory E. Nagy, Legal Director to Frederick M. Herrmann, Ph.D., Executive Director, dated December 5, 1994 and entitled "Draft Regulations on Contribution Reporting and Contribution Limits." The text of the proposal is included. The proposed regulations are at N.J.A.C. 19:25-1.7 Definitions; 19:25-9.2 Certified statement (Form A-3); 19:25-9.3 Contributions received immediately before an election. They also include Subchapter 10, Contribution reporting, involving N.J.A.C. 19:25-10.1 General provisions; 19:25-10.2 Contributions of more than \$200.00; 19:25-10.3 Contributions of \$200.00 or less; 19:25-10.4 Computation

of contributions of paid personal services; 19:25-10.6 Currency contributions; 19:25-10.7 Public solicitations; 19:25-10.8 Anonymous contributions; 19:25-10.9 Contributions for pre-candidacy activity; 19:25-10.10 Political communication contributions; 19:25-10.11 Reporting of political communication costs; 19:25-10.12 Interest income; and 19:25-10.13 Loans as contributions. The proposed regulations also include Subchapter 11 Contribution Limits. These are at: N.J.A.C. 19:25-11.1 Candidates subject to the contribution limits; 19:25-11.2 Contribution limit chart; 19:25-11.3 Candidate contributions; 19:25-11.4 Joint candidates committee contribution limits; 19:25-11.5 Equal attribution requirements; 19:25-11.6 Public question political committees; 19:25-11.7 County political party contribution limits; and 19:25-11.8 Return of excessive contributions.

Commissioner Linett moved the proposed regulations and Vice Chairman McNany seconded the motion. Following a discussion of the proposals which included technical changes by Commissioner Linett, the Commission, on a vote of 3-0, directed staff to prepare a Notice of Proposal for filing with the Office of Administrative Law (OAL).

Commissioner Linett suggested that staff devise a method of ascertaining fair market value for the purpose of a regulatory proposal for a future time.

He also urged staff to include in the Annual Report a recommendation that the Campaign Act be amended to restrict candidates to one committee instead of two, as in the current statute.

5. Resolution To Go Into Executive Session

On a motion by Commissioner Linett, seconded by Vice Chairman McNany and passed by a vote of 3-0, the Commission moved to go into closed Executive Session to discuss the following matters which will become public as follows:

1. Final Decision Recommendations in violation proceedings which will not become public. However, the Final Decisions resulting from those recommendations will become public 15 days after mailing.
2. Investigative Reports of possible violations, which reports will not become public. However, any complaint generated as the result of an Investigative Report will become public 30 days after mailing.

6. Adjournment

On a motion by Commissioner Linett, seconded by Chairman Eldridge and passed by a vote of 3-0, the Commission voted to adjourn at 12:10 a.m.

Respectfully submitted,



FREDERICK M. HERRMANN, PH.D.