



ELEC *tronic*

An Election Law Enforcement Commission Newsletter

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Comments from the Chairman

Ronald DeFilippis

A very important aspect of the disclosure of campaign finance activity in New Jersey involves the reporting of contributions and expenditures immediately before the election.

This is a vital part of campaign finance law since the final comprehensive report of financial activity comes 11 days before the election.

Without the requirement that contributions and expenditures be reported within 48-hours of receipt or of being expended, a gap of 13 crucial days prior to the election would slip by without the public having any idea who is making contributions or how much is being spent.

The reporting period for candidates stops 13 days before the general election. Therefore, all information submitted on the 11-day report includes all financial transactions

between the 29-day report and 13 days before the election.

If it were not for the 48-hour notice requirement much important information about financial activity just prior to the election would be lost.

So here is how it works.

The campaign treasurer of a candidate committee or joint candidates' committee is required to file a report (C-1) for a contribution in excess of \$1,400 within 48-hours of receipt of the contribution.

The 48-hour notice includes aggregate contributions from a contributor amounting to more than \$1,400 as well as any individual contribution of \$1,400 or more.

Contributions included within this requirement are those received on or after the 13th day preceding the election and up to and including Election Day.

The C-1, 48-hour notice report must contain the following information:

1. name of the recipient candidate or joint candidate committee;
2. the date the contribution was received;
3. the amount of the contribution;
4. the name and mailing address of the contributor; and,
5. the occupation and employer information of an individual contributor.

The requirements for expenditures made between 13 days prior to the election and Election Day are essentially the same.

Any expenditure of more than \$1,400 made during this period of time before the election is required to be reported by the campaign treasurer of the committee or joint committee on Form E-1.

(Continued on page 2.)

"Furthering the Interest of an Informed Citizenry"

COMMISSIONERS:

Ronald DeFilippis, Chairman

Edwin R. Matthews, Legal Counsel

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Aggregate expenditures amounting to more than \$1,400 during this period are included in the report as well.

The following information is to be filed:

1. name of the candidates or joint candidates' committee;
2. the name of the person, firm, or organization benefitting from the expenditure; and,
3. the amount and purpose of the expenditure.

Faxing the report is permitted.

The 48-hour notice requirement is an exceedingly important aspect of New Jersey's campaign finance law.

Without it, very significant, and important, financial activity prior to the election would be kept from the public.

Executive Director's Thoughts Jeff Brindle

Paid Media in Political Campaigns – Down but Not Out

[Reprinted from observer.politickernj.com](http://observer.politickernj.com)

Political advertising on network T.V. is down from 2012, according to the Wall Street Journal.

The Journal stated that Kantar Media, CMAG, a top ad tracking agency, reported that the outlook for 2016 is that \$2.8 billion will be spent on broadcast political advertising.

Broadcast, or network T.V. is distinguished from cable or satellite outlets. Thus, these figures do not include spending on cable or satellite television advertising.

Nevertheless, if correct, this year's outlays on broadcast television political advertising will be about \$300 million less than in the presidential election year 2012.

This figure is about \$500 million less than Kantar Media estimated would be spent this year.

Much of this year's decrease in broadcast advertising can be laid at the feet of Republican presidential candidate Donald Trump.

He is spending far less than candidates of the recent past.

So far, Trump and his Super PAC supporters have spent \$78 million on broadcast television ads. Through election day 2012, Mitt Romney and his backers spent \$550 million on broadcast advertising.

According to the Journal, Trump is planning "to air \$100 million on T.V. ads before election day." That's over \$370 million less than was spent by Romney four years ago.

As shown in the Wall Street Journal, Trump's spending pales in comparison to that of his Democratic opponent Hillary Clinton.

Clinton and her Super PAC allies have spent \$325 million on broadcast television advertising compared to the \$78 million spent by Trump.

The question becomes: is this the beginning of a trend or an anomaly due to the extraordinary ability of Trump to gain free media coverage and to draw attention to his campaign through social media.

My guess is that it is an anomaly and that at least for the foreseeable future campaigns, both national and state, will be run in the more conventional fashion using the tried and true methods of paid mass advertising and get-out-the vote efforts.

There are reasons for this. There are not many candidates, if any, that can match Trump's singular personality and P.R. instincts; the anti-establishment mood will not last forever; and the inclination to substitute social media for more

traditional media will not consume the entire population for at least a few years to come.

For example, New Jersey will hold its gubernatorial election next year. For all intents and purposes that campaign has already begun, earlier than ever.

While social media will be used more extensively than in gubernatorial campaigns of the past, it will in no way approximate methods of messaging undertaken through cable T.V., radio, and direct mail.

