



### An Election Law Enforcement Commission Newsletter

#### ISSUE 97 • JULY 2017

# Comments from the Chairman Ronald DeFilippis

Now that the June primary is over, I would like to lay out some of the filing and logistical requirements applicable to winning candidates.

First, all candidates are required to file 20-day post-election reports.

Those candidates who have won the primary and are preparing to contest the general election should close out their primary campaign account and establish a general election depository account.

Funds remaining in the primary account may be transferred to the general election account for the same office.

Likewise, obligations and liabilities may be transferred to the general election account as well. However, a candidate with net liabilities may opt to maintain his or her existing primary account for the purpose of retiring those liabilities.

When a candidate transfers his or her funds and obligations to a newly designated general election account, the 20-day post report is designated as the final report of the candidate committee.

All of the above guidelines apply to joint candidate committees as well.

Following the filing of the final primary report, or 20-day post report, candidates in the general election are next required to file reports 29-days before the November election.

As in the primary, general election reports should include all contributions received and expenditures made beginning on or after the 18<sup>th</sup> day following primary day and ending on the 32<sup>nd</sup> day preceding the date of the general election.

Following the 29-day report, candidates (includes joint candidate committees) are required to report 11-days prior to the general election and 20-days following that election.

In the case of candidates who opt to maintain their primary account, they are required to report quarterly until all liabilities are satisfied and the primary report is finalized.

It should be pointed out that candidates may designate their primary account as their general election account for the same office subject to the following guidelines:

- They file a certificate of organization and designation of campaign depository no later than 10 days after establishing the committee;
- 2. The filing should contain the name of the candidate committee and the office sought (the surname of the candidate must be included in the committee name).
- 3. The name and mailing address and telephone number of the chairperson; and
- 4. The name, mailing address and telephone number of the treasurer.

Again, all guidelines apply to joint committees as well.

For further guidance, contact the Compliance staff at the toll free no. 1-888-313-3532 (ELEC) to answer questions.

## "Furthering the Interest of an Informed Citizenry"

#### IN THIS ISSUE

Comments from the Chairman Executive Director's Thoughts Gubernatorial Campaign Finance Activity Gubernatorial Public Funds Disbursed Snapshot of ELEC's New Home Page Reporting Dates

# COMMISSIONERS:

Ronald DeFilippis, Chairman Stephen M. Holden, Commissioner Eric H. Jaso, Commissioner Edwin R. Matthews, Legal Counsel

# Executive Director's Thoughts Jeff Brindle

# NJ's Marijuana Push Could Bring New High in Special Interest Spending

Reprinted from Observer PolitickerNJ

As the push to legalize marijuana intensifies, New Jersey residents could see a significant increase in issue advocacy, direct lobbying and election-related spending.

On Monday, state Sen. Nicholas Scutari (D-Union) introduced a measure that would allow marijuana use for recreational purposes. If enacted, the legislation would have New Jersey join eight other states that do so.

The recreational use of marijuana would go beyond the use of the drug for medical purposes, which is already legal in New Jersey.

While the effort to build support for legalization appears to be growing, the measure is sure to meet with strong opposition. And this in and of itself is a recipe for an abundance of independent special interest spending.

If campaigns in other states are any guide, then New Jerseyans are in for a period of record spending, mostly by anonymous groups.

For example, over \$82 million has been spent for and against marijuana legalization in the eight states that have approved its use through ballot questions: Alaska, California, Colorado, Maine, Massachusetts, Nevada, Oregon and Washington.

To overcome the age-old resistance to recreational marijuana, most of the money, 91 percent, has been spent by groups advocating its legalization, according to the National Institute on Money in State Politics. Whether that will be the outcome in New Jersey remains to be seen, but quite possibly it will be if this trend holds.

Already, a trade association has formed and is attempting to build a coalition in support of the measure. According to a recent story by Susan K. Livio of NJ Advance Media, "The New Jersey Cannabis Industry Association is amassing support from agriculture, security, technology, chemistry, and other markets."

