



ELEC *tronic*

An Election Law Enforcement Commission Newsletter

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Comments from the Chairman

Eric H. Jaso

ELEC Offers Informative Resources for Campaign Treasurers

Under New Jersey Law, campaign treasurers have personal responsibility to comply with campaign financing disclosure rules, and can be held personally liable for failure to do so. Because ELEC’s top priority is legal compliance, we offer treasurers many valuable and informative resources.

Treasurers should first acquaint themselves with the Commission’s website at www.elec.state.nj.us. When accessing the site, treasurers should click onto the Candidates & Committees tab at the top of the screen.

After completing this step several tabs appear. These tabs include Forms and Instructions, Electronic Filing, Contribution Limits, Reporting Dates, Treasurer Training, Seminar Training, Statutory Authority & Regulations, and Interactive Campaign Seminar.

By first becoming acquainted with the reporting dates, treasurers will not only get a sense of when reports are to be filed but how much preparation time is needed.

In the case of candidate committees, treasurers must file reports 29 and 11-days prior to the election and 20-days following Election Day. If a campaign account is kept open, reports must be first filed the following April 15 and then in each subsequent quarter.

Treasurers are encouraged to close accounts as soon as possible after the election, win or lose. If the candidate plans to run in the future, he or she should open up a new account.

After becoming acquainted with the filing dates, treasurers should familiarize themselves with the campaign finance statute and regulations. Treasurers should then review ELEC’s manual for candidates. The manual can be found by clicking the Forms and Instructions tab.

The manual provides a summary of requirements, reinforcing those contained in the statute and regulations. After reviewing the manual, we suggest that treasurers

participate in the Interactive Campaign Seminar, found at the bottom of the Candidates/Committees tab.

At this point, treasurers may want to contact the Commission, particularly if they have questions about any part of the law, regulations, or any other requirements. Call (609) 292-8700 or toll free at (888)-313-ELEC (3532). A receptionist will direct you to the appropriate compliance officer.

The Commission’s trained personnel will walk you through the manual and answer your questions. Our compliance officers aim to clarify areas of complexity so campaigns can avoid inadvertently violating the law.

Following your conversation with a compliance officer, it may be helpful to take the online training course that is available on the website. This online training is mandatory for treasurers of gubernatorial and legislative candidates but not for treasurers of local candidate committees.

As with ELEC’s other resources, the online training is informative. Treasurers taking it will receive a certificate from the Commission.

“Furthering the Interest of an Informed Citizenry”

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Executive Director's Thoughts

Jeff Brindle

Marijuana Industry Lobbying of Local Officials Points to Need for More Disclosure

Reprinted from insidernj.com

“Emboldened by the failure of New Jersey lawmakers to pass a bill to legalize marijuana, opponents are hitting the measure’s main sponsor where it hurts: his own community.”

That sentence, written by James Nash of the North Jersey Record in an August 24, 2018 story, points to the thus-far successful effort by opponents of legalization to lobby the Linden City Council to ban marijuana business in Linden.

Linden is home to state Senator Nicholas Scutari, a leading advocate for legalizing recreational use of marijuana.

The effort in Linden appears to be part of a lobbying campaign by opponents of marijuana legalization to gain support among New Jersey’s communities for their anti-legalization stance.

More than 30 municipalities have passed ordinances forbidding the sale of marijuana within their jurisdiction. Most likely, substantial lobbying took place to achieve the passage of those ordinances. The problem is no one knows except the lobbyists and their clients.

Under current state law, lobbyists have no legal obligation to disclose their efforts to influence local officials or the amount they earn from such efforts. Current state law requires this disclosure only if state officials are the target of lobbying efforts.

Granted, 30 municipalities is but a small percentage of the 565 municipalities throughout the State. But it has a direct bearing on efforts to enact state legislation and if the number of communities prohibiting the sale of marijuana continues to grow, the effort to legalize and implement becomes more complex.

The public has a right to know what individuals or firms are hiring lobbyists to undertake this effort to influence local law-making and how much they are spending. Just like it does now in regard to the state legislation.

A previous column predicted that the issue to legalize marijuana use in the Garden State would carry with it intense lobbying activity. It noted that 14 groups and individuals had positioned themselves for or against legalization.

Among the groups supporting legalization are the New Jersey Cannabis Industry Association, New Jersey CannaBusiness Association, Drug Policy Alliance, and Compassionate Sciences.

