

- 1.-5. (No change.)
 (b)-(d) (No change.)

19:25-21.4 Annual fee

(a) Each **registered** professional campaign fund raiser [who registers with the Commission] shall pay an annual fee of \$1,000, which shall be received by the Commission no later than January 31st for the calendar year which began on the preceding January 1st.

- (b) (No change.)

19:25-21.5 Termination

A fund raiser who chooses to terminate fund raising services in this State shall [notify] **file Form FRT with** the Commission [in writing] within 30 days after such termination of services.

SUBCHAPTER 26. CONTRIBUTION DISCLOSURE BY FOR-PROFIT ENTITIES

19:25-26.5 Filing the business entity annual disclosure statement

[(a) A business entity shall file the business entity annual disclosure statement with the Commission using the Commission's electronic form available at www.elec.state.nj.us and shall maintain as part of its records an exact copy of each business entity annual disclosure statement that has been filed electronically.]

[(b) A business entity, which has received \$50,000 or more in the aggregate through agreements or contracts with a public entity or public entities during a calendar year shall file the business entity annual disclosure statement (**Form BE**) with the Commission on or before March 30th immediately following the calendar year during which the business entity received \$50,000 or more in the aggregate through agreements or contracts with a public entity or public entities **using the electronic filing system.**

(a)

ELECTION LAW ENFORCEMENT COMMISSION

Regulations of the Election Law Enforcement Commission

Electronic Filing and Campaign Cost Index Adjustments

Public Financing

General and Primary Elections for the Office of Governor and Lieutenant Governor

Proposed Repeals and New Rules: N.J.A.C. 19:25-15.17, 15.23, 15.49, 16.18, 16.23, and 16.38

Proposed Amendments: N.J.A.C. 19:25-15.3, 15.4, 15.6, 15.8, 15.10, 15.11, 15.12, 15.14, 15.15, 15.16, 15.18, 15.20, 15.21, 15.22, 15.24, 15.27, 15.29, 15.30, 15.31, 15.32, 15.35, 15.36, 15.37, 15.38, 15.39, 15.43, 15.44, 15.45, 15.47C, 16.3, 16.6, 16.8, 16.9, 16.10, 16.11, 16.13, 16.14, 16.16, 16.19, 16.20, 16.21, 16.22, 16.24, 16.25, 16.28, 16.30, 16.31, 16.33, 16.34B, and 16.35

Proposed Repeals: N.J.A.C. 19:25-15.48 and 16.37

Authorized By: Election Law Enforcement Commission, Jeffrey M. Brindle, Executive Director.

Authority: N.J.S.A. 19:44A-6.b and 19:44A-38.

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Proposal Number: PRN 2020-066.

The sitting New Jersey Election Law Enforcement Commission will conduct a **public hearing** concerning this notice of proposal on Tuesday, October 20, 2020, at 11:00 A.M. at:

Election Law Enforcement Commission
 25 South Stockton St., 5th floor

Trenton, New Jersey 08608

Persons wishing to testify are requested to reserve time to speak by contacting Administrative Assistant Elbia L. Zeppetelli at (609) 292-8700 no later than Friday, October 16, 2020.

Submit written comments by October 21, 2020, to:

Benjamin Kachuriner, Esq., Assistant Legal Counsel
 Election Law Enforcement Commission
 PO. Box 185
 Trenton, New Jersey 08625-0185
 Email: elec.rulemaking@elec.nj.gov

The agency proposal follows:

Summary

The New Jersey Election Law Enforcement Commission (Commission) proposes to repeal, amend, and implement new rules (1) to be consistent with the Commission's electronic filing system; (2) to clarify and reflect updates to procedures in the public financing program; and (3) to implement campaign cost index adjustments. The Commission has updated its electronic filing system for gubernatorial candidates. This rulemaking includes changes to Subchapters 15 and 16 of the rules to be consistent with the updated electronic filing system. Additional amendments are included, so that these subchapters are consistent with updated procedures in the public financing program and to provide clarification.

Cost Index Adjustment

Statutory changes to the New Jersey Campaign Contributions and Expenditures Reporting Act, N.J.S.A. 19:44A-1 et seq. (Campaign Act) enacted in 1989 require that the Commission "establish an index reflecting the changes occurring in the general level of prices of particular goods and services ... directly affecting the overall costs of election campaigning in this State." See N.J.S.A. 19:44A-7.1.b. The Commission must apply that index to adjust on a quadrennial basis the following statutory components of the gubernatorial public financing program for the offices of Governor and of Lieutenant Governor: the gubernatorial contribution limit; the threshold for candidate qualification to receive public matching funds; the threshold amount of contributions for which no public matching funds are awarded; the gubernatorial expenditure limits; and the maximum public funds that may be given to a qualified gubernatorial primary or general election candidate. See N.J.S.A. 19:44A-7.1.c.

As the Commission has provided a 60-day comment period on this notice of proposal, this notice is excepted from the rulemaking calendar requirement pursuant to N.J.A.C. 1:30-3.3(a)5.

Calculation of the Inflationary Adjustment

Applying the methodology first described in the Commission's June 1988 "Gubernatorial Cost Analysis Report," and employed in 1992, 1996, 2000, 2004, 2008, 2012, and 2016 for the gubernatorial public financing program, and in 1996, 2000, 2004, 2008, 2012, and 2016 for non-gubernatorial candidates and committees, the Commission has determined that costs relevant to campaigning in New Jersey have risen in the period following the 2017 gubernatorial general election and has applied an index of 1.128 percent to the various limits and thresholds required to be adjusted.

N.J.S.A. 19:44A-7.1.b requires that the index be weighted according to the impact in the preceding general election for the offices of Governor and of Lieutenant Governor of the various categories of campaign expenditures. Therefore, determination of the index for 2021 required analysis of the campaign expenditures of the 2017 gubernatorial general election campaigns. Using expenditure information reported by the 2017 gubernatorial general election campaigns, the Commission concluded that 70.96 percent of the 2017 general election expenditures were associated with communication of the candidates' message to voters. The remaining 29.04 percent of the 2017 general election expenditures were spent administering the campaigns, that is, on candidate travel, food and beverage, fundraising, election night activities, compliance, telephone, personnel, and other administrative costs.

As it did in its 1992, 1996, 2000, 2004, 2008, 2012, and 2016 calculation of campaign cost changes, the Commission relied on established indices to evaluate the change in costs during the period

between the 2017 and 2021 elections in two expenditure categories: mass communication costs and other campaign costs/administration.

Mass Communication Costs

As in the 2016 cost adjustment, the Commission obtained data from Magna Global of New York City, a McCann affiliate. The percentage increase is derived from the cost-per-thousand indices. These indices measure the change in the cost of advertising targeted to reach 1,000 individuals in the New York and Philadelphia media markets. The index was projected to increase by 14.7 percent between base years 2016 through 2020. See Cost-Per-Thousand Mass Communication Percentage Increases, Table 10 (June 2020).

Other Campaign Costs/Administration

The change in “all other campaign costs” was calculated using United States Bureau of Labor Statistics (BLS) Consumer Price Index (CPI) data relevant to New Jersey. The Commission used CPI data from the base year 2016 through February 2020. Statistics from the BLS for the purposes of this analysis involve data compiled for two geographic regions: New York/New Jersey (NY/NJ) and Pennsylvania/New Jersey (PA/NJ). The 2016 through 2020 inflationary number is 8.66 percent for NY/NJ and 7.58 percent for PA/NJ. See Consumer Price Index for All Urban

Consumers Monthly Index Number for December, Table 11 (June 2020), citing the United States Bureau of Labor Statistics, Monthly Index Numbers-All Urban Consumers, through February 2020.

In order to determine the percentage increase in the CPI to be used in calculating the Campaign Cost Index for 2021, the percentage change in the two regional numbers was weighted at a ratio of two-to-one to reflect the larger population of the NY/NJ region compared to the PA/NJ region. Therefore, the 8.66 percent (NY/NJ) was doubled, to 17.32 percent. The weighted NY/NJ 17.32 percent was added to the unweighted PA/NJ’s 7.58 percent, totaling 24.90 percent. Finally, the 24.90 percent number was divided by three to yield a weighted CPI of 8.30 percent.

Calculation of the 2021 Campaign Cost Index

As indicated below, the 14.7 percent increase in communication costs was multiplied by the proportion of 2017 campaign expenditures for mass communications, or 70.96 percent, resulting in a communication component of 10.43 percent. The 8.30 percent increase in other campaign costs/administration was multiplied by the proportion of 2017 campaign expenditures on such items or 29.04 percent, which resulted in a component of 2.41 percent. The 10.43 percent increase in communication costs was then combined with the 2.41 percent increase in other costs to yield a total New Jersey Campaign Cost Index (NJCCI) of 12.84 percent.

Campaign Cost Index (NJCCI) Calculation

EXPENSE CATEGORY	% OF 2017 GENERAL ELECTION SPENDING	FOUR-YEAR CHANGE IN COSTS	COMPONENT OF CAMPAIGN INDEX*
Mass communication costs	70.96	14.7%	10.43%
Other campaign costs	29.04	8.3%	2.41%
Campaign Cost Increase			12.84%

*Percent of 2017 general election spending multiplied by four-year change in costs.

Based upon the above calculations, the Commission has determined that the cost index multiplier for the limits and thresholds applicable to publicly financed gubernatorial campaigns is 1.128. The next step in the cost adjustment process is to multiply each specific limit or threshold by

the 1.128 index. The resulting amounts are rounded as statutorily mandated pursuant to N.J.S.A. 19:44A-7.1.b.

Based upon this analysis, the Commission proposes to amend its rules as follows:

2021 Gubernatorial Cost Index Adjustments

Limit/Threshold	2017 Amount	Cost Index Multiplier	Unrounded	2021 Rounded Amount
Contribution Limit	\$4,300	1.128	\$4,850.40	\$4,900
Qualification Threshold	\$430,000	1.128	\$485,040	\$490,000
Amount Not Matched	\$138,000	1.128	\$155,664	\$156,000
Primary Election Public Fund Cap	\$4,000,000	1.128	\$4,512,000	\$4,600,000
Primary Election Expenditure Limit	\$6,400,000	1.128	\$7,219,200	\$7,300,000
General Election Public Fund Cap	\$9,300,000	1.128	\$10,490,400	\$10,500,000
General Election Expenditure Limit	\$13,800,000	1.128	\$15,566,400	\$15,600,000

Proposed Amendments

Subchapter 15. Public Financing; General Elections for the Offices of Governor and of Lieutenant Governor

The Commission proposes to amend the following definitions at N.J.A.C. 19:25-15.3 (Definitions for this subchapter): “contribution eligible for match” is proposed for amendment to increase the limit on contributions from \$4,300 to \$4,900; “public fund account” is proposed for amendment to define the term more accurately; and “qualified candidate” is proposed for amendment to increase the qualification

threshold for receiving public matching funds from \$430,000 to \$490,000 and to simplify the definition. In addition, “statement of agreement” is proposed for deletion and the term “submission of matching funds” is proposed to be added to be consistent with changes to electronic filing.

The Commission proposes to amend N.J.A.C. 19:25-15.4(c), pertaining to appointment of treasurers and depositories, to be consistent with changes to electronic filing.