In the general election of 2013 almost 80 percent of all spending by the two gubernatorial candidates went for mass communications. This percentage consisted mainly of television and radio and to a lesser extent print media, including direct mail.

Very little, if at all, went for social media advertising. Moreover, given the fact that New Jersey lies between the New York and Philadelphia media markets, the opportunity for candidates to obtain free media coverage is negligible.

Therefore, next year’s gubernatorial election will be conducted in the traditional manner, with spending on television and other traditional means of mass advertising to rise.

In fact, as noted above, the campaign for governor is off to a fast start, and that includes spending.

Independent groups supporting potential candidates have already raised \$22 million and spent \$8 million, and it’s not even 2017- the actual election year. If the trend in spending by 501c groups and Super PACs continues, New Jersey can expect spending by outside groups to far and away exceed the \$41 million spent by these groups in 2013.

Of course, this spending is in addition to that which will be done by the candidates themselves. Fortunately, New Jersey supports a Gubernatorial Public Financing Program that is considered the gold standard for such programs throughout the nation.

With independent groups becoming so dominant in state elections the public financing program is needed more than ever. In providing matching funds to candidates it allows them to retain control over their messages without having to surrender their campaigns to these often anonymous groups.

Moreover, the program further assures that the public will again be subject to a traditional campaign with an emphasis on the important issues facing the state.

This year’s election cycle is out of the norm. Next year will be different, though, with a return to normalcy.

There is one downside, however. Independent group activity holds the

potential for totally dominating the gubernatorial campaign and drowning the messages of the candidates in a sea of issues driven by outside groups.

The gubernatorial program will help to offset this influence. Reform legislation as introduced by Assembly Minority Leader Jon Bramnick and Democratic Assemblyman Troy Singleton will also have a positive influence over the campaign.

Let’s hope these reform measures are enacted, and soon.

Training Seminars

TREASURER TRAINING FOR POLITICAL COMMITTEES AND PACS	
12/14/2016	10:00 a.m.

Lobbying Reporting Dates

	INCLUSION DATES	ELEC DUE DATE
Lobbying Quarterly Filing		
4 th Quarter	10/1/2016 to 12/31/2016	1/10/2017
Lobbying Annual Report*	1/1/2015 - 12/31/2015	2/16/2016

* A certified benefit notice shall be transmitted to all benefit recipients itemized on Schedule G-1 no later than February 1st of the year in which the report is due to be filed (the year following the year in which the benefit was received).

Casino Ballot Question Spending

Supporters and foes of a proposed ballot question to let casinos operate in Northern New Jersey already have spent a record of nearly \$21 million, according to reports filed with the New Jersey Election Law Enforcement Commission (ELEC).

“We expected big spending on this issue, and the first wave of disclosure reports bear that out,” said Jeff Brindle, ELEC’s executive director. “I still wouldn’t be surprised if final spending approaches \$40 million.”

A political committee named Trenton’s Bad Bet, which was established to defeat the ballot question, so far has spent the most- \$11.3 million. Our Turn NJ, another committee set up to oppose the public question, spent \$8.4 million. Three other groups combined spent another \$1 million.

Brindle said the heavy spending follows a national, state and local trend during the last decade- a big surge in independent spending by special interest groups. Independent groups outspent state parties in 2013 by shelling out more than \$41 million on the gubernatorial and legislative elections along with ballot issues.

“Just as we’ve seen a large increase in independent spending in candidate elections, the trend is now spilling

**TABLE 1
SPENDING ON CASINO BALLOT QUESTION
THROUGH OCTOBER 11, 2016**

GROUP	TOTAL
Trenton’s Bad Bet	\$11,323,868
Our Turn NJ	\$ 8,452,530
Hotel Restaurant and Club Employees and Bartenders Union Local 6 UNITE HERE	\$ 500,000
New York Hotel and Motel Trades Council, AFL-CIO	\$ 500,000
DGMB Casino LLC*	\$ 25,594
GRAND TOTAL	\$20,801,992

*A portion incurred not paid.

over to elections involving public questions,” said Brindle.

Brindle also took note that four of the top five ballot questions in New Jersey history have involved proposals to allow more gambling.

The previous record spending on a public ballot question also involved gambling. The 1976 referendum that permitted casinos in Atlantic City cost \$1.4 million at the time. Adjusted for inflation, the same campaign would cost \$5.6 million today.

