



NEWS RELEASE

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FOR RELEASE:
April 8, 1992



PRESS RELEASE

Following a predictable trend, lobbyists spent 22 percent more on their overall activities in 1991 than the year before, but spent five percent less passing benefits to State officials and Legislators involved in enacting legislation.

"These figures demonstrate the importance of the newly enacted lobbying reform law, which became effective on January 1, 1992," said Frederick M. Herrmann, the Executive Director of the Election Law Enforcement Commission (ELEC). "The new law significantly alters the landscape of reportable lobbying events in New Jersey. All monies spent on behalf of certain officials will be reportable in the future, whether or not a specific piece of legislation or a regulation is discussed while providing a benefit, such as a meal or a trip," said Herrmann. Under the old law in effect for the 1991 calendar period, if legislation were not discussed, no reporting of the lobbying expenditure was required. As a result, a great deal of the spending for "goodwill" lobbying went unreported.

Lobbyists spent \$12,375,665 during calendar year 1991, compared to the \$10,181,665 spent in 1990. The amount reported spent in passing a benefit while specific legislation was discussed decreased in 1991 to only \$29,434 from the \$31,043 reported in 1990.

Herrmann noted that the relatively low dollar figure spent on benefit passing looks particularly odd when it is compared to the total amount spent by lobbyists. In 1990, benefit passing represented .3 percent of the total spent on lobbying; in 1991, the amount dropped to .2 percent.

Of the \$12 million spent in 1991, 62 percent was attributable to the pro rata shares of salaries of legislative agents and support personnel, and 26 percent was attributable to fees and retainers paid to legislative agents.

"The only surprising figure was the 143 percent jump from 1990 to 1991 in the expenditures reported for the preparation and distribution of materials," said Herrmann, "probably due to the upward trend in lobbying activity." In 1990, the costs of the preparation and distribution of materials was \$346,959, rising to \$843,715 in 1991.

ELEC's figures also show an increase in spending in 1991 in the areas of travel and lodging (+34 percent), and membership dues and fees (+64 percent). Expenditures for specific events over \$100, such as receptions, declined by 11 percent in 1991.

Herrmann said, "the era of distorted reporting of lobbying has come to a close, to be replaced with a more meaningful and accurate picture of this activity in New Jersey. With the "expressly" loophole eliminated, reports of lobbying activity will reflect in the future critical information about potential sources of undue influence on public officials."

The lobbying reform law made other sweeping changes to the statutes governing the conduct of lobbying in New Jersey. Expanding the scope of the old law that only covered Legislative matters, the new law will include lobbying Executive

Branch officials on regulatory activity. Also, Legislative staff will be covered in reporting. ELEC has now assumed total jurisdiction over the regulation of lobbying with the Attorney General's partial responsibilities in this area being shifted by the new law.

In 1991, there were a total of 646 reports filed by lobbyists and legislative agents, up from 587 in 1990.

Annual reporting of Lobbying Activity under the new law will begin with the February 15, 1993 filing date.

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Expenditure Totals

	<u>1990</u>	<u>1991</u>	<u>Percentage</u> <u>Change</u>
Pro rata shares of salaries of legislative agents.	\$ 5,965,742	\$ 6,664,124	+ 12%
Allocated cost of salaries of support personnel.	871,000	1,065,131	+ 22%
Disbursements for the preparation & distribution of materials.	346,959	843,715	+143%
Travel and lodging.	171,212	228,573	+ 34%
Fees and retainers paid to legislative agents.	2,544,711	3,198,146	+ 26%
Membership dues and fees.	164,625	269,615	+ 64%
Direct expenditures for Legislators and Governor/Staff.	31,043	29,434	- 05%
Expenditures for specific events.	86,373	76,926	- 11%
Total lobbying expenditures.	10,181,665	12,375,665	+ 22%