The Commission proposes to amend N.J.A.C. 19:25-15.6(a) and (b), pertaining to contribution limits; applicability, to increase the limit on contributions from \$4,300 to \$4,900.

The Commission proposes to amend N.J.A.C. 19:25-15.8(b), pertaining to return of contributions; certification, to be consistent with changes to electronic filing.

The Commission proposes to amend N.J.A.C. 19:25-15.10(a), (b), and (d), pertaining to non-participating candidates, to increase the limit on contributions from \$4,300 to \$4,900 and to clarify the requirements for a candidate that does not receive public funds, but elects to participate in interactive debates. See N.J.S.A. 19:44A-45.

The Commission proposes to amend N.J.A.C. 19:25-15.11(a)4, 5, and 6, pertaining to limitations on participating candidates, to increase the general election expenditure limit for candidates receiving public matching funds from \$13.8 million to \$15.6 million and to increase the limit on contributions from \$4,300 to \$4,900.

The Commission proposes to amend N.J.A.C. 19:25-15.12(a), (b), and (d), pertaining to who may or may not contribute, to increase the limit on contributions from \$4,300 to \$4,900.

The Commission proposes to amend N.J.A.C. 19:25-15.14, Contributions eligible for match, to increase the limit on contributions from \$4,300 to \$4,900 and to move the depository requirements for matching funds from N.J.A.C. 19:25-15.17, Matching of funds, to the more logical codification.

The Commission proposes to amend N.J.A.C. 19:25-15.15(f), pertaining to contributions eligible for match; checks and instruments; partnership contributions prohibited; contributions by electronic transfer of funds, to correct a cross-reference and to include the electronic signature requirements set forth in Advisory Opinion 01-2016.

The Commission proposes to amend N.J.A.C. 19:25-15.16(a) and (b), pertaining to limitation on contributions eligible for match, to increase the limit on contributions from \$4,300 to \$4,900.

The Commission proposes to repeal and replace N.J.A.C. 19:25-15.17, Matching of funds, to be consistent with changes to electronic filing. New N.J.A.C. 19:25-15.17 reflects the increase of the limit on contributions from \$4,300 to \$4,900 and the qualification threshold for receiving public matching funds from \$430,000 to \$490,000.

The Commission proposes to amend N.J.A.C. 19:25-15.18(a), (b), and (c), pertaining to dates of submission, to be consistent with changes to electronic filing.

The Commission proposes to amend N.J.A.C. 19:25-15.20(a), (b), and (d), pertaining to, special account for public funds, to reflect updates to procedures and to be consistent with changes to electronic filing.

The Commission proposes to amend N.J.A.C. 19:25-15.21(a), pertaining to receipt of public funds, to increase the amount for which gubernatorial candidates may not receive public matching funds in the general election from \$138,000 to \$156,000 and for the purpose of clarity.

The Commission proposes to amend N.J.A.C. 19:25-15.22(b), pertaining to receipt of public funds; limitation, to increase the maximum amount of public matching funds which may be received by a gubernatorial general election candidate from \$9.3 to \$10.5 million.

The Commission proposes to repeal and replace N.J.A.C. 19:25-15.23, Receipt of public funds; procedure, to reflect updates to procedures.

The Commission proposes to amend N.J.A.C. 19:25-15.24(d) and (e), pertaining to the use of public funds, to reflect updates to procedures and to be consistent with changes to electronic filing.

The Commission proposes to amend N.J.A.C. 19:25-15.27(a) and (d) pertaining to expenditure reporting; travel expenses, to be consistent with changes to electronic filing and to remove the example from subsection (d).

The Commission proposes to amend N.J.A.C. 19:25-15.29(a), pertaining to coordinated expenditures, to remove unnecessary language and a cross-reference to a section that is proposed to be repealed.

The Commission proposes to amend N.J.A.C. 19:25-15.30, Borrowing of funds; repayment, to increase the limit on contributions from \$4,300 to \$4,900, to be consistent with changes to electronic filing and for the purpose of clarity.

The Commission proposes to amend N.J.A.C. 19:25-15.31(a), pertaining to computation of value of goods and services, to remove unnecessary examples.

The Commission proposes to amend N.J.A.C. 19:25-15.32(b) and (c), pertaining to the establishment of State committee account; contribution

limit, to increase the limit on contributions from \$4,300 to \$4,900, correct typographical errors, and for the purpose of clarity.

The Commission proposes to amend N.J.A.C. 19:25-15.35(a), pertaining to notice by State committee to contributor, to increase the limit on contributions from \$4,300 to \$4,900.

The Commission proposes to amend N.J.A.C. 19:25-15.36(b), pertaining to State committee statements, to be consistent with changes to electronic filing.

The Commission proposes to amend N.J.A.C. 19:25-15.37(a) and (b), pertaining to certification and delivery of statements, to reflect updates to procedures and to be consistent with changes to electronic filing.

The Commission proposes to amend N.J.A.C. 19:25-15.38(b), pertaining to transfer of deposits; certification, to reflect updates to procedures and to be consistent with changes to electronic filing.

The Commission proposes to amend N.J.A.C. 19:25-15.39(c), pertaining to county and municipal committee expenditures; reports, to correct a cross-reference.

The Commission proposes to amend N.J.A.C. 19:25-15.43, Disclosure of information, to be consistent with changes to electronic filing.

The Commission proposes to amend N.J.A.C. 19:25-15.44, Prepared statement on behalf of candidates; reimbursement of ballot statement costs, to remove language concerning the Lieutenant Governor, as N.J.S.A. 19:44A-37 does not reference the Lieutenant Governor, and to reflect the changes made at N.J.S.A. 19:44A-37, effective July 21, 2017, that removed the requirement that the prepared candidate statements be printed and mailed on a sample ballot to be sent to all registered voters, and instead to require posting the prepared candidate statements on the internet.

The Commission proposes to amend N.J.A.C. 19:25-15.45(a), pertaining to postelection contribution; postelection payment of expenses, to increase the limit on contributions from \$4,300 to \$4,900.

The Commission proposes to amend N.J.A.C. 19:25-15.47C, Final report certification with net liabilities for publicly financed candidates, to be consistent with changes to electronic filing.

The Commission proposes to repeal N.J.A.C. 19:25-15.48, Candidates' statements of qualification before participation in public financing, because it is duplicative of N.J.A.C. 19:25-15.17.

The Commission proposes to repeal and replace N.J.A.C. 19:25-15.49, Statement of candidates electing to participate in debates, to be consistent with changes to electronic filing. New N.J.A.C. 19:25-15.49 reflects the increase of the qualification threshold for receiving public matching funds from \$430,000 to \$490,000.

Subchapter 16. Public Financing of Primary Election for Governor

The Commission proposes to amend the following definitions at N.J.A.C. 19:25-16.3, Definitions for this subchapter: "contribution eligible for match" is proposed for amendment to increase the limit on contributions from \$4,300 to \$4,900; "non-participating candidate" is proposed for amendment to correct a typographical error; "public fund account" is proposed for amendment to define the term more accurately; and "qualified candidate" is proposed for amendment to increase the qualification threshold for receiving public matching funds from \$430,000 to \$490,000 and to simplify the definition. In addition, "statement of agreement" is proposed to be deleted and "submission of matching funds" is proposed to be added to be consistent with changes to electronic filing.

The Commission proposes to amend N.J.A.C. 19:25-16.6(a), pertaining to contribution limits; applicability, to increase the limit on contributions from \$4,300 to \$4,900.

The Commission proposes to amend N.J.A.C. 19:25-16.8(a), (b), and (d), pertaining to non-participating candidates, to increase the limit on contributions from \$4,300 to \$4,900 and to clarify the requirements for a candidate that does not receive public funds, but elects to participate in the interactive debates. See N.J.S.A. 19:44A-45.

The Commission proposes to amend N.J.A.C. 19:25-16.9(a)3 and 4, pertaining to limitations on participating candidates, to increase the primary election expenditure limit for candidates receiving public matching funds from \$6.4 million to \$7.3 million and to increase the limit on contributions from \$4,300 to \$4,900.

The Commission proposes to amend N.J.A.C. 19:25-16.10(a), (b), and (d), pertaining to who may or may not contribute, to increase the limit on contributions from \$4,300 to \$4,900.

The Commission proposes to amend N.J.A.C. 19:25-16.11, Contributions eligible for match, to increase the limit on contributions from \$4,300 to \$4,900 and to relocate the depository requirements for matching funds from N.J.A.C. 19:25-16.18, Matching of funds, to a more logical codification.

The Commission proposes to amend N.J.A.C. 19:25-16.13(f), pertaining to contributions eligible for match; checks and instruments; partnership contributions prohibited; contributions by electronic transfer or funds, to correct a cross-reference and to include the electronic signature requirements set forth in Advisory Opinion 01-2016.

The Commission proposes to amend N.J.A.C. 19:25-16.14(a) and (b), pertaining to limitation on contributions eligible for match, to increase the limit on contributions from \$4,300 to \$4,900.

The Commission proposes to amend N.J.A.C. 19:25-16.16(a), pertaining to expenditure reporting, to be consistent with changes to electronic filing.

The Commission proposes to repeal and replace N.J.A.C. 19:25-16.18, Matching of funds, to be consistent with changes to electronic filing. New N.J.A.C. 19:25-16.18 reflects the increase of the limit on contributions from \$4,300 to \$4,900 and the qualification threshold for receiving public matching funds from \$430,000 to \$490,000.

The Commission proposes to amend N.J.A.C. 19:25-16.19(a), (b), and (c), pertaining to dates of submission, to be consistent with changes to electronic filing.

The Commission proposes to amend N.J.A.C. 19:25-16.20(a), (b), and (d), pertaining to special account for public funds, to reflect updates to procedures and to be consistent with changes to electronic filing.

The Commission proposes to amend N.J.A.C. 19:25-16.21(a), pertaining to receipt of public funds, to increase the amount for which gubernatorial candidates may not receive public matching funds in the primary election from \$138,000 to \$156,000 and for the purpose of clarity.

The Commission proposes to amend N.J.A.C. 19:25-16.22(b), pertaining to receipt of public funds; limitation, to increase the maximum amount of public matching funds that may be received by a gubernatorial primary election candidate to \$4.6 million.

The Commission proposes to repeal and replace N.J.A.C. 19:25-16.23, Receipt of public funds; procedure, to reflect updates to procedures.

The Commission proposes to amend N.J.A.C. 19:25-16.24, Disclosure of information, to be consistent with changes to electronic filing.

The Commission proposes to amend N.J.A.C. 19:25-16.25(d) and (e), pertaining to the use of public funds, to reflect updates to procedures and to be consistent with changes to electronic filing.

The Commission proposes to amend N.J.A.C. 19:25-16.28(b), pertaining to travel expenses, to remove an unnecessary example and to be consistent with changes to electronic filing.

The Commission proposes to amend N.J.A.C. 19:25-16.30(a), pertaining to coordinated expenditures, to remove unnecessary language and a cross-reference to a section that is proposed for repeal.

The Commission proposes to amend N.J.A.C. 19:25-16.31, Borrowing of funds; repayment, to increase the limit on contributions from \$4,300 to \$4,900, to be consistent with changes to electronic filing and for the purpose of clarity.

