19:44A-7.2

LEGISLATIVE HISTORY CHECKLIST

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LAWS OF: 2004 **CHAPTER**: 174

NJSA: 19:44A-7.2 (Campaign contribution limits)

BILL NO: S27 (Substituted for A3434)

SPONSOR(S): Codey and others

DATE INTRODUCED: September 27, 2004

COMMITTEE: ASSEMBLY: State Government

SENATE: State Government

AMENDED DURING PASSAGE: No

DATE OF PASSAGE: ASSEMBLY: December 13, 2004

SENATE: October 25, 2004

DATE OF APPROVAL: December 15, 2004

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL Original version of bill enacted

S27

SPONSOR'S STATEMENT: (Begins on page 15 of original bill) Yes

COMMITTEE STATEMENT: <u>ASSEMBLY</u>: <u>Yes</u>

SENATE: Yes

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL ESTIMATE: No

A3434

SPONSOR'S STATEMENT: (Begins on page 15 of original bill)

Yes

COMMITTEE STATEMENT: <u>ASSEMBLY</u>: <u>Yes</u>

SENATE: No

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL ESTIMATE: No

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: Yes

FOLLOWING WERE PRINTED:

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REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: Yes

[&]quot;Codey signs contribution freeze," 12-16-2004, The Times, p.A5

[&]quot;Codey enacts law freezing campaign donation limits" 12-16-2004 Star Ledger, p.23

[&]quot;Codey signs bill limiting donations to political parties," 12-16-2004 Courier Post, p.10A

[&]quot;Codey inks bill limiting PAC contributions," 12-16-2004 Asbury Park Press, p.A3

P.L. 2004, CHAPTER 174, approved December 15, 2004 Senate, No. 27

1 AN ACT concerning political contributions, and amending and 2 supplementing P.L.1993, c.65 (C.19:44A-1 et seq.).

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BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

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- 7 1. Section 22 of P.L.1993, c.65 (C.19:44A-7.2) is amended to read 8
- 22. a. Not later than December 1 of each year preceding any year 9 10 in which a general election is to be held to fill the office of Governor 11 for a four-year term, the Election Law Enforcement Commission shall 12 adjust the amounts, set forth in subsection b. of this section, which shall be applicable under P.L.1973, c.83 (C.19:44A-1 et al.) to primary 13 14 and general elections for any public office other than the office of Governor[, to limitations on contributions to and from political 15 committees, continuing political committees, candidate committees, 16 17 joint candidates committees, political party committees and legislative leadership committees and to other amounts,] at a percentage which 18 19 shall be the same as the percentage of change that the commission 20 applies to the amounts used for the primary and general elections for the office of Governor held in the third year preceding the year in 21 22 which that December 1 occurs, pursuant to section 19 of P.L.1980, 23 c.74 (C.19:44A-7.1), and any amount so adjusted shall be rounded in
 - b. The amounts subject to adjustment as provided under this section shall be:
- (1) the minimum amount raised or expended by any two or more 28 persons acting jointly who qualify as a political committee and the 29 minimum amount contributed or expected to be contributed in any calendar year by any group of two or more persons acting jointly who qualify as a continuing political committee as defined in section 3 of P.L.1973, c.83 (C.19:44A-3);
 - (2) (Deleted by amendment, P.L.2004, c.28);

the same manner as provided in that section.

34 (3) the minimum amount of a contribution to a political committee, 35 continuing political committee, legislative leadership committee or a 36 political party committee received during the period between the 13th day prior to the election and the date of the election, the minimum 37 38 amount of an expenditure by a political committee during that period, 39 and the minimum amount of an expenditure by a continuing political 40 committee during the period beginning after March 31 and ending on

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

- 1 the date of the primary election and the period beginning after
- 2 September 30 and ending on the date of the general election which
- 3 triggers an obligation to report that contribution to the commission
- 4 pursuant to section 8 of P.L.1973, c.83 (C.19:44A-8), and the
- 5 minimum amount of a contribution to a candidate, candidate
- 6 committee or joint candidates committee received during the period
- 7 between the 13th day prior to the election and the date of the election
- 8 which triggers an obligation to report that contribution to the
- 9 commission pursuant to section 16 of P.L.1973, c.83 (C.19:44A-16);

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- (4) the maximum amount which may be expended by the campaign organizations of two or more candidates forming a joint candidates committee without being required to file contribution reports, pursuant to section 8 of P.L.1973, c.83 (C.19:44A-8);
- (5) the maximum amount that a person, not acting in concert with any other person or group, may spend to support or defeat a candidate or to aid the passage or defeat of a public question without being required to report all such expenditures and expenses to the commission pursuant to section 11 of P.L.1973, c.83 (C.19:44A-11) and the maximum amount that a person, not acting in concert with any other person or group, may raise through a public solicitation and expend to finance any lawful activity in support of or in opposition to any candidate or public question or to seek to influence the content, introduction, passage or defeat of legislation pursuant to section 19 of P.L.1973, c.83 (C.19:44A-19);
- (6) the maximum amount that may be expended, in the aggregate, on behalf of a candidate without requiring that candidate to file contribution reports with the commission and the maximum amount that may be expended, in the aggregate, on behalf of a candidate seeking election to a public office of a school district, without requiring that candidate to file contribution reports with the commission pursuant to section 16 of P.L.1973, c.83 (C.19:44A-16);
- (7) the maximum amount of penalty which may be imposed by the commission on any person who fails to comply with the regulatory provisions of P.L.1973, c.83 (C.19:44A-1 et al.) for a first offense or a second and subsequent offenses, pursuant to section 22 of P.L.1973, c.83 (C.19:44A-22);
- 37 (8) the maximum amount of penalty which may be imposed by the 38 commission on any corporation or labor organization which provides 39 any of its employees any additional increment of salary for the express 40 purpose of making a contribution to a candidate, candidate committee, 41 joint candidates committee, political party committee, legislative leadership committee, political committee or continuing political 42 43 committee for a first or a second and subsequent offenses, pursuant to 44 section 15 of P.L.1993, c.65 (C.19:44A-20.1);
- 45 (9) [the maximum amount of contributions permitted to be made 46 by an individual, a corporation or labor organization to a candidate,