A second group, New Jersey United for Marijuana Reform, formed in 2015, is sure to be a protagonist in this drama as well. It issued a report last year that claimed recreational marijuana could generated \$300 million in state tax revenue.

No New Jersey group has arisen yet to oppose legalization. But Gov. Chris Christie is a strong opponent, calling it a "God awful, stupid program" that would "poison our kids for one percent more money," according to story by Katie Jennings of Politico.

The issue recently came up in the publicly-financed gubernatorial debates, testifying to its resonance as a topic of interest for the election of the state's highest office.

All four Democratic candidates participating in the debates have indicated their support of the

measure. The two participating Republican candidates declined to support recreational use of marijuana but called for its decriminalization.

One thing is certain: Given the recent dominance of independent spending in elections in New Jersey and nationwide, as well as the recent uptick in spending on grassroots lobbying (otherwise known as issue advocacy), spending on marijuana legalization is likely to be substantial.

The likelihood of legislation being enacted in New Jersey this year is extremely remote. Christie is a steadfast opponent. As governor, in all probability, he will not sign the bill.

Proponents recognize this, however, and are gearing up for a campaign that will go beyond this legislative session and into the next. Their efforts this year will be to soften the ground for 2018, when a new governor takes office and an all-out assault on current law could take place.

Therefore, the spending on issue ads likely will start this year and continue into 2018. Millions of dollars will have been spent for and against the use of marijuana for recreational use by the time the debate concludes. Groups that make a direct appeal to the public with these kinds of ads are supposed to report their expenditures to the New Jersey Election Law Enforcement Commission each February.

With the stakes so high, there also could be electioneering ads by independent groups to support gubernatorial and legislative candidates who favor passage of the law and oppose those who do not.

This prospect, combined with super PAC spending on this year's gubernatorial and legislative elections, brings further urgency for state legislation to be enacted that would require registration and disclosure by these outside groups.

It is in the best interest of the public to bring these groups in line with political parties and candidates, both of which are held accountable by strong disclosure requirements.

# Gubernatorial Campaign Finance Activity

Direct and indirect spending on the 2017 gubernatorial primary election set a new record of \$42.5 million based on the most recent reports filed with the New Jersey Election Law Enforcement Commission (ELEC).

Reports due 20 days after the June 6 primary election showed that candidates spent \$33.7 million while independent committees, mostly in 2016, spent \$8.8 million.

"The combined total of \$42.5 million tops the 2001 election, which when adjusted for inflation cost \$41.2 million. That was previously the most expensive gubernatorial primary," said Jeff Brindle, ELEC's Executive Director.

Among candidates, Democratic nominee Phil Murphy surpassed all contenders, spending \$21.7 million, or 64 percent of funds spent by candidates. Much of his primary campaign was self-financed, although Murphy has said he intends to apply for public matching funds in the general election and thereby limit his overall spending to \$13.8 million.

Murphy's latest report lists \$16.3 million in self-funding for his primary election. He spent another \$4.9 million prior to declaring his candidacy on two non-profit groups that promoted issues he supports.

Just three other New Jersey candidates have spent more than Murphy's combined outlay of \$21 million pursuing state or federal

TABLE 1
PRIMARY CAMPAIGN FINANCE ACTIVITY OF GUBERNATORIAL CANDIDATES
THROUGH JUNE 23, 2017
(RANKED BY SPENDING)