The Commission proposes to amend N.J.A.C. 19:25-16.33(a), pertaining to postelection contributions; postelection payment of expenses, to increase the limit on contributions from \$4,300 to \$4,900.

The Commission proposes to amend N.J.A.C. 19:25-16.34B, Final report certification with net liabilities for publicly financed candidates, to be consistent with changes to electronic filing.

The Commission proposes to amend N.J.A.C. 19:25-16.35(a), pertaining to the computation of value of goods and services, to remove unnecessary examples.

The Commission proposes to repeal N.J.A.C. 19:25-16.37, Candidate statement of qualification before participation in public financing because it is duplicative of N.J.A.C. 19:25-16.18.

The Commission proposes to repeal and replace N.J.A.C. 19:25-16.38, Statement of candidates electing to participate in debates, to be consistent with changes to electronic filing. New N.J.A.C. 19:25-16.38 reflects the

increase of the qualification threshold for receiving public matching funds from \$430,000 to \$490,000.

Social Impact

The Commission's proposed amendments and new rules regarding cost index adjustments will primarily affect publicly financed gubernatorial primary and general election candidates and their treasurers who must comply with the statutory limits and thresholds contained within the gubernatorial public financing provisions of the Campaign Act. The amendments will implement the public policy of New Jersey's gubernatorial public financing program that aims to provide that such financing be adequate in amount so that candidates for election to the offices of Governor and of Lieutenant Governor may conduct their campaigns free from improper influence and so that persons of limited financial means may seek election to the State's highest office. See N.J.S.A. 19:44A-27.

To ensure that candidates elect to participate in the gubernatorial public financing program and to ensure that the two-fold purpose of the program is met, the Commission has been statutorily mandated to adjust various limits and thresholds for inflation. The adjustments contained in this notice of proposal for the 2021 primary and general elections make the New Jersey law responsive to changes in the economy during the past four years. Because the proposed amendments adjust the key elements of the program to keep pace with changes in the economy, the Commission believes that the gubernatorial public financing program will remain a viable option for candidates, and, therefore, will have a positive social impact on candidates and the public.

The other proposed amendments and new rules that are being made to be consistent with the Commission's electronic filing system and to clarify and reflect updates to procedures, are not expected to have any additional social impact.

Economic Impact

The Commission believes that the proposed campaign cost adjustment amendments, by reflecting inflationary changes over the past four years, will have the desirable economic impact of permitting gubernatorial candidates to raise and spend the amount of funds necessary to reach New Jersey voters with their campaign messages.

The other proposed amendments and new rules, which are proposed to be consistent with the Commission's electronic filing system and to clarify and reflect updates to procedures, are not expected to have any additional economic impact.

Federal Standards Statement

A Federal standards analysis is not required because the proposed amendments and new rules concern New Jersey gubernatorial primary and general election candidates and their qualification for and receipt of gubernatorial public matching funds in addition to updates to electronic filing and other procedures. The proposed amendments and new rules are not subject to any Federal requirements or standards.

Jobs Impact

The proposed amendments and new rules are not expected to have any measurable impact upon the number of persons employed by gubernatorial candidates and their campaigns or on vendors supplying services or materials to those campaigns. To the extent that the gubernatorial contribution limit has been raised to account for inflation in the costs of campaigns, gubernatorial candidates will have the ability to pay wages that keep pace with the economy.

Agriculture Industry Impact

The proposed amendments and new rules are not expected to have any impact on the agriculture industry in the State of New Jersey.

Regulatory Flexibility Statement

The Commission's proposed amendments and new rules regarding cost index adjustments do not impose any recordkeeping or reporting requirement on small businesses, as that term is defined under the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq. While it is conceivable that small businesses may be employed to provide goods or services to gubernatorial candidates, the reporting and recordkeeping requirements generated by the amendments are solely on the gubernatorial candidates and their treasurers.

While there are no compliance or other requirements imposed upon small businesses, a small business that has made a contribution to a gubernatorial candidate in the form of goods or services may be called upon to provide the gubernatorial campaign with a valuation of those goods or services for the purpose of compliance with the contribution limit and other reporting requirements.

The other proposed amendments and new rules, which are being made to be consistent with the Commission's electronic filing system and to clarify and reflect updates to procedures, are not subject to a further analysis.

Housing Affordability Impact Analysis

The proposed amendments and new rules will have an insignificant impact on the affordability of housing in New Jersey and there is an extreme unlikelihood that the amendments would evoke a change in the average costs associated with housing concern public matching funds for gubernatorial candidates and updates to electronic filing and other procedures.

Smart Growth Development Impact Analysis

The proposed amendments and new rules will have an insignificant impact on smart growth and there is an extreme unlikelihood that the proposed amendments and new rules would evoke a change in housing production in Planning Areas 1 or 2, or within designated centers, under the State Development and Redevelopment Plan in New Jersey because the proposed amendments and new rules concern public matching funds for gubernatorial candidates and updates to electronic filing and other procedures.

Racial and Ethnic Community Criminal Justice and Public Safety Impact

The Commission has evaluated this rulemaking and determined that it will not have an impact on pretrial detention, sentencing, probation, or parole policies concerning adults and juveniles in the State.

Full text of the rules proposed for repeal may be found in the New Jersey Administrative Code at N.J.A.C. 19:25-15.17, 15.23, 15.48, 15.49, 16.18, 16.23, 16.37, and 16.38.

Full text of the proposed amendments and new rules follows (additions indicated in boldface **thus**; deletions indicated in brackets [thus]):

SUBCHAPTER 15. PUBLIC FINANCING; GENERAL ELECTIONS FOR THE OFFICES OF GOVERNOR AND OF LIEUTENANT GOVERNOR

19:25-15.3 Definitions for this subchapter

The following words and terms, when used in this subchapter, shall have the following meanings unless the context clearly indicates otherwise.

... "Contribution eligible for match" means contributions from one contributor to be matched from public funds on a two-for-one basis. No contribution, which must be, or is intended by the contributor or the recipient to be, refunded or repaid at any time, no loan obtained pursuant to N.J.S.A. 19:44A-44, no amount of the candidate's own funds in the aggregate in excess of [\$4,300] **\$4,900**, no in-kind contribution, and no other moneys received by the candidates for Governor and for Lieutenant Governor, their campaign treasurer, or deputy campaign treasurer, except those contributions described [in] **at** N.J.S.A. 19:44A-29(a) shall be deemed contributions eligible for match.

... "Public fund account" means the campaign bank account [maintained] **created** by the Commission pursuant to N.J.A.C. 19:25-15.20 on behalf of qualified candidates and for the deposit of public matching funds.

... "Qualified candidates" mean: 1. Candidates] **candidates** for election to the offices of Governor and of Lieutenant Governor [whose names jointly appear on the general election ballot and] who have deposited and expended [\$430,000] **\$490,000** pursuant to N.J.S.A. 19:44A-32; and who, not later than September 1 preceding a general election in which the offices of Governor and of Lieutenant Governor are to be filled, [notify the Election Law Enforcement Commission in writing that the candidates

intend that an application will be made on the candidates' behalf for monies for general election campaign expenses pursuant to N.J.S.A. 19:44A-33, and sign a statement of agreement, in a form to be prescribed by the Commission, that the candidate for election to the office of Governor will] **apply to the Commission to receive public funds for gubernatorial campaign expenses; and who certify and file required reports regarding any issue advocacy organization involvement; and the candidate for election to office of Governor certifies their agreement** to participate in two interactive general election debates [pursuant to sections 45 through 47 of the Act,] and the candidate for election to the office of Lieutenant Governor [will] **certifies their agreement** to participate in one interactive general election debate [pursuant to sections 45 through 47 of the Act; or].

[2. Candidates for election to the offices of Governor and of Lieutenant Governor whose names do not appear on the general election ballot, but who have jointly deposited and expended \$430,000 pursuant to N.J.S.A. 19:44A-32 and who, not later than September 1 preceding a general election in which the offices of Governor and of Lieutenant Governor are to be filled, notify the Election Law Enforcement Commission in writing that the candidates intend that an application will be made on the candidates' behalf for monies for general election campaign expenses pursuant to N.J.S.A. 19:44A-33, and sign a statement of agreement, in a form to be prescribed by the Commission, that the candidate for election to the office of Governor will participate in two interactive general election debates pursuant to sections 45 through 47 of the Act, and the candidate for election to the office of Lieutenant Governor will participate in one interactive general election debate pursuant to sections 45 through 47 of the Act.]

... ["Statement of agreement" means a written declaration by a candidate for election to the office of Governor and a candidate for election to the office of Lieutenant Governor who intend that application will be made on their behalf to receive monies for general election campaign expenses pursuant to N.J.S.A. 19:44A-33, that the candidates undertake to abide by the terms of any rules established by any private organization sponsoring a gubernatorial general election debate. The statement of agreement shall include an acknowledgment of notice to the candidates who sign it that failure on each candidate's part to participate in a required debate, may be cause for termination of the payment of such monies on the candidates' behalf and for the imposition of liability for the return to the Commission of such monies as may previously have been so paid.]

"Submission for matching funds" includes a list of all contributions received and all expenditures made or incurred, whether a qualified candidate or a non-participating candidate, filed for the purpose of receiving public funds for campaign expenses or for participation in the series of interactive debates.

19:25-15.4 Appointment of treasurers and depositories

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

(c) Upon the selection and certification of a candidate for election to the office of Lieutenant Governor pursuant to N.J.A.C. 19:25-15.5, the candidate for election to the office of Governor in a general election shall amend the designation in (a)[,] above to include the candidate for the office of Lieutenant Governor **by filing Form D-1G**. [The amended designation must also be certified by the candidate for Lieutenant Governor.]

19:25-15.6 Contribution limits; applicability

(a) No candidate for the office of Governor, whether or not intending to participate in public funding, no candidate for the office of Lieutenant Governor, and no campaign treasurer or deputy campaign treasurer of such candidates shall knowingly accept from any person, candidate committee, joint candidates committee, political committee, continuing political committee, or legislative leadership committee any contribution in aid of the candidacy of or on behalf of such candidates, jointly, in the aggregate in excess of [\$4,300] **\$4,900** in any general election.

(b) No State committee, and no campaign treasurer or deputy campaign treasurer of such State committee, shall knowingly accept from any person, candidate committee, joint candidates committee, political committee, continuing political committee, or legislative leadership committee any contribution in aid of the candidacies of, or on behalf of

any candidates for the offices of Governor and of Lieutenant Governor, jointly, in the aggregate in excess of [\$4,300] **\$4,900** in any general election, whether or not such candidates intend to participate in public funding.

(c) (No change.)

19:25-15.8 Return of contributions; certification

(a) (No change.)

(b) Any candidate who receives contributions as described in (a) above shall certify to the Commission [in a report to be filed within 30 days] **on the next filed quarterly report** after the primary election for nomination to the office of Governor [a typed or printed list of contributors] showing each contributor's full name and full mailing address (number, street, city, state, zip code), the date of receipt of each contribution, the dollar amount of each contribution, the date and amount of each contribution returned by the candidate, and for each contributor who is an individual and whose aggregate contributions to the candidate in the general election exceed \$300.00, the occupation of the individual and the name and mailing address of the individual's employer. In the event a candidate is unable to return any contribution, or part thereof, for any reason, such candidate shall certify in such report the reasons for inability to return such contribution. In no event shall any such unreturned contribution be withdrawn by the candidate from his or her general election depository bank account until the Commission has approved of disposition of such unreturned contributions.