1 candidate committee or joint candidates committee, the maximum 2 amount of contributions permitted to be made by a political committee 3 or a continuing political committee to a candidate, candidate 4 committee or joint candidates committee other than the committee of a candidate for nomination or election to the office of Governor and 5 the maximum amount of contributions permitted to be made by one 6 7 candidate, candidate committee or joint candidates committee, other 8 than the committee of a candidate for nomination or election to the 9 office of Governor, to another candidate, candidate committee or joint 10 candidates committee other than the committee of a candidate for nomination or election to the office of Governor pursuant to section 11

12 18 of P.L.1993, c.65 (C.19:44A-11.3)] (Deleted by amendment, P.L.

13 _, c. (now pending before the Legislature as this bill));

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- (10) [the maximum amount of contributions permitted to be made by an individual, corporation, labor organization, political committee, continuing political committee, candidate committee or joint candidates committee or any other group to any political party committee or any legislative leadership committee pursuant to section 19 of P.L.1993, c.65 (C.19:44A-11.4] (Deleted by amendment, P.L., c. (now pending before the Legislature as this bill));
- (11) [the maximum amount of contributions permitted to be made 21 22 by a candidate, candidate committee or joint candidates committee to 23 a political committee or a continuing political committee and the 24 maximum amount of contributions permitted to be made by one political committee or continuing political committee to another 25 26 political committee or continuing political committee pursuant to section 20 of P.L.1993, c.65 (C.19:44A-11.5)] 27 28 amendment, P.L. , c. (now pending before the Legislature as this 29 bill));
- 30 (12) the amount of filing fees which may be collected from a 31 candidate committee, a joint candidates committee, a continuing 32 political committee, a political party committee, a legislative leadership 33 committee, or any other person pursuant to section 6 of P.L.1973, 34 c.83 (C.19:44A-6) (as that section shall have been amended by 35 P.L.1983, c.579).
- 36 c. Not later than December 15 of each year preceding any year in 37 which a general election is to be held to fill the office of Governor for 38 a four-year term, the commission shall report to the Legislature and 39 make public its adjustment of limits in accordance with the provisions 40 of this section. Whenever, following the transmittal of that report, the commission shall have notice that a person has declared as a candidate 41 42 for nomination for election or for election to any public office in a 43 forthcoming primary or general election, it shall promptly notify that 44 candidate of the amounts of those adjusted limits.
- 45 (cf: P.L.2004, c.28, s.2)

- 2. (New section) a. No later than July 1 of each year preceding any year in which a general election is to be held to fill the office of Governor for a four-year term, the commission shall issue a report setting forth its recommendations for the adjustment of the amounts, set forth in subsection b. of this section and applicable to P.L.1973, c.83 (C.19:44A-1 et seq.), to primary and general elections for any public office other than the office of Governor, to limitations on contributions to and from political committees, continuing political committees, candidate committees, joint candidates committees, political party committees and legislative leadership committees and to other amounts, at a percentage which shall be the same as the percentage of change that the commission applies to the amounts used for the primary and general elections for the office of Governor held in the third year preceding the year in which that December 1 occurs, pursuant to section 19 of P.L.1980, c.74 (C.19:44A-7.1). Any amount so recommended for adjustment shall be rounded in the same manner as provided in that section.
 - b. The amounts to be recommended for adjustment as provided under this section shall be:

- (1) the maximum amount of contributions permitted to be made by an individual, a corporation or labor organization to a candidate, candidate committee or joint candidates committee, the maximum amount of contributions permitted to be made by a political committee or a continuing political committee to a candidate, candidate committee or joint candidates committee other than the committee of a candidate for nomination or election to the office of Governor and the maximum amount of contributions permitted to be made by one candidate, candidate committee or joint candidates committee, other than the committee of a candidate for nomination or election to the office of Governor, to another candidate, candidate committee or joint candidates committee other than the committee of a candidate for nomination or election to the office of Governor pursuant to section 18 of P.L.1993, c.65 (C.19:44A-11.3);
- (2) the maximum amount of contributions permitted to be made by an individual, corporation, labor organization, political committee, continuing political committee, candidate committee or joint candidates committee or any other group to any political party committee or any legislative leadership committee pursuant to section 19 of P.L.1993, c.65 (C.19:44A-11.4); and
- 40 (3) the maximum amount of contributions permitted to be made by
 41 a candidate, candidate committee or joint candidates committee to a
 42 political committee or a continuing political committee and the
 43 maximum amount of contributions permitted to be made by one
 44 political committee or continuing political committee to another
 45 political committee or continuing political committee pursuant to
 46 section 20 of P.L.1993, c.65 (C.19:44A-11.5).

c. No later than July 15 of each year preceding any year in which a general election is to be held to fill the office of Governor for a four-year term, the commission shall transmit a copy of its report to each member of the Legislature and make public its recommended adjustment of limits pursuant to this section. The Legislature shall have the option of adopting all or part of the recommended adjustments by the passage of appropriate legislation.