**TABLE 2
FIVE MOST EXPENSIVE NEW JERSEY BALLOT QUESTIONS BY SPENDING**

COMMITTEE	REFERENDUM	OUTCOME	YEAR	UNADJUSTED FOR INFLATION	INFLATION ADJUSTED*
Multiple for and against	Allow two new casinos in North Jersey	Pending	2016	\$ 20,801,992	\$ 20,801,992
Committee to Rebuild Atlantic City and its opposition	Allow casinos in Atlantic City	Passed	1976	\$ 1,351,865	\$ 5,631,195
Multiple for and against	Increase state minimum wage	Passed	2013	\$ 3,167,928	\$ 3,223,139
Pro- and anti-casino interests	Allow casinos in four New Jersey locations	Failed	1974	\$ 612,500	\$ 2,944,684
New Jersey Committee for Simulcasting	Allow simulcasting at state race tracks	Passed	1985	\$ 1,006,918	\$ 2,217,999

*Except for 2016, all numbers in 2015 dollars

“For those engaged in the casino arms race, it comes down to what is in their special interest. For the voters, it comes down to what is in the public interest,” he added.

Copies of reports involving the ballot question are available on ELEC’s website (www.elec.nj.state.us). Those who need assistance finding them can call ELEC’s help desk at (609) 292-8700 or Toll Free within NJ at 1-888-313-3532.

“Big Six” 3rd Quarter

An analysis by the New Jersey Election Law Enforcement Commission (ELEC) shows that financial activity by state party entities has continued its decade long decline.

According to third quarter reports, the big six committees, including the two state parties and four legislative leadership committees, raised \$2.2 million and spent \$2 million thus far in 2016.

This compares to \$4.5 raised and \$3.5 million spent in 2008, a similar year when there were no statewide elections.

“In just an eight-year period, fundraising has decreased by 51 percent and spending by 43 percent” said Jeff Brindle, Executive Director of the Commission.

“For a number of years now we have been calling for legislation to strengthen the political party system in New Jersey,” added Brindle.

“These statistics demonstrate the weakened state of parties in New Jersey and the glaring need to do something about it. Parties are accountable, disclose their activities, serve as the people’s link to the government, and represent a broad coalition of people.”

Brindle said that the significant growth in independent group activity and the impact of the complex pay-to-play law in 2006 have contributed to the weakening of political parties in the State.

“Just this year, independent groups have spent \$20 million for and against the casino ballot question. Between now and election day it could reach \$40 million,” he said. In the 2013 gubernatorial and legislative elections, over \$41 million was spent by independent groups compared to \$14 million by the political parties.

He said that this trend is to the detriment, not only of political parties, but to the public.

According to the analysis, the Republican committees have raised \$1.1 million and spent \$930,487 and have cash-on-hand amounting to \$814,746.

The Democratic committees have approximately \$1.1 million in funds raised and have spent about \$1.1 million with \$373,960 cash-on-hand.

**TABLE 1
CAMPAIGN FINANCE ACTIVITY BY “BIG SIX”
JANUARY 1 THROUGH SEPTEMBER 30, 2016**

BOTH PARTIES	RAISED	SPENT	CASH-ON-HAND	NET WORTH	STATEWIDE ELECTION
2007	\$9,322,604	\$6,713,165	\$7,368,421	\$7,095,891	Senate and Assembly
2008	\$4,457,887	\$3,508,376	\$1,519,083	\$1,134,427	
2009	\$6,309,496	\$5,098,191	\$3,073,241	\$2,746,784	Governor and Assembly
2010	\$3,160,458	\$2,859,927	\$1,664,237	\$1,457,787	
2011	\$6,913,921	\$5,025,694	\$3,428,259	\$3,123,885	Senate and Assembly
2012	\$4,083,910	\$3,971,806	\$1,331,432	\$1,192,473	
2-13	\$7,203,008	\$5,917,331	\$2,970,203	\$2,884,025	Governor and Both Houses
2014	\$2,444,799	\$1,887,661	\$1,388,946	\$ 765,268	
2015	\$3,896,539	\$3,579,018	\$1,984,629	\$1,346,849	Assembly only
2016	\$2,195,300	\$1,985,370	\$1,188,706	\$1,039,918	

“What’s more, public contractor contributions are increasingly going to special interest PACs, and independent groups, thus legally circumventing the pay-to-play law,” said Brindle.

During the first nine months of 2016, the New Jersey Republican State Committee has led the way in terms of fundraising and spending, \$616,675 raised and \$704,621 spent.

Among the legislative leadership committees, the Democratic Assembly Campaign Committee raised and spent the most money, \$409,263 raised and \$424,000 spent.

In the third quarter alone, the big six committees reported raising \$533,737, the Republicans raising \$405,941 and the Democrats \$127,796.

