



NEWS RELEASE

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RECENT BALLOT QUESTION AND SCHOOL BOARD ELECTIONS IN JERSEY CITY SET NEW STATEWIDE HIGHS

A ballot question that cost \$5.5 million and a school board election that should easily top \$600,000 both have set new records even though the numbers still are preliminary, according to reports filed with the New Jersey Election Law Enforcement Commission (ELEC).

The ballot initiative imposed strict regulations on short-term rentals in Jersey City, the state's second largest city. While the bulk of the spending was against the November 7, 2019 referendum, it passed by a 69 percent to 31 percent margin with 27,631 votes cast, according to the Hudson County Clerk's office.

Jeff Brindle, ELEC's Executive Director, said spending on the local issue was so big it stole attention from a relatively sedate statewide election for 80 Assembly seats.

"When a local ballot election costs more than most previous statewide ballot questions, people notice," Brindle said.

Based on inflation-adjusted dollars, the Jersey City election is now the third largest ballot question in state history, ranking behind only an unsuccessful 2016 referendum to locate casinos in northern New Jersey and a 1976 ballot vote that allowed casinos in Atlantic City. The total is preliminary because Keep Our Homes, the largest spender, has not submitted its final report.

Table 1
Top Five New Jersey Ballot Questions All-Time
(Based on Inflation-Adjusted Numbers)

REFERENDUM	OUTCOME	YEAR	UNADJUSTED FOR INFLATION	INFLATION-ADJUSTED
Allow two new casinos in North Jersey	Failed	2016	\$24,669,426	\$26,391,302
Allow casinos in Atlantic City	Passed	1976	\$ 1,351,865	\$ 6,114,184
Tighten short-term rental rules in Jersey City	Passed	2019	\$ 5,498,757*	\$ 5,498,757
Increase state minimum wage	Passed	2013	\$ 3,167,928	\$ 3,499,588
Allow casinos in four New Jersey locations	Failed	1974	\$ 612,500	\$ 3,197,250

*Preliminary

The price tag on the Jersey City ballot contest is five times larger than the prior top municipal ballot question in 2010.

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During that election, voters were asked whether they wanted to sell Trenton Water Works to a private firm. They decided no. The Trenton referendum cost \$1.1 million at the time- \$1.3 million in today's dollars.

The biggest spender in this year's Jersey City election was Airbnb¹, a San Francisco-based company that oversees a worldwide online marketplace for lodging, primarily in private residences. The company began operating in 2008.

Airbnb views Jersey City as a potentially lucrative market due to its proximity to New York City. It sank \$4.3 million into a committee to defeat the ballot question, which it viewed as a threat to its operations.

Airbnb's three largest expenditures through its Keep Our Homes Committee included \$2.2 million on digital and cable television advertisements, \$713,911 on field operations and \$455,264 on direct mail sent to residents. Airbnb has not submitted its final report yet. Its most recent report showed \$181,298 in the bank and \$240,384 in outstanding debts.

The biggest opponent of the measure was the New York Hotel and Motel Trades Council, a union that represents thousands of housekeepers, concierges and doormen in New York City and northern New Jersey.

It spent \$1.2 million through three committees it runs.

Table 2
Spending on the November 5, 2019
Jersey City Ballot Question

GROUP	RAISED	SPENT
Keep Our Homes (Airbnb)	\$4,283,495	\$4,102,197
Share Better Education Fund (Hotel Trades Council)	\$ 775,000	\$ 775,000
Hotel Trades Council, AFL-CIO and Hotel Association of NYC Labor Management Cooperation Trust Fund	\$ 400,000	\$ 400,000
Jersey City Preservation Association Coalition	\$ 101,923	\$ 101,923
New York Hotel Trades Council PAC	\$ 66,387	\$ 66,387
Jersey City Property Owners Association	\$ 60,000	\$ 47,194
NJ Working Families Alliance	\$ 6,056	\$ 6,056
Totals	\$5,686,805	\$5,498,757

Jersey City Board of Education Race Sets New Statewide Record

Based on reports filed thus far by candidates and special interest groups, ELEC pegs spending in the Jersey City school board race at \$590,019- a new all-time high for a board of education race in New Jersey. The total is not final because some reports will not be available until mid-January.

Table 3
Costliest School Board Races in New Jersey
Ranked by Inflation-Adjusted Numbers

CITY	YEAR	RAISED	SPENT	INFLATION-ADJUSTED
Jersey City	2019	\$704,885	\$590,019*	\$590,019
Elizabeth	2014	\$261,215	\$458,992	\$498,951
Elizabeth	2013	\$357,301	\$357,401	\$394,818
Elizabeth	1999	\$214,692	\$208,994	\$322,832
Newark	2016	\$286,766	\$286,766	\$307,483

*Preliminary

¹ Its original name was Air Bed & Breakfast.

Spending in the race was driven largely by the LeFrak Organization, one of Jersey City’s largest developers. It raised \$465,000 for the contest through a political committee called Fairer NJ. So far, it has reported spending \$312,036. Its next report is due in mid-January.

Table 4
Preliminary Spending Estimate for
Jersey City School Board Race

CANDIDATE/GROUP	RAISED	SPENT
Fairer NJ	\$465,000	\$312,036
Change for Children 2019 Slate	\$239,885	\$223,556
NJEA PAC	NA	\$ 30,000
Garden State Forward	NA	\$ 18,296
Jersey City Make It Better	NA	\$ 6,131
Neisha Louhar for JCBOE	\$ 500	NA
Total	\$704,885	\$590,019

New Jersey Education Association (NJEA) was active in the race, which involves the state’s second largest school district. Using its traditional, state-registered political action committee, which can make contributions, NJEA gave donations totaling \$30,000 to its preferred Jersey City school board candidates.

The union’s federal 527 political organization, Garden State Forward, can raise unlimited funds and support candidates but must spend its money independently of candidates. It reported spending \$504,202 on all New Jersey elections in 2019. NJEA endorsed state legislative candidates, county candidates and local candidates, including school board contenders.

Facebook’s political ad library indicates Garden State Forward spent as much as \$18,296 on 10 digital advertisements for Jersey City candidates. It also did five digital ads for Camden candidates.

Garden State Forward issued a \$195,831 check on October 21, 2019 for “literature, mail, signs and online ads.” News stories said the teacher’s union “papered the city” with mailed advertisements and Facebook confirmed it did digital ads. This suggests overall spending on the Jersey City race already is higher than \$600,000 even without factoring in further Fairer NJ or candidate reports.

Also, NJEA’s union local, Jersey City Education Association, so far has filed no disclosure reports showing expenditures in 2019 by its political action committee.

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