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3. Section 18 of P.L.1993, c.65 (C.19:44A-11.3) is amended to read as follows:

11 18. a. No individual, other than an individual who is a candidate, 12 no corporation of any kind organized and incorporated under the laws 13 of this State or any other state or any country other than the United 14 States, no labor organization of any kind which exists or is constituted 15 for the purpose, in whole or in part, of collective bargaining, or of dealing with employers concerning the grievances, terms or conditions 16 17 of employment, or of other mutual aid or protection in connection with 18 employment, or any group shall: (1) pay or make any contribution of 19 money or other thing of value to a candidate who has established only 20 a candidate committee, his campaign treasurer, deputy campaign 21 treasurer or candidate committee which in the aggregate exceeds 22 [\$1,500] <u>\$2,600</u> per election, or (2) pay or make any contribution of 23 money or other thing of value to candidates who have established only 24 a joint candidates committee, their campaign treasurer, deputy 25 campaign treasurer, or joint candidates committee, which in the aggregate exceeds [\$1,500] \$2,600 per election per candidate, or (3) 26 27 pay or make any contribution of money or other thing of value to a 28 candidate who has established both a candidate committee and a joint 29 candidates committee, the campaign treasurers, deputy campaign 30 treasurers, or candidate committee or joint candidates committee, 31 which in the aggregate exceeds [\$1,500] \$2,600 per election. No 32 candidate who has established only a candidate committee, his 33 campaign treasurer, deputy campaign treasurer or candidate committee 34 shall knowingly accept from an individual, other than an individual 35 who is a candidate, a corporation of any kind organized and 36 incorporated under the laws of this State or any other state or any 37 country other than the United States, a labor organization of any kind 38 which exists or is constituted for the purpose, in whole or in part, of 39 collective bargaining, or of dealing with employers concerning the 40 grievances, terms or conditions of employment, or of other mutual aid 41 or protection in connection with employment, or any group any 42 contribution of money or other thing of value which in the aggregate 43 exceeds [\$1,500] \$2,600 per election, and no candidates who have 44 established only a joint candidates committee, or their campaign 45 treasurer, deputy campaign treasurer, or joint candidates committee, 46 shall knowingly accept from any such source any contribution of

1 money or other thing of value which in the aggregate exceeds 2 [\$1,500] \$2,600 per election per candidate, and no candidate who has 3 established both a candidate committee and a joint candidates 4 committee, the campaign treasurers, deputy campaign treasurers, or 5 candidate committee or joint candidates committee shall knowingly 6 accept from any such source any contribution of money or other thing 7 of value which in the aggregate exceeds [\$1,500] \$2,600 per election. 8 b. (1) No political committee or continuing political committee 9 shall: (a) pay or make any contribution of money or other thing of 10

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value to a candidate who has established only a candidate committee, his campaign treasurer, deputy campaign treasurer or candidate committee, other than a candidate for nomination for election or for election for the office of Governor, which in the aggregate exceeds [\$5,000] <u>\$8,200</u> per election, or (b) pay or make any contribution of money or other thing of value to candidates who have established only a joint candidates committee, their campaign treasurer or deputy campaign treasurer, or the joint candidates committee, which in the aggregate exceeds [\$5,000] \$8,200 per election per candidate, or (c) pay or make any contribution of money or other thing of value to a candidate who has established both a candidate committee and a joint candidates committee, the campaign treasurers, deputy campaign treasurers, or candidate committee or joint candidates committee, which in the aggregate exceeds [\$5,000] \$8,200 per election. No candidate who has established only a candidate committee, his campaign treasurer, deputy campaign treasurer or candidate committee, other than a candidate for nomination for election or for election for the office of Governor, shall knowingly accept from any political committee or continuing political committee any contribution of money or other thing of value which in the aggregate exceeds [\$5,000] <u>\$8,200</u> per election, and no candidates who have established only a joint candidates committee, their campaign treasurer, deputy campaign treasurer, or joint candidates committee, shall knowingly accept from any such source any contribution of money or other thing of value which in the aggregate exceeds [\$5,000] \$8,200 per election per candidate, and no candidate who has established both a candidate committee and a joint candidates committee, the campaign treasurers, deputy campaign treasurers, or candidate committee or joint candidates committee shall knowingly accept from any such source any contribution of money or other thing of value which in the aggregate exceeds [\$5,000] <u>\$8,200</u> per election.

(2) The limitation upon the knowing acceptance by a candidate, campaign treasurer, deputy campaign treasurer, candidate committee or joint candidates committee of any contribution of money or other thing of value from a political committee or continuing political committee under the provisions of paragraph (1) of this subsection shall also be applicable to the knowing acceptance of any such

1 contribution from the county committee of a political party by a 2 candidate or the campaign treasurer, deputy campaign treasurer, 3 candidate committee or joint candidates committee of a candidate for 4 any elective public office in another county or, in the case of a candidate for nomination for election or for election to the office of 5 member of the Legislature, in a legislative district in which, according 6 to the federal decennial census upon the basis of which legislative 7 8 districts shall have been established, less than 20% of the population 9 resides within the county of that county committee. In addition, all 10 contributor reporting requirements and other restrictions and 11 regulations applicable to a contribution of money or other thing of 12 value by a political committee or continuing political committee under 13 the provisions of P.L.1973, c.83 (C.19:44A-1 et al.) shall likewise be 14 applicable to the making or payment of such a contribution by such a 15 county committee.