**TABLE 2
FUNDRAISING BY "BIG SIX" COMMITTEES
JANUARY 1 THROUGH SEPTEMBER 30, 2016**

ACTIVITY FIRST THREE QUARTERS 2016				
REPUBLICANS	RAISED	SPENT	CASH-ON-HAND	NETWORTH
New Jersey Republican State Committee	\$ 616,675	\$ 704,621	\$ 94,896	\$ 79,708
Senate Republican Majority	\$ 200,300	\$ 108,735	\$ 458,347	\$ 449,702
Assembly Republican Victory	\$ 287,284	\$ 117,131	\$ 261,503	\$ 261,503
SUB TOTAL- REPUBLICANS	\$1,104,259	\$ 930,487	\$ 814,746	\$ 790,913
DEMOCRATS				
New Jersey Democratic State Committee	\$ 399,640	\$ 429,795	\$ 23,935	\$ (50,581)
Senate Democratic Majority	\$ 282,138	\$ 201,088	\$ 321,088	\$ 301,088
Democratic Assembly Campaign Committee	\$ 409,263	\$ 424,000	\$ 28,937	\$ (1,502)
SUB-TOTAL- DEMOCRATS	\$1,091,041	\$1,054,883	\$ 373,960	\$ 249,005
TOTAL- BOTH PARTIES	\$2,195,300	\$1,985,370	\$1,188,706	\$1,039,918

THIRD QUARTER 2016		
REPUBLICANS	RAISED	SPENT
New Jersey Republican State Committee	\$ 162,640	\$ 129,029
Senate Republican Majority	\$ 101,500	\$ 28,401
Assembly Republican Victory	\$ 141,801	\$ 44,354
SUB TOTAL- REPUBLICANS	\$ 405,941	\$ 201,784
DEMOCRATS		
New Jersey Democratic State Committee	\$ 54,251	\$ 39,035
Senate Democratic Majority	\$ 26,496	\$ 86,523
Democratic Assembly Campaign Committee	\$ 47,049	\$ 144,772
SUB-TOTAL- DEMOCRATS	\$ 127,796	\$ 270,330
TOTAL- BOTH PARTIES	\$ 533,737	\$ 472,115

County Parties 3rd Quarter 2016

The decades long slide in political party financial activity reflected in last week's big six report is now reinforced through fundraising and spending totals reported by the county party committees, according to an analysis completed by the New Jersey Election Law Enforcement Commission (ELEC).

Third quarter reports show that the county party committees raised \$4.2 million and spent \$3.6 million over the first nine months of 2016.

According to the analysis, these figures compare negatively to \$5.5 million raised and \$5.1 million spent by the third quarter 2008, a similar year in which there were no state elections.

"These figures, representing a 24 percent reduction in fundraising and a 29 percent decrease in spending, demonstrate that there has been a weakening of the political party system in New Jersey," said Jeff Brindle, Executive Director of ELEC.

"Furthermore," said Brindle, "the fall-off in financial activity from 2008 would have been worse if not for the contributions from potential 2017 gubernatorial candidates."

Potential gubernatorial candidates have given over \$2.1 million in contributions to county committees since 2012.

The analysis does show that there has been a slight increase in financial activity by county parties over 2012.

Brindle said, however, that "the increase of approximately 13 percent in both fundraising and spending over 2012 in no way negates the fact that the long-term trend reveals a party system in deep trouble."

He noted that 20 years ago in 1996, county party committees raised \$9.4 million. Adjusted for inflation that figure rises to \$14.5 million.

"The county party system was revived 20 years ago by reforms in 1993. What is needed now are similar reforms that will strengthen the political parties by reforming pay-to-play and requiring registration and disclosure by independent groups," said Brindle.

The precipitous decline in county party financial activity was facilitated by the enactment of the complex pay-to-play law in 2006 and the accompanying uptick in independent group and special interest PAC spending.

The analysis shows that the Democratic county committees raised \$2.3 million while the Republican county committees raised \$1.9 million.

Through the third quarter 2016, the Democratic county committees spent \$2.1 million, or about 31 percent more than the Republican county committees, which spent \$1.6 million.

The data shows that from 2008 the Democratic county committees did take the biggest hit. Their fundraising declined by 33 percent and spending by 41 percent, compared to Republican county committees, whose fundraising declined by 8 percent and spending by 3 percent.

Brindle speculated that one reason for the Democratic decrease is the fact that the majority of independent group spending over the last couple of years has been on the Democratic side. "Contributions that in the past would have gone to the parties is now increasingly going to more anonymous, independent groups," he said.