Those opposed include New Jersey Responsible Approaches to Marijuana Policy, Automobile Association of America (AAA), and Insurance Council of New Jersey.

Annual lobbying reports filed with the Election Law Enforcement Commission

(ELEC) showed that in 2017 the issue had already generated \$250,000 in fees paid to lobbyists in New Jersey for trying to influence state officials.

Based on spending in 2017, it was clear that the push to legalize recreational use of marijuana in 2018 would generate huge spending by special interest lobbyists on both sides of the issue.

What was foreseen at the time was significant spending at the State level of politics. Expenditures likely would be made in the form of issue ads and direct lobbying of legislators. If the issue dragged on into the 2019 legislative election, there might also be an abundance of independent spending as well as direct contributions to legislative candidates.

Overlooked, however, was the potentiality of lobbying activity at the local level of politics.

The fact that opponents of marijuana legalization are lobbying municipal governments to prohibit sales of the drug in their communities exposes the glaring loophole in the State’s lobbying disclosure law.

That recreational marijuana opponents are lobbying municipalities is not a problem. The First Amendment allows such activity. Many would say it serves a useful educational purpose.

Yet, this activity, like at the State level, should be disclosed. Without such disclosure, the public has no idea how much is being spent on professional lobbyists to sway local officials, and who is doing the spending.

Some lobbyists privately acknowledge that, in general, local lobbying is extensive. There are plenty of issues besides marijuana legalization that may impact local voters and taxpayers. There is little doubt, for example, public contractors annually pay lobbyists to lobby local government on their behalf since hundreds of millions of dollars in local contracts are approved annually.

Several years ago, ELEC proposed that lobbying by professional lobbyists on local government entities be reported. The Commission also recommended that lobbyists hired by local government entities to lobby on their behalf report their activity to the Commission.

As the result of legislation sponsored by State Senate Majority Leader Loretta Weinberg (D-37th), half of the foregoing proposal was enacted last year. Lobbyists hired by local government entities now are required to disclose their activities to the public.

It is time now for lawmakers to take up the second part of that proposal and pass legislation that would amend the State’s lobbying laws to require disclosure of lobbying activity directed at local governments.

By doing so, the public would be awakened to the fact that potentially millions of dollars are being spent attempting to influence policy at the level of government closest to the people.

Top 25 Special Interest Groups Spent more than \$74 Million in 2017

The top 25 special interest groups in 2017 spent more than \$74 million trying to influence elections and government policy in New Jersey, according to a new analysis by the New Jersey Election Law Enforcement Commission (ELEC).

The analysis seeks to measure the full clout of the pressure groups by totaling their direct contributions and independent spending, which influence elections, and lobbying, which influences policy. A similar analysis was done in 2013. In both years, there were elections for the governor’s post and all 120 legislative seats.

Comparing 2017 with 2013, a mix of unions, 527 political committees, business groups and ideological organizations spent almost \$18.6 million (34 percent) more in 2017 than the top 25 in 2013. Fifteen groups listed in 2013 also appear on the 2017 list.

“In the past, special interest groups used lobbying and political action committees as their main vehicle for influencing public policy,” said Jeff Brindle, ELEC’s Executive Director.

“During the last decade, independent groups have quickly become their preferred weapon. The top 25 groups alone spent more on independent spending last year (\$41.4 million) than all estimated PAC spending (\$28.9 million) on state and local elections,” he said.

“This is more reason why the legislature needs to enact ELEC-recommended legislation that would require independent groups to fully disclose their campaign finances while also seeking to strengthen political parties and greatly simplify pay-to-play rules,” Brindle said. “Pay-to-play reform would sharply reduce the amount public contractors could give to PACs.”

Table 1

Top 25 Special Interest Groups-2013 Versus 2017

Type of Influence	2013	2017	Change\$	Change%
Contributions	\$18,383,341*	\$19,601,080	\$ 1,217,739	7%
Independent Spending	\$26,492,908	\$41,450,715	\$14,957,807	56%
Lobbying	\$10,559,362	\$13,002,329	\$ 2,442,967	23%
Total	\$55,435,611	\$74,054,124	\$18,618,513	34%

*Mostly PAC contributions; small amount made by special interest group directly or its employees

The biggest increase during the period by the pressure groups came in independent spending, which rose \$14.9 million, or 56 percent. Contributions were up \$1.2 million (7 percent), while lobbying grew \$2.4 million (23 percent).