16 The limitation upon the knowing acceptance by a candidate, 17 campaign treasurer, deputy campaign treasurer, candidate committee 18 or joint candidates committee of any contribution of money or other thing of value from a political committee or continuing political 19 20 committee under the provisions of paragraph (1) of this subsection, 21 except that the amount of any contribution of money or other thing of 22 value shall be in an amount which in the aggregate does not exceed 23 \$25,000, shall also be applicable to the knowing acceptance of any 24 such contribution from the county committee of a political party by a 25 candidate, or the campaign treasurer, deputy campaign treasurer, 26 candidate committee or joint candidates committee of a candidate, for 27 nomination for election or for election to the office of member of the 28 Legislature in a legislative district in which, according to the federal 29 decennial census upon the basis of which legislative districts shall have 30 been established, at least 20% but less than 40% of the population 31 resides within the county of that county committee. In addition, all 32 contributor reporting requirements and other restrictions and regulations applicable to a contribution of money or other thing of 33 34 value by a political committee or continuing political committee under 35 the provisions of P.L.1973, c.83 (C.19:44A-1 et al.) shall likewise be applicable to the making or payment of such a contribution by such a 36 37 county committee.

With respect to the limitations in this paragraph, the Legislature finds and declares that:

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- (a) Persons making contributions to the county committee of a political party have a right to expect that their money will be used, for the most part, to support candidates for elective office who will most directly represent the interest of that county;
- (b) The practice of allowing a county committee to use funds raised with this expectation to make unlimited contributions to candidates for the Legislature who may have a limited, or even

nonexistent, connection with that county serves to undermine public
 confidence in the integrity of the electoral process;

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- (c) Furthermore, the risk of actual or perceived corruption is raised by the potential for contributors to circumvent limits on contributions to candidates by funnelling money to candidates through county committees:
- (d) The State has a compelling interest in preventing the actuality or appearance of corruption and in protecting public confidence in democratic institutions by limiting amounts which a county committee may contribute to legislative candidates whose districts are not located in close proximity to that county; and
- (e) It is, therefore, reasonable for the State to promote this compelling interest by limiting the amount a county committee may give to a legislative candidate based upon the degree to which the population of the legislative district overlaps with the population of that county.
- 17 c. (1) No candidate who has established only a candidate 18 committee, his campaign treasurer, deputy treasurer or candidate 19 committee shall (a) pay or make any contribution of money or other 20 thing of value to another candidate who has established only a 21 candidate committee, his campaign treasurer, deputy campaign 22 treasurer or candidate committee, other than a candidate for 23 nomination for election or for election for the office of Governor, 24 which in the aggregate exceeds [\$5,000] \$8,200 per election, or (b) 25 pay or make any contribution of money or other thing of value to candidates who have established only a joint candidates committee, 26 their campaign treasurer, deputy campaign treasurer, or joint 27 candidates committee, which in the aggregate exceeds [\$5,000] 28 29 \$8,200 per election per candidate in the recipient committee, or (c) pay or make any contribution of money or other thing of value to a 30 31 candidate who has established both a candidate committee and a joint 32 candidates committee, the campaign treasurers, deputy campaign 33 treasurers, or candidate committee or joint candidates committee, 34 which in the aggregate exceeds [\$5,000] <u>\$8,200</u> per election. No 35 candidate who has established only a candidate committee, his 36 campaign treasurer, deputy campaign treasurer or candidate 37 committee, other than a candidate for nomination for election or for 38 election to the office of the Governor, shall knowingly accept from 39 another candidate who has established only a candidate committee, his 40 campaign treasurer, deputy campaign treasurer or candidate 41 committee, any contribution of money or other thing of value which 42 in the aggregate exceeds [\$5,000] \$8,200 per election, and no 43 candidates who have established only a joint candidates committee, 44 their campaign treasurer, deputy campaign treasurer, or joint 45 candidates committee, shall knowingly accept from any such source 46 any contribution of money or other thing of value which in the

aggregate exceeds [\$5,000] <u>\$8,200</u> per election per candidate in the recipient committee, and no candidate who has established both a candidate committee and a joint candidates committee, the campaign treasurers, deputy campaign treasurers, or candidate committee or joint candidates committee, shall knowingly accept from any such source any contribution of money or other thing of value which in the aggregate exceeds [\$5,000] <u>\$8,200</u> per election.

8 (2) No candidates who have established only a joint candidates 9 committee, their campaign treasurer, deputy campaign treasurer, or 10 joint candidates committee shall (a) pay or make any contribution of 11 money or other thing of value to another candidate who has 12 established only a candidate committee, his campaign treasurer, deputy 13 campaign treasurer or candidate committee, other than a candidate for 14 nomination for election or for election for the office of Governor, 15 which in the aggregate exceeds, on the basis of each candidate in the contributing joint candidates committee, [\$5,000] \$8,200 per election, 16 17 or (b) pay or make any contribution of money or other thing of value 18 to candidates who have established only a joint candidates committee, 19 their campaign treasurer, deputy campaign treasurer or joint 20 candidates committee, which in the aggregate exceeds, on the basis of 21 each candidate in the contributing joint candidates committee, 22 [\$5,000] \$8,200 per election per candidate in the recipient joint 23 candidates committee, or (c) pay or make any contribution of money 24 or other thing of value to a candidate who has established both a 25 candidate committee and a joint candidates committee, the campaign 26 treasurers, deputy campaign treasurers or candidate committee or joint 27 candidates committee, which in the aggregate exceeds, on the basis of 28 each candidate in the contributing joint candidates committee, 29 [\$5,000] <u>\$8,200</u> per election. No candidate who has established only 30 a candidate committee, his campaign treasurer, deputy campaign 31 treasurer, or candidate committee, other than a candidate for 32 nomination for election or for election for the office of Governor, shall 33 knowingly accept from other candidates who have established only a 34 joint candidates committee, their campaign treasurer, deputy campaign 35 treasurer or joint candidates committee, any contribution of money or other thing of value which in the aggregate exceeds, on the basis of 36 37 each candidate in the contributing committee, [\$5,000] \$8,200 per 38 election, and no candidates who have established only a joint 39 candidates committee, their campaign treasurer, deputy campaign 40 treasurer, or joint candidates committee, shall knowingly accept from any such source any contribution of money or other thing of value 41 42 which in the aggregate exceeds, on the basis of each candidate in the 43 contributing joint candidates committee, [\$5,000] \$8,200 per election 44 per candidate in the recipient joint candidates committee, and no candidate who has established both a candidate committee and a joint 45 candidates committee, the campaign treasurers, deputy campaign 46

treasurers, or candidate committee or joint candidates committee, shall knowingly accept from any such source any contribution of money or other thing of value which in the aggregate exceeds, on the basis of each candidate in the contributing joint candidates committee, [\$5,000] \$8,200 per election.