19:25-15.10 Non-participating candidates

(a) Non-participating candidates for the offices of Governor and of Lieutenant Governor are jointly subject to the [\$4,300] **\$4,900** limitation on contributions from a person, candidate committee, joint candidates committee, political committee, continuing political committee, or legislative leadership committee, pursuant to N.J.S.A. 19:44A-29.

(b) Non-participating candidates for the offices of Governor and of Lieutenant Governor are jointly subject to the [\$4,300] **\$4,900** limit on guarantors of bank loans, except if the guarantor is the non-participating candidate.

(c) (No change.)

(d) [Non-participating] **A non-participating** candidate[s] for the offices of Governor and of Lieutenant Governor] who elects to participate in the series of interactive debates pursuant to the provisions of N.J.S.A. 19:44A-45, [are] **is** subject to the [restrictions on] **same** qualifying [expenditures set forth at N.J.A.C. 19:25-15.49] **contribution and expenditure thresholds as participating candidates.**

19:25-15.11 Limitations on participating candidates

(a) Each candidate for the office of Governor and for the office of Lieutenant Governor intending to participate in public funding, in addition to any other requirement imposed by the Act or this subchapter, is subject to the following limitations:

1.-3. (No change.)

4. The amount that any qualified candidates may spend in aid of their joint candidacies for the offices of Governor and of Lieutenant Governor shall not exceed [\$13.8] **\$15.6** million, which amount shall include payments made solely for the purpose of determining whether to become a candidate. Such amount shall not include expenditures listed [in] **at** N.J.A.C. 19:25-15.26.

5. Contributions by any candidate for the office of Governor in excess of [\$4,300] **\$4,900** from the candidate's own funds in aid of the candidate's campaign shall not be deposited in a matching fund account and shall not be calculated in determining if such candidate is a qualified candidate eligible for public matching funds.

6. Contributions by any candidate for the office of Lieutenant Governor in excess of [\$4,300] **\$4,900** from the candidate's own funds in aid of the candidate's campaign shall not be deposited in a matching fund account and shall not be calculated in determining eligibility for public matching funds.

19:25-15.12 Who may or may not contribute

(a) No person, candidate committee, joint candidates committee, political committee, continuing political committee, or legislative leadership committee, other than a candidate contributing the candidate's own funds to the candidate's own campaign, shall make any contribution

to any candidate, the candidate's campaign treasurer or deputy campaign treasurer, or to any other person or committee, in aid of the candidacy of or on behalf of a candidate, whether or not participating in public funding, for election to the offices of Governor and of Lieutenant Governor in a general election, in the aggregate in excess of [\$4,300] **\$4,900**. Any such contribution in excess of [\$4,300] **\$4,900** must be returned to the contributor pursuant to the requirements [of] **at** N.J.A.C. 19:25-11.8, and evidence of repayment shall be submitted to the Commission.

(b) A joint candidates committee established by candidates who have not established any candidate committees in an election may make a contribution to candidates for election to the offices of Governor and of Lieutenant Governor in an amount not to exceed the sum of the number of candidates participating in the joint candidates committee multiplied by [\$4,300] **\$4,900**. If a candidate has established both a candidate committee and a joint candidates committee in an election, the total amount that may be contributed by that candidate's joint candidates committee and candidate committee to candidates for election to the offices of Governor and of Lieutenant Governor may not exceed [\$4,300] **\$4,900** per candidate participating in the joint candidates committee.

(c) (No change.)

(d) A corporation, association, or labor organization or any subsidiary, affiliate, branch, division, department, or local unit of any such corporation, association, or labor organization shall not make any contribution to, or on behalf of, a candidate, which, when added to any other contribution by any related or affiliated corporation, association, or labor organization, exceeds [\$4,300] **\$4,900** in the aggregate. Whether such corporation, association, or labor organization is related or affiliated shall depend on the circumstances existing at the time of such contribution, including, but not by way of limitation, the degree of control or common ownership with related or affiliated corporations, associations, or labor organizations, the source and control of funds used for such contributions and the degree to which the decisions whether to contribute, to what candidate and in what amount are independent decisions.

(e)-(g) (No change.)

19:25-15.14 Contributions eligible for match

(a) (No change.)

(b) The campaign treasurer or deputy campaign treasurer of the candidates shall open a matching fund account in a national or State bank pursuant to N.J.S.A. 19:44A-32, which shall be the designated Matching Fund Account of (names of candidates for the office of Governor and of Lieutenant Governor) and in which contributions eligible for match may be deposited. Such deposit shall be made within 10 days of receipt.

[(b)] (c) Only contributions in cash or by check, money order, or negotiable instrument, shall be contributions eligible for match. Loans shall not be eligible for match. In-kind contributions shall not be eligible for match, but will count toward the individual contribution limit of [\$4,300] **\$4,900** and the overall expenditure limit contained [in] **at** N.J.S.A. 19:44A-7, except for expenses not subject to expenditure limits pursuant to N.J.A.C. 19:25-15.26. The total of all contributions eligible for match from any person, candidate committee, joint candidates committee, political committee, continuing political committee, or legislative leadership committee shall not exceed [\$4,300] **\$4,900** in the aggregate.

[(c)] (d) A maximum of [\$4,300] **\$4,900** in the aggregate of a candidate for the office of Governor's own funds may be deposited in the matching fund account, and a maximum of [\$4,300] **\$4,900** in the aggregate of a candidate for the office of Lieutenant Governor's own funds may be deposited in the matching fund account.

Recodify existing (d)-(e) as (e)-(f) (No change in text.)

19:25-15.15 Contributions eligible for match; checks and instruments; partnership contributions prohibited; contributions by electronic transfer of funds

(a)-(e) (No change.)

(f) To be eligible for match pursuant to N.J.A.C. 19:25-15.17, a contribution received by means of an electronic transfer of funds, including a credit card, shall be deposited directly into a matching fund account established pursuant to N.J.A.C. 19:25-[15.17(b)]**15.14(b)**. For each contribution received by an electronic transfer of funds, including a

credit card, the matching fund submission shall include a deposit slip or dated receipt from the bank or financial institution which specifically identifies the contributor and the amount of the contribution and a written statement which includes the signature of the contributor, the name of the contributor as it appears on the account used for the electronic transfer of funds or credit card account, the name of the owner of the account used for the electronic transfer of funds or credit card account, and the billing address of the account used for the electronic transfer of funds or credit card. **An electronic signature will satisfy the signature requirement in this section when:**

1. A contributor or authorized representative provides the required information, as specified in this subsection;

2. The contributor or authorized representative attests to his or her intent to authorize the contribution and provide their signature by typing their name.

i. Electronically received contributions are prohibited to be made by partnerships, LLCs, or LLPs;

3. The designated treasurer or deputy treasurer provides a certification to the Commission certifying that any and all credit card processing companies utilized to collect contributions performs the following verification process:

i. Verification shall confirm that the following characteristics correspond to each other for the transaction to be accepted or approved and documentation demonstrating the verification process shall be provided by the credit card processor and included as part of the treasurer's or deputy treasurer's certification:

- (1) Cardholder name;
- (2) Credit card number;
- (3) Billing zip code;
- (4) Expiration date; and
- (5) Security code;

ii. Any inconsistency among the above characteristics shall cause the transaction to fail; and

iii. The certification must be provided to the Commission prior to submitting electronically received contributions for match; and

4. The campaign shall provide a receipt or confirmation of each contribution received electronically by credit card containing the following information:

- i. The contributor's name as it appeared on the credit card;
- ii. The contributor's or authorized representative's name as it appears on the signature line;
- iii. The contributor's address;
- iv. The amount of the contribution; and
- v. The date the contribution was electronically submitted.

19:25-15.16 Limitation on contributions eligible for match

(a) Any contributions in the form of the purchase price paid for an item with significant intrinsic and enduring value (such as a watch) shall be eligible for match only to the extent the purchase price exceeds the fair market value of the item or benefit conferred on the contributor, and only the excess will be included in calculating the [\$4,300] **\$4,900** contribution limit.

(b) A contribution in the form of the purchase price paid for admission to a testimonial affair, as defined [in] at N.J.A.C. 19:25-1.7, shall be a contribution eligible for match and for purposes of the [\$4,300] **\$4,900** limitation.

(c) (No change.)

19:25-15.17 Matching of funds

(a) Candidates for the offices of Governor and Lieutenant Governor seeking to qualify for receipt of public matching funds shall, no later than September 1 preceding a general election in which the offices of Governor and Lieutenant Governor are to be filled, file with the Commission:

1. Form G-1A separately (Candidate Certification for Public Financing and Debate Participation);

2. Form P-1 establishing the candidates deposited contributions eligible for match of at least \$490,000 and that at least \$490,000 of the contributions have been expended or are committed to be expended.

i. Form P-1 shall report all contributions, regardless of whether they are eligible, or being submitted, for match showing each

contributor's full name and full mailing address (number, street, city, state, zip code); the date of receipt of each contribution; the dollar amount of each contribution; and for each contributor who is an individual, and whose aggregate contributions to the candidates exceed \$300.00, or were made in currency in any amount, the occupation of the individual and the name and mailing address of the individual's employer;

ii. Form P-1 shall include scanned images of all documentation that is required as set forth at N.J.A.C. 19:25-15.14 and 15.15, as well as deposit slips, receipted deposit slips, bank ledgers, and/or statements or any other documentation to evidence that the contributions for match were deposited into the matching fund account. Additionally, scanned images of all adjustments to contributions shall be included; and

iii. Form P-1 shall report all expenditures made or incurred pursuant to N.J.A.C. 19:25-15.27. The expenditures shall include scanned images of all documentation that is required to substantiate the initial expenditure threshold. Thereafter, scanned images of expenditure documentation shall be required only as set forth at N.J.A.C. 19:25-15.20 and 15.24; and

3. Form P-2 or Form P-2A reporting each candidate's involvement or participation in an issue advocacy organization pursuant to N.J.A.C. 19:25-15.17A.

(b) Each submission for public funds following qualification shall contain no less than \$12,500 of contributions eligible for match.

19:25-15.18 Dates of submission

(a) [Statements and certifications] **Form P-1, and accompanying P-2, if applicable**, may be submitted to the Commission by candidates on or before 12:00 noon of the first Tuesday following the date of the primary election in the year of a general election for the offices of Governor and of Lieutenant Governor of New Jersey, and every other Tuesday thereafter through August 31, and every Tuesday thereafter up to and including the date of the general election being funded.

(b) [Statements and certifications] **Form P-1, and accompanying P-2, if applicable**, may be submitted to the Commission by candidates on or before 12:00 noon of the first Tuesday following the general election and every other Tuesday thereafter up to the first Tuesday following the fifth month after the general election. No [statements and certifications for the general election] **further requests** shall be considered by the Commission thereafter.

