



NEWS RELEASE

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FOR RELEASE:
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PRESS ADVISORY

The New Jersey Election Law Enforcement Commission (ELEC) has proposed an increase in the annual registration and filing fee of legislative agents from \$100 to \$200.00.

ELEC has also proposed a fee exemption to legislative agents filing voluntarily. Also, legislative agent organizations that are exempt from sales and use taxes under the laws of New Jersey will remain exempt from the fee.

Payment of the \$200.00 fee covers the registration and all filings of the legislative agent made during a 12-month period commencing on August 1 and ending the following July 31.

A full text of the proposed regulations are attached.

Written comments should be submitted by May 15th to:

Gregory E. Nagy, Legal Director

New Jersey Election Law Enforcement Commission

CN 185

Trenton, NJ 08625-0185

OTHER AGENCIES

(a)

**ELECTION LAW ENFORCEMENT COMMISSION
Financial Disclosure by Lobbyists and Legislative
Agents
Lobbying Fee Schedules
Proposed Amendments: N.J.A.C. 19:25-20.8 and
20.19**

Authorized By: Election Law Enforcement Commission,
Frederick M. Herrmann, Ph.D., Executive Director.
Authority: P.L. 1991, c.244, §12 and N.J.S.A. 52:13C-22.3.
Proposal Number: PRN 1992-132.

Submit written comments by May 6, 1992 to:
Gregory E. Nagy, Legal Director
Election Law Enforcement Commission
CN 185
Trenton, New Jersey 08625-0185

The agency proposal follows:

Summary

The Election Law Enforcement Commission (hereafter, the Commission) proposes, at N.J.A.C. 19:25-20.19, to increase the annual registration and filing fee of legislative agents filing notices of representation and quarterly reports from \$100.00 to \$200.00. The Commission also proposes, at N.J.A.C. 19:25-20.8(c), to exempt legislative agents making voluntary filings from these fees. Legislative agent organizations that are exempt from sales and use taxes under Section 9(b) of Chapter 30 of the Laws of 1966, as amended (N.J.S.A. 54:32B-9(b)), remain exempt from these fees. Payment of the \$200.00 fee covers the registration and

all filings of the legislative agent made during a 12-month period commencing on August 1 and ending the following July 31.

Social Impact

On January 1, 1992, comprehensive amendments to the Legislative Activities Disclosure Act, N.J.S.A. 52:13C-18, et seq., became effective (see P.L. 1991, c.243 and c.244). Among other statutory changes, these amendments specifically authorized the Commission to establish reasonable fees for various lobbying filings, provided that the amount of such fees does not exceed the costs to the Commission of processing and maintaining those reports, and the costs of compiling, summarizing, and publishing information contained in them (see P.L. 1991, c.244, §4, amending N.J.S.A. 52:13C-21(j)). These amendments, which significantly expanded the duties of the Commission and the scope of the activity subject to disclosure reporting, did not contain any appropriation for implementation of these new duties.

The Commission believes that in adopting these amendments, the Legislature intended that the reasonable costs to the Commission of administering the Legislative Activities Disclosure Act should be borne principally by legislative agents, and the lobbyists who employ them.

Imposition by a State of user fees on an identifiable segment of the public benefiting from a particular service is a well-established legislative policy. For example, motorists contribute to the support of the driver licensing and motor vehicle registration system by paying fees for those services. The Legislative Activities Disclosure Act is intended to preserve and maintain the integrity of the legislative and regulatory processes by requiring identification of persons and groups who are spending or receiving money to influence legislation, or rules and regulations (see N.J.S.A. 52:13C-18, as amended by P.L. 1991, c.243, §2).

Persons who receive compensation of \$100.00 or less in any three-month period in a calendar year do not become legislative agents subject to registration and filing requirements (see N.J.S.A. 52:13C-20(g), defining the term "legislative agent"). Therefore, such persons cannot be required to pay registration and filing fees.

The Legislative Activities Disclosure Act specifically provides that a person who is receiving less than the minimum compensation amount provided in the above-referenced definition of "legislative agent" may register and file on a voluntary basis (see P.L. 1991, c.244, §9, amending N.J.S.A. 52:13C-35). Voluntary registration and filing may be desirable and useful, for example, so that a person can obtain a name tag identifying that person as one entitled to conduct lobbying in the State House (see P.L. 1991, c.244 §7, amending N.J.S.A. 52:13C-28). Therefore, the Commission believes that persons making such voluntary registration and filing should not be compelled to pay any fee.

Economic Impact

The proposed amendments will increase the cost of compliance for legislative agents. However, the Commission believes the increase is necessary and reasonable.

The Commission estimates that its annual cost of processing and maintaining notices and reports, and of compiling, summarizing and publishing information contained in those notices and reports will exceed \$160,000. The costs include: salaries, equipment, printing, supplies, postage, and telephone.

The Commission further estimates that approximately 600 legislative agents are currently filing notices of representation and quarterly reports, and a negligible number of those are offered on a voluntary basis. Because the scope of the activity covered by the Legislative Activities Disclosure Act has been expanded to include activity to influence rulemaking, the number of legislative agents filing with the Commission is expected to increase. Therefore, in anticipation of 700 to 800 legislative agents in the next fiscal year, the Commission has established \$200.00 as the sum each legislative agent must bear to meet all or most of the \$160,000 anticipated program costs.

The Commission does not anticipate establishing any other fees in connection with any other filings required by the Act.

Regulatory Flexibility Analysis

Some legislative agents may be considered small businesses, as the term is defined in the Regulatory Flexibility Act, N.J.S.A. 52:14-16 et seq. The proposed amendments impose no additional reporting or recordkeeping requirements on legislative agents. The amendment to N.J.A.C. 19:25-20.19 increases the annual fee to be paid by legislative agents from \$100.00 to \$200.00. Because the fee increase is necessary in order to enable the Commission to fulfill its statutory responsibilities concerning legislative agents, and since such costs do not vary significantly based upon the agent's business size, a lesser fee for small businesses

is not provided. The proposed amendment to N.J.A.C. 19:25-20.8(c) exempting legislative agents filing voluntary statements from the annual fee eliminates a compliance requirement for such agents, some of whom may be small businesses.

Full text of the proposal follows (additions indicated in boldface thus; deletions indicated in brackets [thus]):

19:25-20.8 Voluntary statements

(a)-(b) (No change.)

(c) Voluntary filings pursuant to this section are [subject to] exempt from the fees provided in N.J.A.C. 19:25-20.19.

19:25-20.19 Annual Fee

(a) Effective August 1, 1992, and each August 1 thereafter, each legislative agent who is an individual and whose activities during any part of a 12-month period commencing on August 1 and ending on the following July 31 are subject to the Act shall pay an annual fee of [~~\$100.00~~] **\$200.00**.

(b) In the event that the legislative agent is a partnership, committee, association, corporation, or other organization or group of persons, the annual fee shall be [~~\$100.00~~] **\$200.00** for each individual from the partnership, committee, association, corporation, or other organization or group of persons, who is required to wear a name tag pursuant to N.J.A.C. 19:25-20.6.

(c)-(e) (No change.)