6 (3) No candidate who has established both a candidate committee and a joint candidates committee, the campaign treasurers, deputy 7 8 campaign treasurers, or candidate committee or joint candidates 9 committee shall (a) pay or make any contribution of money or other 10 thing of value to another candidate who has established only a candidate committee, his campaign treasurer, deputy campaign 11 treasurer or candidate committee, other than a candidate for 12 13 nomination for election or for election for the office of Governor, 14 which in the aggregate exceeds [\$5,000] \$8,200 per election, or (b) 15 pay or make any contribution of money or other thing of value to candidates who have established only a joint candidates committee, 16 17 their campaign treasurer, deputy campaign treasurer or joint 18 candidates committee, which in the aggregate exceeds [\$5,000] 19 \$8,200 per election per candidate in the recipient joint candidates 20 committee, or (c) pay or make any contribution of money or other 21 thing of value to a candidate who has established both a candidate 22 committee and a joint candidates committee, the campaign treasurers, 23 deputy campaign treasurers, or candidate committee or joint 24 candidates committee, which in the aggregate exceeds [\$5,000] 25 \$8,200 per election. No candidate who has established only a 26 candidate committee, his campaign treasurer, deputy campaign treasurer, or candidate committee, other than a candidate for 27 28 nomination for election or for election for the office of Governor, shall 29 knowingly accept from a candidate who has established both a 30 candidate committee and a joint candidates committee, the campaign 31 treasurers, deputy campaign treasurers, or candidate committee or 32 joint candidates committee, any contribution of money or other thing 33 of value which in the aggregate exceeds [\$5,000] \$8,200 per election, 34 and no candidates who have established only a joint candidates 35 committee, their campaign treasurer, deputy campaign treasurer, or 36 joint candidates committee, shall knowingly accept from any such 37 source any contribution of money or other thing of value which in the 38 aggregate exceeds [\$5,000] <u>\$8,200</u> per election per candidate in the 39 recipient joint candidates committee, and no candidate who has 40 established both a candidate committee and a joint candidates 41 committee, the campaign treasurers, deputy campaign treasurers, or 42 candidate committee or joint candidates committee shall knowingly 43 accept from any such source any contribution of money or other thing 44 of value which in the aggregate exceeds [\$5,000] \$8,200 per election.

(4) Expenditures by a candidate for nomination for election or for election to the office of member of the Legislature or to an office of

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1 a political subdivision of the State, or by the campaign treasurer,

- 2 deputy treasurer, candidate committee or joint candidates committee
- 3 of such a candidate, which are made in furtherance of the nomination
- 4 or election, respectively, of another candidate for the same office in
- 5 the same legislative district or the same political subdivision shall not
- 6 be construed to be subject to any limitation under this subsection; for
- 7 the purposes of this sentence, the offices of member of the State
- 8 Senate and member of the General Assembly shall be deemed to be the
- 9 same office.
 - d. Nothing contained in this section shall be construed to impose any limitation on contributions by a candidate, or by a corporation, 100% of the stock in which is owned by a candidate or the candidate's spouse, child, parent or sibling residing in the same household, to that candidate's campaign.
 - e. For the purpose of determining the amount of a contribution to be attributed as given to or by each candidate in a joint candidates committee, the amount of the contribution to or by such a committee shall be divided equally among all the candidates in the committee.
- 19 (cf: P.L.1993, c.65, s.18)

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- 4. Section 19 of P.L.1993, c.65 (C.19:44A-11.4) is amended to read as follows:
- 19. a. (1) Except as otherwise provided in paragraph (2) of this subsection, no individual, no corporation of any kind organized and incorporated under the laws of this State or any other state or any country other than the United States, no labor organization of any kind which exists or is constituted for the purpose, in whole or in part, of collective bargaining, or of dealing with employers concerning the grievances, terms or conditions of employment, or of other mutual aid or protection in connection with employment, no political committee, continuing political committee, candidate committee or joint candidates committee or any other group, shall pay or make any contribution of money or other thing of value to the campaign treasurer, deputy treasurer or other representative of the State committee of a political party or the campaign treasurer, deputy campaign treasurer or other representative of any legislative leadership committee, which in the aggregate exceeds \$25,000 per year, or in the case of a joint candidates committee when that is the only committee established by the candidates, \$25,000 per year per candidate in the joint candidates committee, or in the case of a candidate committee and a joint candidates committee when both are established by a candidate, \$25,000 per year from that candidate. No campaign treasurer, deputy campaign treasurer or other representative of the State committee of a political party or campaign treasurer, deputy campaign treasurer or other representative of any legislative leadership committee shall knowingly accept from an individual, a corporation of

1 any kind organized and incorporated under the laws of this State or 2 any other state or any country other than the United States, a labor 3 organization of any kind which exists or is constituted for the purpose, 4 in whole or in part, of collective bargaining, or of dealing with employers concerning the grievances, terms or conditions of 5 employment, or of other mutual aid or protection in connection with 6 7 employment, a political committee, a continuing political committee, 8 a candidate committee or a joint candidates committee or any other 9 group, any contribution of money or other thing of value which in the 10 aggregate exceeds \$25,000 per year, or in the case of a joint 11 candidates committee when that is the only committee established by 12 the candidates, \$25,000 per year per candidate in the joint candidates 13 committee, or in the case of a candidate committee and a joint 14 candidates committee when both are established by a candidate, 15 \$25,000 per year from that candidate.