(c) In the event that a date for submission shall fall on a holiday, then the submission may be on the next succeeding business day that is not a holiday. [The Commission shall promptly approve the certification submitted by the candidate or so much of it as the Commission deems to be proper. In the event that all of the submission is not approved for match, the Commission will promptly so notify the candidate.]

(d) (No change.)

19:25-15.20 Special account for public funds

(a) The Commission shall [maintain] **facilitate the creation of**, for each [pair of] qualified candidate[s], a separate segregated public fund account for deposit of public funds. All public funds [received] **approved** by the Commission [from the General Treasury of the State shall] **will be** [promptly deposited] **transferred** by the Commission into such [separate segregated] public fund account. No funds other than such public funds shall be [deposited in such separate segregated] **transferred to the** public fund account, and all expenditures from [such] **the** account shall be separately identified in **all applicable** reports filed with the Commission.

(b) The campaign treasurer of candidates for the offices of Governor and of Lieutenant Governor, on whose behalf a public fund account has been established, shall file with the Commission on each date upon which a submission for public matching funds has been made pursuant to N.J.A.C. 19:25-15.17, Matching of funds, and [N.J.A.C. 19:25-]15.18, Date of submission, and for as long as said public fund account is open and such submissions are being made, a report identifying each disbursement made out of the public fund account since the last such submission for public matching funds. [The initial report shall identify all such disbursements.] The identification of each disbursement from the public fund account shall include the [check] **transaction** number, date of payment, amount of payment, full name of payee, full payee mailing

address, and a complete statement of purpose of the expenditure indicating which of the permitted purposes set forth [in] at N.J.A.C. 19:25-15.24, Use of public funds, is applicable. Failure to file any such report, failure to provide the identification information required in such report, or failure to expend public funds in compliance with N.J.A.C. 19:25-15.24 may result in immediate cessation of public fund deposits by the Commission.

(c) (No change.)

(d) [The reports of disbursements made] **Disbursements** from the public fund account [submitted pursuant to this section shall] **identified on submissions filed for matching funds will not be [available] disclosed for public inspection until filed on election cycle reports.**

19:25-15.21 Receipt of public funds

(a) The campaign treasurer, or deputy campaign treasurer, of any qualified candidates for election to the offices of Governor and of Lieutenant Governor in a general election shall promptly receive, on behalf of such qualified candidates, public moneys in an amount equal to twice the amount of each contribution eligible for match and deposited in such qualified candidates' matching fund account, described [in] at N.J.S.A. 19:44A-32, except that no payment shall be made to any candidates from such fund for general election campaign purposes for the first [\$138,000] **\$156,000 of the \$490,000** deposited in such candidates' matching fund account.

(b) (No change.)

19:25-15.22 Receipt of public funds; limitation

(a) (No change.)

(b) The maximum amount that any qualified candidates may jointly receive from public funds shall not exceed [\$9.3] **\$10.5** million.

19:25-15.23 Receipt of public funds; procedure

Upon receipt and review of all required forms and documentation contained within a request for public funds, the Commission shall authorize the amount to be disbursed to the public fund account of the candidate and shall cause the authorized amount to be transferred therein.

19:25-15.24 Use of public funds

(a)-(c) (No change.)

(d) Any expenditure made from the candidates' public fund account shall be identified on election fund reports and submissions for public matching funds to include the check **or transaction** number, date of payment, full name of payee, full payee mailing address, amount of payment, a detailed description of the election-related purpose of the expenditure [which] **that** includes the applicable permitted use of public funds contained in (a) above and the type of expenditure for each expenditure [from a list of expenditure types to be provided by the Commission].

(e) A reimbursement made to a depository or matching fund account of the candidates from the public fund account of the candidates for an expenditure or expenditures permitted under (a) above shall:

1. Be made by individual [check] **transfer or transaction** from the public fund account in the exact amount of the expenditure or expenditures being reimbursed;

2. Be specifically identified as a reimbursement, **including the attachment of applicable documentation (invoice and/or certification of payee)**, on the report required pursuant to N.J.A.C. 19:25-15.20(b) and on campaign reports required by the Act; and

3. (No change.)

(f)-(g) (No change.)

19:25-15.27 Expenditure reporting; travel expenses

(a) Each expenditure from the depository account, matching fund account, or public funds account established by a gubernatorial candidate shall be reported on election fund reports and [as required] on submissions for public matching funds by providing the following information:

1.-4. (No change.)

5. The amount of the expenditure; and[.]

6. The type of expenditure [from a list of expenditure types provided by the Commission].

(b)-(c) (No change.)

(d) All of the expenditures, including those excluded from the expenditure limitation contained [in] at N.J.S.A. 19:44A-7, must be disclosed in the preelection and postelection reports **and on [behalf of the candidates] all submissions for matching funds.**

[1. Example 1: Candidate X, a candidate for the office of Governor in the general election who will receive public funding, travels to a city with five members of the candidate's staff in two automobiles for campaign purposes. The candidate's staff arranges for rooms at a hotel in that city. In the course of the stay, the candidate and staff hold numerous meetings and provide food and beverages for visitors in the course of the various meetings. Only the reasonable and necessary expenses of the use of automobiles and other means of transportation and the reasonable and necessary cost of meals and sleeping accommodations for the candidate and staff during the trip, are excludable for purposes of the expenditure limitation contained in N.J.S.A. 19:44A-7.]

(e) (No change.)

19:25-15.29 Coordinated expenditures

(a) Any person or entity expending funds to make a communication shall be deemed to have made a coordinated expenditure for a gubernatorial candidate if:

1.-2. (No change.)

3. The expenditure for the communication was made on or after the date upon which the gubernatorial candidate or committee described [in] at (a)2 above applied to receive matching funds [or filed a statement of qualification to receive matching funds] pursuant to N.J.A.C. 19:25-15.17 [and 15.48].

(b)-(e) (No change.)

19:25-15.30 Borrowing of funds; repayment

Any candidates for the offices of Governor and of Lieutenant Governor, the candidates' campaign treasurer, or deputy campaign treasurer, may borrow funds from any national or State bank, provided that no person, candidate committee, joint candidates committee, political committee, continuing political committee, or legislative leadership committee other than the candidate or the State committee may in any way endorse or guarantee such loan in the aggregate in excess of the [\$4,300] **\$4,900** contribution limit. [Except for a non-participating] **In the case of a participating candidate guaranteeing a loan to [the candidate's] his or her own campaign, the amount so borrowed shall not at any one time in the aggregate exceed \$50,000 for the campaign, and must be repaid in full by such candidate or the campaign treasurer or deputy campaign treasurer from monies accepted or allocated pursuant to N.J.S.A. 19:44A-29 not later than 20 days prior to the general election. [Certification of such repayment shall be made by the borrower to the Commission not later than 15 days prior to the date of the general election.] This limit does not apply to a candidate that does not participate in the public financing program. Repayment shall be evidenced on a report filed no later than the 11-Day Preelection reporting date with attached documentation.** In the event of the failure of the borrower to repay timely the full amount of the loan or to certify properly such repayment to the Commission, all payment of public funds to such candidate shall promptly cease and the Commission shall take action as directed by the Act to prohibit the expenditure by the candidate of monies received from the fund and any other monies received by the candidate in aid of the candidate's campaign in such general election.

19:25-15.31 Computation of value of goods and services

(a) Goods and services shall, for purposes of the reports required to be filed under the Act and for purposes of the expenditure limitation contained [in] at N.J.S.A. 19:44A-7 where applicable, be valued by the reasonable commercial value of such goods and services to the candidate, whether or not the cost or value of such goods or services to the contributor or other provider of those services is higher or lower than such reasonable commercial value.

[Example 1: Candidate Y, a candidate for the office of Governor who has chosen to accept public funding, obtains the use of a helicopter for travel of the candidate for campaign purposes. By agreement with the owner of the helicopter, the campaign committee for the candidate will pay \$900.00 per hour, which represents the cost to the owner of the maintenance and operation of the helicopter. The reasonable commercial

value of the use of the helicopter is \$1,000 per hour. In this example, the amount of \$900.00 per hour paid by the campaign committee of the candidate to the owner for use of the helicopter is not includable as an expenditure for purposes of the expenditure limitations contained in N.J.S.A. 19:44A-7. The difference between the \$900.00 per hour actually paid for use of the helicopter and the reasonable commercial value normally charged by the owner for the use of the helicopter, represents a contribution from the owner of the helicopter to the candidate in the amount of \$100.00 per hour. The candidate could obtain the use of the helicopter under this arrangement from a lawful contributor for campaign purposes for not more than 43 hours. If the candidate obtained the use of the helicopter for 44 hours under this arrangement, the owner of the helicopter would have made an unlawful contribution to the candidacy of the candidate, since the aggregate of the contributions of \$4,400 from that contributor in this instance would have exceeded \$4,300.

Example 2: Candidate Y in example 1, wishes to obtain the use of the helicopter from the owner for 15 hours, and the campaign committee for the candidate pays to the owner the reasonable commercial value of \$1,000 for each hour, or a total of \$15,000. The amount paid to the owner is not an expenditure within the expenditure limitation contained in N.J.S.A. 19:44A-7. On these facts the owner has made no contribution to the candidate.

In Example 1 and Example 2, the total amounts of expenditures, including expenditures not subject to the expenditure limitation of N.J.S.A. 19:44A-7, must be reported in the preelection and postelection reports filed on behalf of the candidate.]

(b) (No change.)

19:25-15.32 Establishment of State committee account; contribution limit

(a) (No change.)

(b) Upon, or after, establishment of a State committee account [by a State committee], such State committee may [allocate and] deposit [certain] contributions received by it in [such] **the** account. Only a contribution of up to [\$4,300, or up to \$4,300 of a contribution in excess of \$4,300] **\$4,900** may be [so] deposited, and only if such deposit does not result in the contributor exceeding a contribution of [\$4,300] **\$4,900** in the aggregate to such [or on behalf of such] candidate.

(c) Notwithstanding any provision of this section, any contribution [allocated and] deposited in a State committee account must be of moneys or other things of value pledged to or received by such State committee in a calendar year in which the gubernatorial election being funded is held.

(d) (No change.)

19:25-15.35 Notice by State committee to contributor

(a) The campaign treasurer, or deputy campaign treasurer, of any State committee depositing any contribution in a State committee account of such State committee must give written notice of such deposit to the contributor within 48 hours of such deposit, and such notice shall contain the following information:

1. (No change.)

2. The allocated contribution counts toward the [\$4,300] **\$4,900** the contributor may contribute to candidates for the offices of Governor and of Lieutenant Governor, jointly;

3.-5. (No change.)

19:25-15.36 State committee statements

(a) (No change.)

(b) The campaign treasurer, or deputy campaign treasurer, of a State committee shall prepare and maintain a statement of expenditures from a State committee account of such State committee. Such statement of expenditures shall contain [for each expenditure] a check **or transaction** number, date, name and address of payee, amount, and [brief] description of **the** purpose.

(c) (No change.)

19:25-15.37 Certification and delivery of statements

(a) The campaign treasurer, or deputy campaign treasurer, of a State committee that has established a State committee account on behalf of a candidate shall certify **and transmit** to the campaign treasurer, or deputy campaign treasurer, of such candidate[, and to the Commission,] the

correctness of the statements and photocopies prepared pursuant to N.J.A.C. 19:25-15.36.