| PARTY | RAISED                | SPENT   | CASH ON HAND  |
|-------|-----------------------|---|---|
| D     | \$21,995,248          | \$21,735,597  | \$ 262,951  |
| R     | \$ 3,540,927          | \$ 3,451,743  | \$ 89,184   |
| D     | \$ 3,256,514          | \$ 3,198,226  | \$ 58,288   |
| D     | \$ 2,142,139          | \$ 2,081,439  | \$ 60,795   |
| R     | \$ 1,768,417          | \$ 1,731,962  | \$ 36,337   |
| R     | \$ 1,021,387          | \$ 1,016,191  | \$ 5,196  |
| D     | \$ 536,441            | \$ 423,149  | \$113,292   |
| D     | \$ 30,330             | \$ 29,385   | \$ 946  |
| R     | \$ 27,522             | \$ 27,522   | \$ 0  |
| R     | \$ 13,573             | \$ 9,809  | \$ 64   |
| D     | \$ 17,327             | \$ 4,736  | \$ 12,592   |
|       | \$34,349,825          | \$33,709,759  | \$639,645   |
|       | \$13,306,654          | \$ 8,800,701  | NA  |
|       | \$47,656,479          | \$42,510,460  | NA  |
|       | D R D R R D D R R R R | D \$21,995,248 R \$ 3,540,927 D \$ 3,256,514 D \$ 2,142,139 R \$ 1,768,417 R \$ 1,021,387 D \$ 536,441 D \$ 30,330 R \$ 27,522 R \$ 13,573 D \$ 17,327 \$34,349,825 | D \$21,995,248 \$21,735,597 R \$ 3,540,927 \$ 3,451,743 D \$ 3,256,514 \$ 3,198,226 D \$ 2,142,139 \$ 2,081,439 R \$ 1,768,417 \$ 1,731,962 R \$ 1,021,387 \$ 1,016,191 D \$ 536,441 \$ 423,149 D \$ 30,330 \$ 29,385 R \$ 27,522 \$ 27,522 R \$ 13,573 \$ 9,809 D \$ 17,327 \$ 4,736 \$34,349,825 \$33,709,759 \$13,306,654 \$ 8,800,701 |

<sup>\*</sup>Totals from 11-Day Pre-Election Report.

Lt. Governor Kimberly Guadagno, the Republican primary winner, was the second biggest spender. She spent \$3.4 million on the primary, which except for Murphy topped all other Democrats and Republicans.

Looking solely at candidate spending, the \$33.7 million is surpassed by the 2005 campaign. That primary cost \$28 million, or \$35.7 million when adjusted for inflation.

One common denominator is that the two campaigns featured extensive self-financing by some candidates.

offices (following numbers inflation adjusted)- Jon Corzine (\$166 million), Steve Forbes (\$110 million) and Doug Forrester (\$46.5 million).

Other candidates in the 2017 primary also tapped their personal or family wealth to a lesser extent, including Hirsh Singh (\$950,000 with \$290,000 repaid), state Sen. Raymond Lesniak (\$270,000 to candidate fund plus \$15,000 to affiliated Super PAC), Jim Johnson (\$20,000 to affiliated non-profit prior to candidacy), Guadagno (\$5,700 that was repaid) and Ciattarelli (\$1,000).

Brindle said he sees an important parallel between the 2001 and 2017 primaries.

"What is interesting is that both elections featured heavy use of ostensibly independent committees by candidates or their supporters prior to formal declarations of candidacies. This is a growing trend in state and national politics and, absent legislation that regulates such spending, is likely to continue," he said.

# TABLE 2 SPENDING BY INDEPENDENT COMMITTEES RELATED TO GUBERNATORIAL CAMPAIGN

| FORMED BY, AFFILIATED WITH OR SUPPORTS | INDEPENDENT COMMITTEES                              | RAISED       | SPENT        |
|--|---|--------------|--------------|
| Murphy, Phil                           | New Way For New Jersey                              | \$ 3,911,842 | \$ 3,810,811 |
| Sweeney, Stephen*                      | New Jerseyans For A Better Tomorrow                 | \$ 2,367,965 | \$ 1,301,503 |
| Murphy, Phil                           | New Start NJ  | \$ 1,300,000 | \$ 1,290,688 |
| Fulop, Steve*                          | Coalition For Progress                              | \$ 4,278,456 | \$ 1,037,268 |
| Lesniak, Ray                           | Committee For Economic Growth And Social Justice    | \$ 683,661   | \$ 683,581   |
| Guadagno, Kimberly                     | Building A Better New Jersey Together               | \$ 405,455   | \$ 352,952   |
| Lesniak, Ray                           | Run Ray Run   | \$ 164,815   | \$ 148,164   |
| Murphy, Phil                           | NJ League of Conservation Voters Victory Fund       | \$ 140,000   | \$ 124,553   |
| Johnson, James                         | NJ Prepared To Vote                                 | \$ 54,460    | \$ 51,181    |
| Democrats                              | Our New Jersey (Democratic Governors Association)** | \$ 0         | \$ 0         |
|  | TOTAL- INDEPENDENT COMMITTEES                       | \$13,306,654 | \$ 8,800,701 |