[Adjustments to the limits established in this paragraph which have been made by the Election Law Enforcement Commission, pursuant to section 22 of P.L.1993, c.65 (C.19:44A-7.2), prior to the effective date of P.L.2001, c.384 are rescinded. The limits established in this paragraph shall remain as stated in this paragraph until subsequently adjusted by the commission in the manner prescribed by section 22 of P.L.1993, c.65 (C.19:44A-7.2).]

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- (2) No national committee of a political party shall pay or make any contribution of money or other thing of value to the campaign treasurer, deputy treasurer or other representative of the State committee of a political party which in the aggregate exceeds [\$50,000] \$72,000 per year, and no campaign treasurer, deputy campaign treasurer or other representative of the State committee of a political party shall knowingly accept from the national committee of a political party any contribution of money or other thing of value which in the aggregate exceeds [\$50,000] \$72,000 per year.
- 32 No individual, no corporation of any kind organized and 33 incorporated under the laws of this State or any other state or any 34 country other than the United States, no labor organization of any kind 35 which exists or is constituted for the purpose, in whole or in part, of collective bargaining, or of dealing with employers concerning the 36 37 grievances, terms or conditions of employment, or of other mutual aid 38 or protection in connection with employment, no political committee, 39 continuing political committee, candidate committee or joint 40 candidates committee or any other group, shall pay or make any 41 contribution of money or other thing of value to any county committee 42 of a political party, which in the aggregate exceeds [\$25,000] \$37,000 43 per year, or in the case of a joint candidates committee when that is 44 the only committee established by the candidates, [\$25,000] \$37,000 45 per year per candidate in the joint candidates committee, or in the case 46 of a candidate committee and a joint candidates committee when both

are established by a candidate, [\$25,000] \$37,000 per year from that 1 2 candidate. No campaign treasurer, deputy campaign treasurer or other 3 representative of a county committee of a political party shall 4 knowingly accept from an individual, a corporation of any kind 5 organized and incorporated under the laws of this State or any other 6 state or any country other than the United States, a labor organization 7 of any kind which exists or is constituted for the purpose, in whole or 8 in part, of collective bargaining, or of dealing with employers 9 concerning the grievances, terms or conditions of employment, or of 10 other mutual aid or protection in connection with employment, a 11 political committee, a continuing political committee, a candidate 12 committee or a joint candidates committee or any other group, any 13 contribution of money or other thing of value which in the aggregate 14 exceeds [\$25,000] <u>\$37,000</u> per year, or in the case of a joint 15 candidates committee when that is the only committee established by the candidates, [\$25,000] \$37,000 per year per candidate in the joint 16 17 candidates committee, or in the case of a candidate committee and a 18 joint candidates committee when both are established by a candidate, 19 [\$25,000] <u>\$37,000</u> per year from that candidate.

20 c. No individual, no corporation of any kind organized and 21 incorporated under the laws of this State or any other state or any 22 country other than the United States, no labor organization of any kind 23 which exists or is constituted for the purpose, in whole or in part, of 24 collective bargaining, or of dealing with employers concerning the 25 grievances, terms or conditions of employment, or of other mutual aid 26 or protection in connection with employment, no political committee, 27 continuing political committee, candidate committee or joint 28 candidates committee or any other group shall pay or make any 29 contribution of money or other thing of value to any municipal 30 committee of a political party, which in the aggregate exceeds 31 [\$5,000] \$7,200 per year, or in the case of a joint candidates 32 committee when that is the only committee established by the 33 candidates, [\$5,000] \$7,200 per year per candidate in the joint 34 candidates committee, or in the case of a candidate committee and a 35 joint candidates committee when both are established by a candidate, 36 [\$5,000] \$7,200 per year from that candidate. No campaign 37 treasurer, deputy campaign treasurer or other representative of a 38 municipal committee of a political party shall knowingly accept from 39 an individual, a corporation of any kind organized and incorporated 40 under the laws of this State or any other state or any country other 41 than the United States, a labor organization of any kind which exists 42 or is constituted for the purpose, in whole or in part, of collective 43 bargaining, or of dealing with employers concerning the grievances, 44 terms or conditions of employment, or of other mutual aid or 45 protection in connection with employment, a political committee, a continuing political committee, a candidate committee or a joint 46

candidates committee or any other group, any contribution of money or other thing of value which in the aggregate exceeds [\$5,000] \$7,200 per year, or in the case of a joint candidates committee when that is the only committee established by the candidates, [\$5,000] \$7,200 per year per candidate in the joint candidates committee, or in the case of a candidate committee and a joint candidates committee

7 when both are established by a candidate, **[**\$5,000**]** <u>\$7,200</u> per year

8 from that candidate.

No county committee of a political party in any county shall pay or make any contribution of money or other thing of value to a municipal committee of a political party in a municipality not located in that county which in the aggregate exceeds the amount of aggregate contributions which, under this subsection, a continuing political committee is permitted to pay or make to a municipal committee of a political party. No campaign treasurer, deputy campaign treasurer or other representative of a municipal committee of a political party in any municipality shall knowingly accept from any county committee of a political party in any county other than the county in which the municipality is located any contribution of money or other thing of value which in the aggregate exceeds the amount of contributions permitted to be so paid or made under that subsection.

d. For the purpose of determining the amount of a contribution to be attributed as given by each candidate in a joint candidates committee, the amount of the contribution by such a committee shall be divided equally among all the candidates in the committee.