(b) The statements and photocopies certified **and transmitted** pursuant to (a) above shall be delivered by the campaign treasurer, or deputy campaign treasurer, of such State committee to the campaign treasurer, or deputy campaign treasurer, of the candidate on whose behalf the statements and photocopies have been prepared [and to the Commission] no later than the Thursday preceding the dates of submission for matching fund applications of candidates set forth [in] **at** N.J.A.C. 19:25-15.18.

(c) (No change.)

19:25-15.38 Transfer of deposits; certification

(a) (No change.)

(b) At the time of making a transfer pursuant to (a) above, the campaign treasurer, or deputy campaign treasurer, of the State committee shall certify in writing to the campaign treasurer, or deputy campaign treasurer, of the candidate in whose matching fund account a transfer is to be made[, and certify to the Commission,] that the deposit includes only contributions eligible for match and does not include any contribution [which] **that** must be, or is intended by the contributor or recipient to be, refunded or repaid at any time and that no contribution by any county or municipal committee is included.

19:25-15.39 County and municipal committee expenditures; reports

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

(c) Any expenditures in aid of the candidacies of candidates for election to the offices of Governor and of Lieutenant Governor, jointly, by the county committee of a political party and the municipal committees of that political party in the same county, shall be included in determining the total expenditures of such candidates subject to the expenditure limit contained [in] **at** N.J.A.C. 19:25-[15.11(a)3]**15.11(a)4**.

19:25-15.43 Disclosure of information

The [statements and certifications submitted by a candidate] **Form P-1 submitted** in accordance with N.J.A.C. 19:25-15.17, **Matching of funds**, shall not be a public record[s] and shall not be available for public inspection; [provided,] however, the Commission shall, from time to time, publish a listing [which shall contain the information included in the statements and certifications for] **of** each contribution, except that it shall not include the name, address, or amount of contribution of any contributor whose contributions in the aggregate are \$300.00 or less, unless the candidate authorizes such disclosure [in writing].

19:25-15.44 Prepared statement on behalf of candidates; reimbursement of ballot statement costs

(a) Candidates for the office[s] of Governor [and of Lieutenant Governor] shall be entitled to have a [joint] statement submitted by the candidate[s] to the Commission, [printed and mailed by each county clerk with the sample ballot to each registered voter in the county,] **to be posted on the county clerks' websites, the website of the Division of Elections and the website of the Election Law Enforcement Commission**, together with a short explanation from the Commission that such statements are provided pursuant to the Act and this subchapter to assist the voters in making a determination among the candidates for the office[s] of Governor [and of Lieutenant Governor].

(b) Candidates for the office[s] of Governor [and of Lieutenant Governor] who wish such [a joint] statement [mailed] **to be posted** on their behalf shall submit to the Commission[, on forms to be provided by the Commission,] a proposed statement, which shall not exceed 500 words in length. The statement shall be submitted to the Commission on or before the 80th day prior to the date on which the general election is to be held.

(c) On or before the 45th day prior to the date on which the general election is to be held, the Commission shall supply each county clerk with the text of the statement received from candidates for election to the office[s] of Governor [and of Lieutenant Governor].

(d) On or before the 45th day prior to the date on which the general election is to be held, the Commission shall determine the total amount of funds available for reimbursement to all 21 counties of the cost of [printing and mailing] **posting** of such ballot statements [and shall notify all county clerks of the total amount of funds available for

reimbursement]. Such reimbursement shall be made on a pro rata basis, if adequate funds are not appropriated by the Governor and the Legislature to reimburse all counties fully. Reimbursement shall not be made to the counties if no funds are appropriated to the Commission by the Governor and the Legislature for that purpose.

(e) No later than December 15th following a general election for the office of Governor, each county clerk shall submit to the Commission on a form provided by the Commission a claim for reimbursement [only of the added sample ballot costs which are] attributable directly to the [printing and mailing] **posting** of the gubernatorial candidates' statements.

19:25-15.45 Postelection contribution; postelection payment of expenses

(a) Any person, candidate committee, joint candidates committee, political committee, continuing political committee, or legislative leadership committee otherwise eligible to make political contributions to a candidate or a State committee may make a contribution in aid of the candidacies of candidates for the offices of Governor and of Lieutenant Governor, jointly, after the date of such general election, provided such person or committee does not exceed [\$4,300] **\$4,900** in the aggregate for such general election.

(b)-(d) (No change.)

19:25-15.47C Final report certification with net liabilities for publicly financed candidates

(a) Upon approval by the Commission pursuant to the provisions of N.J.A.C. 19:25-15.47B, publicly financed candidates for the offices of Governor and of Lieutenant Governor[,] and their treasurer may file a final report and [certification of termination of reporting upon a form prescribed by the Commission] **certify it as finalized.**

[(b) Each candidate and treasurer filing a final report described in (a) above shall recertify the statements described in N.J.A.C. 19:25-15.47B(d) for each outstanding obligation.]

[(c)] (b) The final report shall show a zero balance in all campaign depository accounts and all final expenditures of [the] campaign funds **shall be made** in accordance with N.J.A.C. 19:25-15.45, Post-election payment of expenses, and [N.J.A.C. 19:25-]15.47, Repayment of public or other funds.

[(d)] (c) An outstanding obligation reported on a [certificate of termination of reporting] **final report** filed pursuant to (a)[,] **and** (b) [and (c)] above shall not be considered a "contribution" as defined at N.J.A.C. 19:25-1.7.

[(e)] (d) Notwithstanding [(d)] (c) above, by enacting [these provisions] **this subsection**, the Commission does not waive its authority pursuant to N.J.S.A. 19:44A-[6(b)]10] **6.b(10)** to make a referral to the Office of the Attorney General for possible violations of N.J.S.A. 19:44A-[21(a)] **21.a** and [(b)] **b**, upon subsequent receipt of evidence of false certification or misrepresentation of contributions or expenditures.

19:25-15.48 (Reserved)

19:25-15.49 Statement of candidates electing to participate in debates

(a) **Candidates for the offices of Governor and Lieutenant Governor that do not qualify for receipt of public funds may elect to participate in the series of interactive gubernatorial general election debates by filing the following no later than September 1 preceding the general election in which the offices of Governor and Lieutenant Governor are to be filled:**

1. Form G-1A separately, indicating their intent to participate in the series of debates; and

2. Form P-1 establishing the candidates deposited contributions of at least \$490,000 and that at least \$490,000 of the contributions have been expended or are committed to be expended.

i. Form P-1 shall include scanned images of all documentation that substantiate contribution and expenditure thresholds have been met.

ii. The use of personal funds can be used to meet all or part of the contribution threshold.

iii. The candidate may not use any loan repayment amount to meet any part of the expenditure threshold.

SUBCHAPTER 16. PUBLIC FINANCING OF PRIMARY ELECTION FOR GOVERNOR

19:25-16.3 Definitions for this subchapter

The following words and terms, when used in this subchapter, shall have the following meanings unless the context clearly indicates otherwise.

...
 "Contribution eligible for match" means contributions from one contributor to be matched from public funds on a two-for-one basis. No contribution, which must be, or is intended by the contributor or the recipient to be, refunded or repaid at any time, no loan obtained pursuant to N.J.S.A. 19:44A-44, no amount of the candidate's own funds in the aggregate in excess of [\$4,300] **\$4,900**, no in-kind contribution, and no other monies received by the candidate, his or her campaign treasurer, or deputy campaign treasurer, except those contributions described [in] **at** N.J.S.A. 19:44A-[29(a)] **29.a**, shall be deemed contributions eligible for match. Funds received by an individual who is testing the waters may be matched when the individual becomes a candidate, if such contributions meet all the requirements of the regulation.

...
 "Non-participating candidate" means any candidate who does not make application for public funding in a primary election pursuant to N.J.A.C. 19:25-16.18, [(Matching of funds)], or who is not a "qualified candidate" as that term is defined [by] **at** N.J.A.C. 19:25-16.3. In no case shall a candidate who qualifies for and receives any public funding for a primary election be subsequently deemed a non-participating candidate for that election.

...
 "Public fund account" means the campaign bank account [maintained] **created** by the Commission pursuant to N.J.A.C. 19:25-16.20 on behalf of a qualified candidate and for the deposit of public matching funds.

...
 "Qualified candidate" means: 1. Any **any** candidate for nomination for election to the office of Governor [whose name appears on the primary election ballot and] who has deposited and expended [\$430,000] **\$490,000** pursuant to N.J.S.A. 19:44A-32; and who, not later than the last day for filing petitions to nominate candidates to be voted upon in a primary election for a general election in which the office of Governor is to be filled, [notifies the Election Law Enforcement Commission in writing that the candidate intends that application will be made on the candidate's behalf for monies for primary election campaign expenses pursuant to N.J.S.A. 19:44A-33, and signs a statement of agreement, in a form to be prescribed by the Commission,] **applies to the Commission to receive public funds for gubernatorial campaign expenses; and who certifies and files required reports regarding any issue advocacy organization involvement; and who certifies their agreement** to participate in two interactive gubernatorial primary election debates[; or].

[2. Any candidate for nomination for election to the office of Governor whose name does not appear on the primary election ballot, but who has deposited and expended \$430,000 pursuant to N.J.S.A. 19:44A-32 and who, not later than the last day for filing petitions to nominate candidates to be voted upon in a primary election for a general election in which the office of Governor is to be filled, notifies the Election Law Enforcement Commission in writing that the candidate intends that application will be made on the candidate's behalf for monies for primary election campaign expenses pursuant to N.J.S.A. 19:44A-33, and signs a statement of agreement, in a form to be prescribed by the Commission, to participate in two interactive gubernatorial primary election debates.]

...
 ["Statement of agreement" means a written declaration, by a candidate for nomination for election to the office of Governor who intends that application will be made on that candidate's behalf to receive monies for primary election campaign expenses pursuant to N.J.S.A. 19:44A-33, that the candidate undertakes to abide by the terms of any rules established by any private organization sponsoring a gubernatorial primary election debate in which the candidate is to participate. The statement of agreement shall include an acknowledgment of notice to the candidate who signs it that failure on that candidate's part to participate in any of the gubernatorial primary election debates may be cause for termination of

the payment of such monies on the candidate's behalf and for the imposition of liability for the return to the Commission of such monies as may previously have been so paid.]

...
"Submission for matching funds" includes a list of all contributions received and all expenditures made or incurred, whether a qualified candidate or a non-participating candidate, filed for the purpose of receiving public funds for campaign expenses or for participation in the series of interactive debates.
 ...

19:25-16.6 Contribution limits; applicability

(a) Each candidate, whether or not intending to participate in public funding, and each campaign treasurer, or deputy campaign treasurer, of such candidate shall not knowingly accept from any person, candidate committee, joint candidates committee, political committee, continuing political committee, political party committee, or legislative leadership committee any contribution in aid of the candidacy of, or in behalf of, such candidate in the aggregate in excess of [\$4,300] **\$4,900** in any primary election.

(b) (No change.)