**Table 2
Top 25 Special Interest
Groups 2017**

GROUP†	CONTRIBUTIONS	INDEPENDENT SPENDING	LOBBYING	TOTAL	TYPE
New Jersey Education Association	\$ 951,605	\$ 8,455,421	\$ 512,656	\$ 9,919,682	Union
General Majority PAC	None	\$ 6,965,848	None	\$ 6,965,848	527 Political Committee
Committee to Build the Economy	None	\$ 6,572,755	None	\$ 6,572,755	527 Political Committee††
New Jerseyans for a Better Tomorrow	None	\$ 6,408,206	None	\$ 6,408,206	527 Political Committee
Laborers Affiliates	\$ 3,348,300	\$ 2,541,068	\$ 9,034	\$ 5,898,402	Union
Northeast Regional Council of Carpenters NJ PEC and affiliates	\$ 2,239,875	\$ 3,043,832	\$ 90,791	\$ 5,374,498	Union
IBEW Affiliates	\$ 4,230,463	None	\$ 98,400	\$ 4,328,863	Union
Operating Engineers Locals 825 and 68	\$ 1,861,524	\$ 1,651,403	\$ 36,000	\$ 3,548,927	Union
Democratic Governors Association	\$ 747,900	\$ 2,449,330	None	\$ 3,197,230	Ideological
Horizon Blue Cross Blue Shield of NJ*	\$ 200,650	None	\$ 2,524,921	\$ 2,725,571	Health Insurer
Public Service Enterprise Group*	\$ 355,100	None	\$ 2,350,364	\$ 2,705,464	Energy Utility
Republican Governors Association	\$ 4,300	\$ 2,355,445	None	\$ 2,359,745	Ideological
Plumbers and Pipefitters	\$ 1,934,782	None	\$ 33,000	\$ 1,967,782	Union
Communication Workers of America affiliates	\$ 1,346,236	\$ 275,000	None	\$ 1,621,236	Union
Realtors	\$ 459,800	\$ 699,049	\$ 353,948	\$ 1,512,798	Realtors
NJ Food Council	\$ 110,750	None	\$ 1,151,556	\$ 1,262,306	Business
Occidental Petroleum Corporation*	\$ 12,500	None	\$ 1,198,826	\$ 1,211,326	Business
New Jersey Coalition for Fair Energy*	\$ 650	None	\$ 939,058	\$ 939,708	Business
New Jersey Hospital Association	\$ 69,800	None	\$ 818,332	\$ 888,132	Hospitals
New Jersey Business and Industry Association and New Jersey Organization for a Better State	\$ 463,610	None	\$ 414,910	\$ 878,520	Business
Prudential Financial Inc*	\$ 89,135	None	\$ 778,353	\$ 867,488	Financial Services
NJSPBA	\$ 601,250	\$ 33,358	\$ 154,250	\$ 788,858	Union
NJ Association for Justice PAC	\$ 506,400	None	\$ 234,300	\$ 740,700	Lawyers
Verizon NJ	\$ 62,450	None	\$ 652,124	\$ 714,574	Communications firm
Saint Josephs Healthcare System*	\$ 4,000	None	\$ 651,506	\$ 655,506	Hospitals
Totals	\$19,601,080	\$41,450,715	\$13,002,329	\$74,054,124	

*Includes donations from individual employees or corporation †Full PAC names on last page. †† Now a Super PAC

In 2017, the top 25 advocacy groups alone comprised 68 percent of all political action committee spending, 83 percent of independent spending and 14 percent of lobbying.

Table 3
Top 25 Special Interests versus Total Spending 2017

TYPE OF INFLUENCE	TOP 25	ALL GROUPS	% TOP 25
Contributions	\$19,601,080*	\$ 28,914,345	68%
Independent Spending	\$41,450,715	\$ 49,717,419	83%
Lobbying	\$13,002,329	\$ 91,718,809	14%
Total	\$74,054,124	\$170,350,573	43%

*Mostly PAC contributions; small amount made by special interest group directly or its employees

Seventeen of the top 25 pressure groups operate traditional continuing political committees registered in New Jersey, also known as PACs. These are subject to contribution limits and file quarterly reports with ELEC. PACs traditionally have been the main method for special interest groups to funnel political contributions to state and local campaigns.