(cf: P.L.2001, c.384, s.2)

5. This act shall take effect on the seventh day following the date of enactment.

STATEMENT

N.J.S.A.19:44A-7.2 provides that by December 1 of each year preceding any year in which a general election is held to fill the office of Governor for a four-year term, the Election Law Enforcement Commission (ELEC) must adjust the limits on 12 campaign finance contributions and expenditure thresholds and penalty amounts, including those on contributions to candidates for public offices, other than Governor, received from political committees, continuing political committees, candidates committees, political party committees and legislative leadership committees. The adjustment of these thresholds is based on a formula in current law that measures the increase in the cost of campaigning over the preceding four years.

This bill ends such adjustment on the amount of money or other thing of value that committees can contribute and receive. The quadrennial adjustment of other limits and thresholds would not be effected by the bill. Limits on contributions that may be received by a candidate committee, joint candidates committee, or both, would be established by the bill, but that limit would be the amount as adjusted by ELEC, pursuant to N.J.S.A.19:44A-7.2, and no further adjustments would be made.

Specifically, the bill:

- 1) limits to \$2,600 per election the amount of money or other thing of value that may be contributed to a candidate committee, joint candidates committee, or both, by an individual, corporation, union, association or group; and
- 2) limits to \$8,200 per election the amount of money or other thing of value that may be contributed to a candidate committee, joint candidates committee, or both, by a political committee, a continuing political committee or another candidate committee, joint candidates committee or both.

The bill also establishes in statute the current limits on contributions to other committees, as adjusted by ELEC in 2000. These include:

- 1) \$72,000 per year as the limit on contributions to the State party of a political party by the national committee of a political party;
- 2) \$37,000 per year as the limit contributions to a county committee of a political party by an individual, corporation, union, association or group, political committee, continuing political committee, candidate committee or joint candidates committee; and
- 3) \$7,200 per year as the limit on contributions to the municipal committee of a political party by an individual, corporation, union, association or group, political committee, continuing political committee, candidate committee or joint candidates committee.

Under the bill, ELEC must issue a report setting forth its recommendations for adjustment of these contribution limits no later than July 1 of each year preceding the year in which a general election is held to fill the office of Governor for a four-year term and must transmit the report to each member of the Legislature. The recommendations would be based on the same formula currently used by ELEC, pursuant to N.J.S.A.19:44A-7.1. The Legislature could adopt all or part of the recommended adjustments by the passage of appropriate legislation.

Ends automatic adjustment of campaign contribution limits for committees; adjusts limits for candidate committees.

SENATE, No. 27

STATE OF NEW JERSEY 211th LEGISLATURE

INTRODUCED SEPTEMBER 27, 2004

Sponsored by:

Senator RICHARD J. CODEY

District 27 (Essex)

Senator ELLEN KARCHER

District 12 (Mercer and Monmouth)

Assemblyman ALFRED E. STEELE

District 35 (Bergen and Passaic)

Assemblyman MIMS HACKETT, JR.

District 27 (Essex)

Co-Sponsored by:

Senators Coniglio, Kenny, Martin, Turner, Lance, Scutari, Rice, Baer, Sarlo, Palaia, Bucco, Singer, Doria, Inverso, Buono, Madden, Adler, B.Smith, Girgenti, Sweeney, Allen, Gill, Vitale, T.Kean and Assemblywoman Greenstein

SYNOPSIS

Ends automatic adjustment of campaign contribution limits for committees; adjusts limits for candidate committees.

CURRENT VERSION OF TEXT

As introduced.

(Sponsorship Updated As Of: 12/14/2004)

1 **AN ACT** concerning political contributions, and amending and supplementing P.L.1993, c.65 (C.19:44A-1 et seq.).

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4 **BE IT ENACTED** by the Senate and General Assembly of the State of New Jersey:

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- 7 1. Section 22 of P.L.1993, c.65 (C.19:44A-7.2) is amended to read 8 as follows:
- 9 22. a. Not later than December 1 of each year preceding any year 10 in which a general election is to be held to fill the office of Governor 11 for a four-year term, the Election Law Enforcement Commission shall 12 adjust the amounts, set forth in subsection b. of this section, which shall be applicable under P.L.1973, c.83 (C.19:44A-1 et al.) to primary 13 and general elections for any public office other than the office of 14 15 Governor[, to limitations on contributions to and from political 16 committees, continuing political committees, candidate committees, 17 joint candidates committees, political party committees and legislative 18 leadership committees and to other amounts,] at a percentage which shall be the same as the percentage of change that the commission 19 applies to the amounts used for the primary and general elections for 20 21 the office of Governor held in the third year preceding the year in 22 which that December 1 occurs, pursuant to section 19 of P.L.1980,
- 25 b. The amounts subject to adjustment as provided under this 26 section shall be:

c.74 (C.19:44A-7.1), and any amount so adjusted shall be rounded in

- (1) the minimum amount raised or expended by any two or more persons acting jointly who qualify as a political committee and the minimum amount contributed or expected to be contributed in any calendar year by any group of two or more persons acting jointly who qualify as a continuing political committee as defined in section 3 of P.L.1973, c.83 (C.19:44A-3);
 - (2) (Deleted by amendment, P.L.2004, c.28);

the same manner as provided in that section.