19:25-16.8 Non-participating candidates

(a) A non-participating candidate is subject to the [\$4,300] **\$4,900** limitation on contributions from a person, candidate committee, joint candidates committee, political committee, continuing political committee, political party committee, or legislative leadership committee pursuant to N.J.S.A. 19:44A-29.

(b) A non-participating candidate is subject to the [\$4,300] **\$4,900** limit on guarantors of bank loans, except if the guarantor is the non-participating candidate himself or herself.

(c) (No change.)

(d) A non-participating candidate who elects to participate in the series of interactive debates pursuant to the provisions of N.J.S.A. 19:44A-45, is subject to the [restrictions on] **same** qualifying [expenditures set forth at N.J.A.C. 19:25-16.38] **contribution and expenditure thresholds as participating candidates.**

19:25-16.9 Limitations on participating candidates

(a) Each candidate intending to participate in public funding, in addition to any other requirement imposed by the Act or this subchapter, is subject to the following limitations:

1.-2. (No change.)

3. The amount that any qualified candidate may spend in aid of his or her candidacy shall not exceed [\$6.4] **\$7.3** million, which amount shall include payments made solely for the purpose of determining whether to become a candidate. Such amount shall not include expenditures listed [in] **at** N.J.A.C. 19:25-16.27.

4. Contributions by any candidate in excess of [\$4,300] **\$4,900** from his or her own funds in aid of his or her candidacy shall not be deposited in a matching fund account and shall not be calculated in determining if such candidate is a qualified candidate eligible for public matching funds.

19:25-16.10 Who may or may not contribute

(a) No person, other than a candidate contributing the candidate's own funds to the candidate's campaign, candidate committee, joint candidates committee, political committee, continuing political committee, political party committee, or legislative leadership committee shall make any contribution to any candidate, the candidate's campaign treasurer, or deputy campaign treasurer, or to any other person or committee, in aid of the candidacy of, or on behalf of, a candidate, whether or not participating in public funding, for nomination for election to the office of Governor in a primary election, in the aggregate in excess of [\$4,300] **\$4,900**. Any such contribution in excess of [\$4,300] **\$4,900** must be returned to the contributor pursuant to the requirements of N.J.A.C. 19:25-11.8, and evidence of the repayment shall be submitted to the Commission.

(b) A joint candidates committee established by candidates who has not established any candidate committees in an election may make a contribution to a candidate for nomination for election to the office of Governor in an amount not to exceed the sum of the number of candidates participating in the joint candidates committee multiplied by [\$4,300] **\$4,900**. If a candidate has established both a candidate committee and a

joint candidates committee in an election, the total amount that may be contributed by that candidate's joint candidates committee and candidate committee to a candidate for nomination for election to the office of Governor may not exceed [\$4,300] **\$4,900** per candidate participating in the joint candidates committee.

(c) (No change.)

(d) A corporation, association, or labor organization or any subsidiary, affiliate, branch, division, department, or local unit of any such corporation, association, or labor organization shall not make any contribution to, or on behalf of, a candidate [which] **that**, when added to any other contribution by any related or affiliated corporation, association, or labor organization, exceeds [\$4,300] **\$4,900** in the aggregate. Whether such corporation, association, or labor organization is related or affiliated shall depend on the circumstances existing at the time of such contribution, including, but not by way of limitation, the degree of control or common ownership with related or affiliated corporations, associations, or labor organizations, the source and control of funds used for such contribution, and the degree to which the decisions whether to contribute, to what candidate, and in what amount are independent decisions.

(e)-(g) (No change.)

19:25-16.11 Contributions eligible for match

(a) (No change.)

(b) The campaign treasurer, or deputy campaign treasurer, of the candidate shall open a matching fund account in a national or a State bank pursuant to N.J.S.A. 19:44A-32, which shall be the designated Matching Fund Account of (name of candidate for the office of Governor) and in which contributions eligible for match may be deposited. Such deposit shall be made within 10 days of receipt.

[(b)] (c) Only contributions in cash or by check, money order, or negotiable instruments shall be contributions eligible for match. Loans shall not be eligible for match. In-kind contributions shall not be eligible for match, but will count toward the individual contribution limit of [\$4,300] **\$4,900** and the overall expenditure limit contained [in] **at** N.J.S.A. 19:44A-7, except for expenses not subject to expenditure limits pursuant to N.J.A.C. 19:25-16.27. The total of all contributions eligible for match from any person, candidate committee, joint candidates committee, political committee, continuing political committee, political party committee, or legislative leadership committee shall not exceed [\$4,300] **\$4,900** in the aggregate.

[(c)] (d) A maximum of [\$4,300] **\$4,900** in the aggregate of a candidate's own funds may be deposited in the matching fund account.

Recodify existing (d) and (e) as **(e) and (f)** (No change in text.)

19:25-16.13 Contributions eligible for match; checks and instruments; partnership contributions prohibited; contributions by electronic transfer or funds

(a)-(e) (No change.)

(f) To be eligible for match pursuant to N.J.A.C. 19:25-16.18, a contribution received by means of an electronic transfer of funds, including a credit card, shall be deposited directly into a matching fund account established pursuant to N.J.A.C. 19:25-[16.18(b)]**16.11(b)**. For each contribution received by an electronic transfer of funds, including a credit card, the matching fund submission shall include a deposit slip or dated receipt from the bank or financial institution [which] **that** specifically identifies the contributor and the amount of the contribution and a written statement [which] **that** includes the signature of the contributor, the name of the contributor as it appears on the account used for the electronic transfer of funds or credit card account, the name of the owner of the account used for the electronic transfer of funds or credit card account, and the billing address of the account used for the electronic transfer of funds or credit card. **An electronic signature will satisfy the signature requirement in this section when:**

1. A contributor or authorized representative provides the required information, as specified in this subsection;

2. The contributor or authorized representative attests to his or her intent to authorize the contribution and provides his or her signature by typing his or her name.

i. Electronically received contributions are prohibited to be made by partnerships, LLCs, or LLPs; and

3. The designated treasurer, or deputy treasurer, provides a certification to the Commission certifying that any and all credit card processing companies utilized to collect contributions performs the following verification process:

i. Confirms that the following characteristics correspond to each other for the transaction to be accepted or approved and documentation demonstrating the verification process shall be provided by the credit card processor and included as part of the treasurer's or deputy treasurer's certification:

- (1) Cardholder name;
- (2) Credit card number;
- (3) Billing zip code;
- (4) Expiration date; and
- (5) Security code;

ii. Any inconsistency among the characteristics at (f)3i above shall cause the transaction to fail; and

iii. The certification must be provided to the Commission prior to submitting electronically received contributions for match.

4. The campaign shall provide a receipt or confirmation of each contribution received electronically by credit card containing the following information:

- i. The contributor's name as it appeared on the credit card;
- ii. The contributor's or authorized representative's name as it appears on the signature line;
- iii. The contributor's address;
- iv. The amount of the contribution; and
- v. The date the contribution was electronically submitted.

19:25-16.14 Limitation on contributions eligible for match

(a) Any contribution in the form of the purchase price paid for an item with significant intrinsic and enduring value (such as a watch) shall be eligible for match only to the extent the purchase price exceeds the fair market value of the item or benefit conferred on the contributor, and only the excess will be included in calculating the [\$4,300] **\$4,900** contribution limit.

(b) A contribution in the form of the purchase price paid for admission to a dinner or testimonial affair as defined [in] at N.J.A.C. 19:25-1.7 shall be a contribution eligible for match and for purposes of the [\$4,300] **\$4,900** limitation.

(c) (No change.)

19:25-16.16 Expenditure reporting

(a) Each expenditure from the depository account, matching fund account, or public funds account established by a gubernatorial candidate shall be reported on election fund reports and [as required] on submissions for public matching funds by providing the following information:

1.-5. (No change.)

6. The type of expenditure [from a list of expenditure types provided by the Commission].

(b) (No change.)

19:25-16.18 Matching of funds

(a) A candidate for the office of Governor seeking to qualify for receipt of public matching funds shall, no later than the last day for filing a petition to nominate candidates for the primary election for Governor, file with the Commission:

1. Form G-1A (Candidate Certification for Public Financing and Debate Participation);

2. Form P-1 establishing the candidate deposited contributions eligible for match of at least \$490,000 and that at least \$490,000 of the contributions have been expended or are committed to be expended.

i. Form P-1 shall report all contributions, regardless of whether they are eligible for, or being submitted for, match showing each contributor's full name and full mailing address (number, street, city, state, zip code); the date of receipt of each contribution; the dollar amount of each contribution; and, for each contributor who is an individual, and whose aggregate contributions to the candidates exceed \$300.00, or were made in currency in any amount, the occupation of the individual and the name and mailing address of the individual's employer.

ii. Form P-1 shall include scanned images of all documentation that is required as set forth at N.J.A.C. 19:25-16.11 and 16.13, as well as deposit slips, receipted deposit slips, bank ledgers, and/or statements or any other documentation to evidence that the contributions for match were deposited into the matching fund account. Additionally, scanned images of all adjustments to contributions shall be included.

iii. Form P-1 shall report all expenditures made or incurred pursuant to N.J.A.C. 19:25-16.16. The expenditures shall include scanned images of all documentation that is required to substantiate the initial expenditure threshold. Thereafter, scanned images of expenditure documentation shall be required only as set forth at N.J.A.C. 19:25-16.20 and 16.25; and

3. Form P-2 or Form P-2A reporting each candidates' involvement or participation in an issue advocacy organization pursuant to N.J.A.C. 19:25-16.18A.

(b) Each submission for public funds following qualification shall contain no less than \$12,500 of contributions eligible for match.

19:25-16.19 Dates of submission

(a) [Statements and certifications] **Form P-1, and accompanying P-2, if applicable**, may be submitted by candidates on or before 12:00 noon of the first Tuesday following January 1 of the year of a primary election for nomination for the office of Governor of New Jersey, and the fourth Tuesday following January 1, and every other Tuesday thereafter through March 31, and every Tuesday thereafter up to and including the date of the primary election being funded.

(b) [Statements and certification] **Form P-1, and accompanying P-2, if applicable**, may be submitted by candidates on or before 12:00 noon of the first Tuesday following the primary election and every other Tuesday thereafter up to the first Tuesday following the fifth month after the primary election. No [statements and certifications for the primary election] **further requests** shall be considered by the Commission thereafter.

(c) In the event that a date for submission shall fall on a holiday, then the submission may be on the next succeeding business day, which is not a holiday. [The Commission shall promptly approve the certification submitted by the candidate or so much of it as the Commission deems to be proper. In the event that all of the submission is not approved for match, the Commission will promptly so notify the candidate.]

(d) (No change.)

19:25-16.20 Special account for public funds

(a) The Commission shall [maintain] **facilitate the creation of**, for each qualified candidate, a separate segregated public fund account for deposit of public funds. All public funds [received] **approved** by the Commission [from the General Treasury of the State shall] **will** be [promptly deposited] **transferred** by the Commission into such [separate segregated] public fund account. No funds other than such public funds shall be [deposited] **transferred** [in such separate segregated] **to the** public fund account, and all expenditures from [such] **the** account shall be separately identified in **all applicable** reports filed with the Commission.