<sup>\*</sup>Fulop said 9/28/16 he would not run for governor. Sweeney withdrew his name on 10/6/16.

Brindle added that he "expects spending by outside, independent groups to be extensive in the general election for governor and the legislature."

# **Gubernatorial Public Funds Disbursed**

### 2017 Primary Public Funds Disbursed Through June 15, 2017

| Candidate          | Total<br>Disbursements | Party      |
|--------------------|------------------------|------------|
| Ciattarelli, Jack  | \$1,052,644            | Republican |
| Guadagno, Kimberly | \$2,254,295            | Republican |
| Johnson, James     | \$2,055,175            | Democrat   |
| Wisniewski, John   | \$1,299,887            | Democrat   |
| Totals             | \$6,662,001            |            |

<sup>\*\*</sup>Has registered for gubernatorial election.

#### SNAPSHOT OF ELEC'S NEW HOME PAGE





#### **Advice for Filers**

**✓** Contact ELEC Report Disclosure Dates Candidates **Continuing Political Committees** 

**Electronic Filing** 

**Gubernatorial Public Financing** 

Program

(PACs)

Independent Committees

Legislative Leadership Committees

Lobbyists

**Political Committees Political Party Committees** 

Professional Fundraisers

**Public Contractors** 

Recall Elections

Treasurers

#### Where To Find



#### **Press Releases**



**Public Matching Funds** June 15, 2017

**Commission Meeting** Agenda June 14, 2017

**Personal Financial** Disclosure June 09, 2017

**Public Matching Funds** June 7, 2017

#### Spotlight On

**ELEC-Tronic Newsletter 96** June 2017 ▶

2016 Annual Report >

**Gubernatorial Primary Debates** Schedules ▶

**Gubernatorial Election Debate(s)** Sponsor Application

NITV NEWS - Flection Law **Enforcement Commission Meets** for First Time in a Year

NJTVNEWS

ELEC on March 27, 2017 voted 3-0 to file a Notice of Proposed Readoption for its rules as N.J.A.C. 19:25. The new expiration date is September 21, 2017. To read the full notice of readoption, go here ▶

2017 Cost Index Report

Jeff Brindle Talks About Super PACs' MY9W.com

#### **Contribution Limits**

View contribution limits for candidates, parties, political committees and PACs ▶

#### **Disclosure Dates**

Pending report disclosure dates ▶

Additional Info

5 Priority ELEC Recommendations >

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Electronically file my reports?

- Candidates and Committees
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**Reporting Dates** 