For the Democratic committees, Bergen County led the way, raising \$352,604 and spending \$249,192.

The Burlington County Republican County Committee raised \$629,061 and spent \$629,134, to lead all county committees in financial activity this year.

TABLE 1
CAMPAIGN FINANCE ACTIVITY OF COUNTY
PARTIES THROUGH THIRD QUARTER
2008-2016

YEAR	RAISED	SPENT	CASH-ON-HAND	STATE ELECTION?
2008	\$5,517,282	\$5,078,682	\$2,400,031	No
2009	\$7,398,692	\$6,375,763	\$2,952,853	Yes
2010	\$4,402,872	\$4,288,652	\$2,365,419	No
2011	\$4,798,299	\$3,694,423	\$2,134,219	Yes
2012	\$3,662,456	\$3,189,326	\$1,573,648	No
2013	\$5,319,655	\$4,447,403	\$2,456,395	Yes
2014	\$4,410,348	\$3,764,798	\$1,980,600	No
2015	\$4,843,498	\$4,176,856	\$2,123,801	Yes
2016	\$4,199,012	\$3,625,063	\$2,328,583	No

TABLE 2
SUMMARY OF CAMPAIGN FINANCE ACTIVITY BY COUNTY PARTY COMMITTEES
JANUARY 1 THROUGH SEPTEMBER 30, 2016

	RAISED	SPENT	CASH-ON-HAND	NET WORTH*
Democratic County Party Committees	\$2,326,378	\$ 2,067,022	\$1,478,313	\$1,264,784
Republican County Party Committees	\$1,872,634	\$ 1,558,041	\$ 850,270	\$1,519,354
TOTAL-BOTH PARTIES	\$4,199,012	\$ 3,625,063	\$2,328,583	\$2,784,138

*Cash-on-hand adjusted for debts owed to or by the committee.

TABLE 3
SUMMARY OF CAMPAIGN FINANCE ACTIVITY BY COUNTY PARTY COMMITTEES
JANUARY 1 THROUGH SEPTEMBER 30, 2008

	RAISED-2008	SPENT-2008	CASH-ON-HAND	NET WORTH*
Democratic County Party Committees	\$3,492,625	\$ 3,478,057	\$ 1,809,356	\$ 1,559,908
Republican County Party Committees	\$2,024,657	\$ 1,600,625	\$ 590,672	\$ 859,755
TOTAL-BOTH PARTIES	\$5,517,282	\$ 5,078,682	\$ 2,400,028	\$ 2,419,663
Difference 2016 versus 2008				
Democratic County Party Committees	-33%	-41%	-18%	-19%
Republican County Party Committees	-8%	-3%	+44%	+77%
TOTAL-BOTH PARTIES	-24%	-29%	-3%	+15%

*Cash-on-hand adjusted for debts owed to or by the committee.

REPORTING DATES

	Inclusion Dates	Report Due Date
General (90 day start date: 8/10/2016)*** - 11/8/2016		
29-day Preelection Reporting Date	6/25/16 - 10/7/16	10/11/2016
11-day Preelection Reporting Date	10/8/16 - 10/25/16	10/28/2016
20-day Postelection Reporting Date	10/26/16 - 11/25/16	11/28/2016
48 Hour Notice Reports Start on 10/26/2016 through 11/08/2016		
Runoff (December)** - 12/6/2016		
29-day Preelection Reporting Date	No Report Required for this Period	
11-day Preelection Reporting Date	10/26/16 - 11/22/16	11/25/2016
20-day Postelection Reporting Date	11/23/16 - 12/23/16	12/27/2016
48 Hour Notice Reports Start on 11/23/2016 through 12/6/2016		
PACs, PCFRs & Campaign Quarterly Filers		
1st Quarter	1/1/16 - 3/31/16	4/15/2016
2nd Quarter	4/1/16 - 6/30/16	7/15/2016
3rd Quarter	7/1/16 - 9/30/16	10/17/2016
4th Quarter	10/1/16 - 12/31/16	1/17/2017

** A candidate committee or joint candidates' committee that is filing in a 2016 Runoff election is not required to file a 20-day postelection report for the corresponding prior election (May Municipal or General).

*** Form PFD-1 is due on April 14, 2016 for Primary Election Candidates and June 17, 2016 for Independent General Election Candidates.

Note: A fourth quarter 2015 filing is needed for Primary 2016 candidates if they started their campaign prior to 12/9/15.
A second quarter 2016 filing is needed by Independent/Non-Partisan General Election candidates if they started their campaign prior to 5/11/2016.

HOW TO CONTACT ELEC

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