(b) The campaign treasurer of a candidate on whose behalf a public fund account has been established shall file with the Commission on each date upon which a submission for public matching funds has been made pursuant to N.J.A.C. 19:25-16.18, [(Matching of funds)], and [N.J.A.C. 19:25-]16.19, [(Dates of submission)], and for as long as said public fund account is open and such submissions are being made, a report identifying each disbursement made out of the public fund account since the last such submission for public matching funds. [The initial report shall identify all such disbursements.] The identification of each disbursement from the public fund account shall include the [check] **transaction** number, date of payment, full name of payee, full payee mailing address, and a complete statement of purpose of the expenditure indicating which of the permitted purposes set forth in N.J.A.C. 19:25-16.25, [(Use of public funds)] is applicable. Failure to file any such report, failure to provide the identification information required in such report, or failure to expend public funds in compliance with N.J.A.C. 19:25-16.25, may result in immediate cessation of public fund deposits by the Commission.

(c) (No change.)

(d) [The reports of disbursements made] **Disbursements** from the public fund account [submitted pursuant to this section shall] **identified on submissions filed for matching funds will not be [available] disclosed** for public inspection **until filed on election cycle reports.**

19:25-16.21 Receipt of public funds

(a) The campaign treasurer, or deputy campaign treasurer, of any qualified candidate for election to the office of Governor in a primary election shall promptly receive on behalf of such qualified candidate from the funds for primary election campaign expenses monies in an amount equal to twice the amount of each contribution eligible for match and deposited in such qualified candidate's matching fund account, described [in] at N.J.S.A. 19:44A-32, except that no payment shall be made to any candidate from such fund for primary election campaign purposes for the first [\$138,000] **\$156,000 of the \$490,000** deposited in such qualified candidate's matching fund account.

(b) (No change.)

19:25-16.22 Receipt of public funds; limitation

(a) (No change.)

(b) The maximum amount, which any qualified candidate may receive from public funds shall not exceed [\$4] **4.6** million.

19:25-16.23 Receipt of public funds; procedure

Upon receipt and review of all required forms and documentation contained within a request for public funds, the Commission shall authorize the amount to be disbursed to the public fund account of the candidate and shall cause the authorized amount to be transferred therein.

19:25-16.24 Disclosure of information

The [statements and certifications submitted by a candidate] **Form P-1 submitted** in accordance with N.J.A.C. 19:25-16.18, [(Matching of funds)], shall not be a public record[s] and shall not be available for public inspection; [provided,] however, the Commission shall, from time to time, publish a listing [which shall contain the information included in the statements and certifications for] of each contribution, except that it shall not include the name, address, or amount of contribution of any contributor whose contributions in the aggregate are \$300.00 or less, unless the candidate authorizes such disclosure [in writing].

19:25-16.25 Use of public funds

(a)-(c) (No change.)

(d) Any expenditure made from a candidate's public fund account shall be identified on election fund reports and submissions for public matching funds to include the check **or transaction** number, date of payment, full name of payee, full payee mailing address, amount of payment, a detailed description of the election-related purpose of the expenditure, which includes the applicable permitted use of public funds contained [in] at (a) above, and the type of expenditure for each expenditure [from a list of expenditure types to be provided by the Commission].

(e) A reimbursement made to the depository or matching fund account of a candidate from the public fund account of that candidate for an expenditure or expenditures permitted under (a) above shall:

1. Be made by individual [check] **transfer or transaction** from the public fund account in the exact amount of the expenditure or expenditures being reimbursed;

2. Be specifically identified as a reimbursement, **including the attachment of applicable documentation (invoice and/or certification of payee)**, on the report required pursuant to N.J.A.C. 19:25-16.20(b) and on campaign reports required by the Act; and

3. (No change.)

(f)-(g) (No change.)

19:25-16.28 Travel expenses

(a) (No change.)

(b) All of the expenditures, including those excluded from the expenditure limitation contained in section 7 of the Act, must be disclosed in the preelection and postelection reports **and all submissions for matching funds** on behalf of the candidate.

[Example: Candidate X, a candidate for the office of Governor in the primary election who will receive public funding, travels to a city with

five members of the candidate's staff in two automobiles for campaign purposes. The candidate's staff arranges for rooms at a hotel in that city. In the course of the stay, the candidate and staff hold numerous meetings and provide food and beverages for visitors in the course of the various meetings. Only the reasonable and necessary expenses of the use of automobiles and other means of transportation and the reasonable and necessary cost of meals and sleeping accommodations for the candidate and staff during the trip, are excludable for purposes of the expenditure limitation contained in section 7 of the Act.]

(c) (No change.)

19:25-16.30 Coordinated expenditures

(a) Any person or entity expending funds to make a communication shall be deemed to have made a coordinated expenditure for a gubernatorial candidate if:

1.-2. (No change.)

3. The expenditure for the communication was made on or after the date upon which the gubernatorial candidate or committee described [in] at (a)2 above applied to receive matching funds [or filed a statement of qualification to receive matching funds] pursuant to N.J.A.C. 19:25-16.18 [and 16.37].

(b)-(e) (No change.)

19:25-16.31 Borrowing of funds; repayment

Any candidate, campaign treasurer, or deputy campaign treasurer of the candidate may borrow funds from any national or State bank, provided that no person, candidate committee, joint candidates committee, political committee, continuing political committee, political party committee, or legislative leadership committee, other than the candidate, may in any way endorse or guarantee such loan in the aggregate in excess of the [\$4,300] **\$4,900** contribution limit. [Except for a non-participating] **In the case of a participating** candidate guaranteeing a loan to [the candidate's] **his or her** own campaign, the amount so borrowed shall not at any one time in the aggregate exceed \$50,000 and must be repaid in full by such candidate or the [candidate's] campaign treasurer, or deputy campaign treasurer, from monies accepted or allocated pursuant to N.J.S.A. 19:44A-29 not later than 20 days prior to the primary election. [Certification of such repayment shall be made by the borrower to the Commission not later than 15 days prior to the date of the primary election.] **This limit does not apply to a candidate that does not participate in the public financing program. Repayment shall be evidenced on a report filed no later than the 11-Day Preelection reporting date with attached documentation.** In the event of the failure of the borrower to repay timely the full amount of the loan or to certify properly such repayment to the Commission, all payment of public funds to such candidate shall promptly cease and the Commission shall take action as directed by the Act to prohibit the expenditure by the candidate of monies received from the fund and any other monies received by the candidate in aid of the candidate's campaign in such primary election.

19:25-16.33 Postelection contributions; postelection payment of expenses

(a) Any person, candidate committee, joint candidates committee, political committee, continuing political committee, political party committee, or legislative leadership committee, otherwise eligible to make political contributions to a candidate may make a contribution in aid of the candidacy of such candidate after the date of such primary provided such person or political committee does not exceed [\$4,300] **\$4,900** in the aggregate for such primary.

(b)-(d) (No change.)

19:25-16.34B Final report certification with net liabilities for publicly financed candidates

(a) Upon approval by the Commission pursuant to the provisions of N.J.A.C. 19:25-16.34A, a publicly financed candidate may file a final report and [certification of termination of reporting upon a form prescribed by the Commission] **certify it as finalized.**

[(b) Each candidate and treasurer filing a final report described in (a) above shall recertify the statements described in N.J.A.C. 19:25-16.34A(d) for each outstanding obligation.]

[(c)] **(b)** The final report shall show a zero balance in all campaign depository accounts and all final expenditures of [the] campaign funds

shall be made in accordance with N.J.A.C. 19:25-16.33, Post-election payment of expenses, and [N.J.A.C. 19:25-]16.34, Repayment of public or other funds.

[(d)] (c) An outstanding obligation reported on a [certificate of termination of reporting] **final report** filed pursuant to (a)[,] **and** (b) [and (c)] above shall not be considered a “contribution” as defined at N.J.A.C. 19:25-1.7.

[(e)] (d) Notwithstanding [(d)] (c) above, by enacting [these provisions] **this section**, the Commission does not waive its authority pursuant to N.J.S.A. 19:44A-[6(b)10]**6.b(10)** to make a referral to the Office of the Attorney General for possible violations of N.J.S.A. 19:44A-[21(a)]**21.a** and [(b)] **b**, upon subsequent receipt of evidence of false certification or misrepresentation of contributions or expenditures.

19:25-16.35 Computation of value of goods and services

(a) Goods and services shall, for purposes of the reports required to be filed under the Act and for purposes of the expenditure limitation contained [in] **at** N.J.S.A. 19:44A-7 where applicable, be valued by the reasonable commercial value of such goods and services to the candidate, whether or not the cost or value of such goods or services to the contributor or other provider of those services is higher or lower than such reasonable commercial value.

[Example 1: Candidate Y, a candidate for the office of Governor who has chosen to accept public funding, obtains the use of a helicopter for travel of the candidate for campaign purposes. By agreement with the owner of the helicopter, the campaign committee for the candidate will pay \$900.00 per hour, which represents the cost to the owner of the maintenance and operation of the helicopter. The reasonable commercial value of the use of the helicopter is \$1,000 per hour. In this example, the amount of \$900.00 per hour paid by the campaign committee of the candidate to the owner for use of the helicopter is not includable as an expenditure for purposes of the expenditure limitations contained in N.J.S.A. 19:44A-7. The difference between the \$900.00 per hour actually paid for use of the helicopter and the reasonable commercial value normally charged by the owner for the use of the helicopter, represents a contribution from the owner of the helicopter to the candidate in the amount of \$100.00 per hour. The candidate could obtain the use of the helicopter under this arrangement from a lawful contributor for campaign purposes for not more than 43 hours. If the candidate obtained the use of

the helicopter for 44 hours under this arrangement, the owner of the helicopter would have made an unlawful contribution to the candidacy of the candidate, since the aggregate of the contributions of \$4,400 from that contributor in this instance would have exceeded \$4,300.

Example 2: Candidate Y in example 1, wishes to obtain the use of the helicopter from the owner for 15 hours, and the campaign committee for the candidate pays to the owner the reasonable commercial value of \$1,000 for each hour, or a total of \$15,000. The amount paid to the owner is not an expenditure within the expenditure limitation contained in N.J.S.A. 19:44A-7. On these facts the owner has made no contribution to the candidate.

In Example 1 and Example 2, the total amounts of expenditures, including expenditures not subject to the expenditure limitation of N.J.S.A. 19:44A-7, must be reported in the preelection and postelection report filed on behalf of the candidate.]

(b) (No change.)

19:25-16.37 (Reserved)

19:25-16.38 Statement of candidates electing to participate in debates

(a) A candidate for the office of Governor that does not qualify for receipt of public funds may elect to participate in the series of interactive gubernatorial primary election debates by filing the following no later than the last day for filing a petition to nominate candidates for the primary election for Governor:

1. Form G-1A, indicating their intent to participate in the series of debates; and

2. Form P-1 establishing the candidate deposited contributions of at least \$490,000 and that at least \$490,000 of the contributions have been expended or are committed to be expended.

i. Form P-1 shall include scanned images of all documentation that substantiate contribution and expenditure thresholds have been met.

ii. The use of personal funds can be used to meet all or part of the contribution threshold.

iii. The candidate may not use any loan repayment amount to meet any part of the expenditure threshold.