| ELECTION                                 | 48-HOUR START DATE           | INCLUSION DATES                    | REPORT DUE<br>DATE |
|--|------------------------------|------------------------------------|--------------------|
|  |                              |                                    |                    |
| FIRE COMMISSIONER -2/18/2017             | 2/5/2017- through 2/18/2017  |                                    |                    |
| 29-day Preelection Reporting Date        |                              | Inception of campaign* - 1/17/17   | 1/20/2017          |
| 11-day Preelection Reporting Date        |                              | 1/18/17 - 2/4/17                   | 2/7/2017           |
| 20-day Postelection Reporting Date       |                              | 2/5/17 - 3/7/17                    | 3/10/2017          |
| APRIL SCHOOL BOARD- 4/25/2017            | 4/12/2017 through 4/25/2017  |                                    |                    |
| 29-day Preelection Reporting Date        |                              | Inception of campaign* - 3/24/17   | 3/27/2017          |
| 11-day Preelection Reporting Date        |                              | 3/25/17 - 4/11/17                  | 4/17/2017          |
| 20-day Postelection Reporting Date       |                              | 4/12/17 - 5/12/17                  | 5/15/2017          |
| MAY MUNICIPAL - 5/9/2017                 | 4/26/2017 through 5/9/2017   |                                    |                    |
| 29-day Preelection Reporting Date        |                              | Inception of campaign* - 4/7/17    | 4/10/2017          |
| 11-day Preelection Reporting Date        |                              | 4/8/17 - 4/25/17                   | 4/28/2017          |
| 20-day Postelection Reporting Date       |                              | 4/26/17 - 5/26/17                  | 5/30/2017          |
| RUNOFF (JUNE)**- 6/13/2017               | 5/31/2017 through 6/13/2017  |                                    |                    |
| 29-day Preelection Reporting Date        |                              | No Report Required for this Period |                    |
| 11-day Preelection Reporting Date        |                              | 4/26/17 - 5/30/17                  | 6/2/2017           |
| 20-day Postelection Reporting Date       |                              | 5/31/17 - 6/30/17                  | 7/3/2017           |
| PRIMARY (90 DAY START DATE: 3/8/2017)*** | 5/24/2017 through 6/6/2017   |                                    |                    |
| 29-day Preelection Reporting Date        |                              | Inception of campaign* - 5/5/17    | 5/8/2017           |
| 11-day Preelection Reporting Date        |                              | 5/6/17 - 5/23/17                   | 5/26/2017          |
| 20-day Postelection Reporting Date       |                              | 5/24/17 - 6/23/17                  | 6/26/2017          |
| GENERAL (90 DAY START DATE: 8/9/2017)*** | 10/25/2017 through 11/7/2017 |                                    |                    |
| 29-day Preelection Reporting Date        |                              | 6/24/17 - 10/6/17                  | 10/10/2017         |
| 11-day Preelection Reporting Date        |                              | 10/7/17 - 10/24/17                 | 10/27/2017         |
| 20-day Postelection Reporting Date       |                              | 10/25/17 - 11/24/17                | 11/27/2017         |
| RUNOFF (DECEMBER)**- 12/5/2017           | 11/22/2017 through 12/5/2017 |                                    |                    |
| 29-day Preelection Reporting Date        |                              | No Report Required for this Period |                    |
| 11-day Preelection Reporting Date        |                              | 10/25/17 - 11/21/17                | 11/24/2017         |
| 20-day Postelection Reporting Date       |                              | 11/22/17 - 12/22/17                | 12/26/2017         |
| PACs, PCFRs & CAMPAIGN QUARTERLY FILE    | RS                           |                                    |                    |
| 1st Quarter                              |                              | 1/1/17 - 3/31/17                   | 4/17/2017          |
| 2nd Quarter                              |                              | 4/1/17 - 6/30/17                   | 7/17/2017          |
| 3rd Quarter                              |                              | 7/1/17 - 9/30/17                   | 10/16/2017         |
| 4th Quarter                              |                              | 10/1/17 - 12/31/17                 | 1/16/2018          |

\* Inception Date of Campaign (first time filers) or from January 1, 2017 (Quarterly filers).

Note: A fourth quarter 2016 filing is needed for Primary 2017 candidates if they started their campaign prior to December 8, 2016. A second quarter 2017 filing is needed by Independent/Non-Partisan General Election candidates if they started their campaign prior to May 10, 2017.

### **HOW TO CONTACT ELEC**

www.elec.state.ni.us

In Person: 28 W. State Street, Trenton, NJ By Mail: P.O. Box 185, Trenton, NJ 08625

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Christopher Mistichelli

<sup>\*\*</sup> A candidate committee or joint candidates' committee that is filing in a 2017 Runoff election is not required to file a 20-day postelection report for the corresponding prior election (May Municipal or General).

<sup>\*\*\*</sup> Form PFD-1 is due on April 13, 2017 for Primary Election Candidates and June 16, 2017 for Independent General Election Candidates.