In 2017, 275 PACs filed quarterly reports with ELEC. Spending by those groups totaled \$28,198,057. In addition, some PACs, mostly out-of-state, made contributions without filing reports with ELEC. They spent \$716,288. Total PAC giving to New Jersey elections reached a new high in 2017, topping \$28,914,345.

PAC contributions increased by \$16.8 million or 139 percent over 2016, when there were no statewide non-federal elections. It was the highest PAC spending since 2013, the last year in which the governor's position and all 120 legislative seats were in play.

Table 4
Contributions by Political Action Committees (PACs)
to NJ State and Local Candidates and Committees*

YEAR	AMOUNT	CHANGE \$	CHANGE %	STATE ELECTIONS**
2011	\$18,014,998			S,A
2012	\$ 8,929,281	\$ (9,085,717)	-50%	None
2013	\$22,140,110	\$ 13,210,829	148%	G,S,A
2014	\$11,130,655	\$(11,009,455)	-50%	None
2015	\$17,809,502	\$ 6,678,848	60%	A
2016	\$12,105,217	\$ (5,704,285)	-32%	None
2017	\$28,914,345	\$ 16,809,128	139%	G,S,A

*Excludes federal and out-of-state candidates **G=Gubernatorial, S=Senate, A=Assembly

"PAC spending typically ramps up during election years, particularly when all state elected positions are in contention as they were in 2017," said Brindle. "In addition, the state's pay-to-play law exempts PACs, providing an incentive for public contractors to give to them rather than parties."

"Unlike independent groups, which can accept unlimited contributions, PACs are subject to state contribution limits. But PACs still play an important role in electoral politics because they can make direct contributions to candidates," he said.

Total PAC spending in 2017, including contributions to out-of-state and federal candidates, was \$47.6 million. The \$28.9 million spent on New Jersey non-federal elections represents 61 percent of this total.

Note: This is an abbreviated version. The full press release is available at:
https://www.elec.state.nj.us/pdf/press_releases/pr_2018/pr_09122018.pdf

Training Seminars Reminder

For more information, please visit ELEC's website at www.elec.state.nj.us/.

CAMPAIGN TRAINING SEMINAR	
October 2, 2018	10:00 a.m.
PAC (CPC/PPC) TRAINING SEMINAR	
October 4, 2018	10:00 a.m.

Reporting Dates Reminder

	INCLUSION DATES	REPORT DUE DATE
GENERAL (90-DAY START DATE: AUGUST 8, 2018)*** - NOVEMBER 6, 2018		
29-day Preelection Reporting Date	6/23/2018 - 10/5/2018	10/9/2018
11-day Preelection Reporting Date	10/6/2018 - 10/23/2018	10/26/2018
20-day Postelection Reporting Date	10/24/2018 - 11/23/2018	11/26/2018
48-Hour Notice Reporting Starts on 10/24/2018 through 11/6/2018		
RUNOFF (DECEMBER)** - DECEMBER 4, 2018		
29-day Preelection Reporting Date	No Report Required for this Period	
11-day Preelection Reporting Date	10/24/2018 - 11/20/2018	11/23/2018
20-day Postelection Reporting Date	11/21/2018 - 12/21/2018	12/24/2018
48-Hour Notice Reporting Starts on 11/21/2018 through 12/4/2018		
PACS, PCFRS & CAMPAIGN QUARTERLY FILERS		
3 rd Quarter	7/1/2018 - 9/30/2018	10/15/2018
4 th Quarter	10/1/2018 - 12/31/2018	1/15/2019
GOVERNMENTAL AFFAIRS AGENTS (Q-4)		
3 rd Quarter	7/1/2018 - 9/30/2018	10/10/2018
4 th Quarter	10/1/2018 - 12/31/2018	1/10/2019

* Inception Date of Campaign (first time filers) or from January 1, 2018 (Quarterly filers).

** A candidate committee or joint candidates committee that is filing in a 2018 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 12, 2018 for Primary Election Candidates and June 15, 2018 for Independent General Election Candidates.

Note: A fourth quarter 2017 filing is needed for Primary 2018 candidates if they started their campaign prior to December 7, 2017. A second quarter 2018 filing is needed by Independent/Non-Partisan General Election candidates if they started their campaign prior to May 9, 2018.

HOW TO CONTACT ELEC

www.elec.state.nj.us

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