34 (3) the minimum amount of a contribution to a political committee, 35 continuing political committee, legislative leadership committee or a 36 political party committee received during the period between the 13th day prior to the election and the date of the election, the minimum 37 38 amount of an expenditure by a political committee during that period, 39 and the minimum amount of an expenditure by a continuing political 40 committee during the period beginning after March 31 and ending on 41 the date of the primary election and the period beginning after 42 September 30 and ending on the date of the general election which 43 triggers an obligation to report that contribution to the commission

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

- pursuant to section 8 of P.L.1973, c.83 (C.19:44A-8), and the minimum amount of a contribution to a candidate, candidate committee or joint candidates committee received during the period between the 13th day prior to the election and the date of the election which triggers an obligation to report that contribution to the commission pursuant to section 16 of P.L.1973, c.83 (C.19:44A-16);
 - (4) the maximum amount which may be expended by the campaign organizations of two or more candidates forming a joint candidates committee without being required to file contribution reports, pursuant to section 8 of P.L.1973, c.83 (C.19:44A-8);

- (5) the maximum amount that a person, not acting in concert with any other person or group, may spend to support or defeat a candidate or to aid the passage or defeat of a public question without being required to report all such expenditures and expenses to the commission pursuant to section 11 of P.L.1973, c.83 (C.19:44A-11) and the maximum amount that a person, not acting in concert with any other person or group, may raise through a public solicitation and expend to finance any lawful activity in support of or in opposition to any candidate or public question or to seek to influence the content, introduction, passage or defeat of legislation pursuant to section 19 of P.L.1973, c.83 (C.19:44A-19);
- (6) the maximum amount that may be expended, in the aggregate, on behalf of a candidate without requiring that candidate to file contribution reports with the commission and the maximum amount that may be expended, in the aggregate, on behalf of a candidate seeking election to a public office of a school district, without requiring that candidate to file contribution reports with the commission pursuant to section 16 of P.L.1973, c.83 (C.19:44A-16);
- (7) the maximum amount of penalty which may be imposed by the commission on any person who fails to comply with the regulatory provisions of P.L.1973, c.83 (C.19:44A-1 et al.) for a first offense or a second and subsequent offenses, pursuant to section 22 of P.L.1973, c.83 (C.19:44A-22);
- (8) the maximum amount of penalty which may be imposed by the commission on any corporation or labor organization which provides any of its employees any additional increment of salary for the express purpose of making a contribution to a candidate, candidate committee, joint candidates committee, political party committee, legislative leadership committee, political committee or continuing political committee for a first or a second and subsequent offenses, pursuant to section 15 of P.L.1993, c.65 (C.19:44A-20.1);
- 42 (9) [the maximum amount of contributions permitted to be made 43 by an individual, a corporation or labor organization to a candidate, 44 candidate committee or joint candidates committee, the maximum 45 amount of contributions permitted to be made by a political committee 46 or a continuing political committee to a candidate, candidate

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- 1 committee or joint candidates committee other than the committee of 2 a candidate for nomination or election to the office of Governor and
- 3 the maximum amount of contributions permitted to be made by one
- 4 candidate, candidate committee or joint candidates committee, other
- 5 than the committee of a candidate for nomination or election to the
- 6 office of Governor, to another candidate, candidate committee or joint
- 7 candidates committee other than the committee of a candidate for
- 8 nomination or election to the office of Governor pursuant to section
- 9 18 of P.L.1993, c.65 (C.19:44A-11.3)] (Deleted by amendment, P.L.
- 10 <u>, c. (now pending before the Legislature as this bill)</u>;
- 11 (10) [the maximum amount of contributions permitted to be made 12 by an individual, corporation, labor organization, political committee, 13 continuing political committee, candidate committee or joint 14 candidates committee or any other group to any political party 15 committee or any legislative leadership committee pursuant to section 16 19 of P.L.1993, c.65 (C.19:44A-11.4] (Deleted by amendment, P.L.
- 17 <u>, c. (now pending before the Legislature as this bill)</u>;
 - (11) [the maximum amount of contributions permitted to be made by a candidate, candidate committee or joint candidates committee to a political committee or a continuing political committee and the maximum amount of contributions permitted to be made by one political committee or continuing political committee to another political committee or continuing political committee pursuant to section 20 of P.L.1993, c.65 (C.19:44A-11.5)] (Deleted by amendment, P.L., c. (now pending before the Legislature as this bill));
 - (12) the amount of filing fees which may be collected from a candidate committee, a joint candidates committee, a continuing political committee, a political party committee, a legislative leadership committee, or any other person pursuant to section 6 of P.L.1973, c.83 (C.19:44A-6) (as that section shall have been amended by P.L.1983, c.579).
- 33 c. Not later than December 15 of each year preceding any year in 34 which a general election is to be held to fill the office of Governor for 35 a four-year term, the commission shall report to the Legislature and 36 make public its adjustment of limits in accordance with the provisions of this section. Whenever, following the transmittal of that report, the 37 38 commission shall have notice that a person has declared as a candidate 39 for nomination for election or for election to any public office in a 40 forthcoming primary or general election, it shall promptly notify that candidate of the amounts of those adjusted limits. 41
- 42 (cf: P.L.2004, c.28, s.2)

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2. (New section) a. No later than July 1 of each year preceding any year in which a general election is to be held to fill the office of Governor for a four-year term, the commission shall issue a report

- 1 setting forth its recommendations for the adjustment of the amounts,
- 2 set forth in subsection b. of this section and applicable to P.L.1973,
- 3 c.83 (C.19:44A-1 et seq.), to primary and general elections for any
- 4 public office other than the office of Governor, to limitations on
- 5 contributions to and from political committees, continuing political
- 6 committees, candidate committees, joint candidates committees,
- 7 political party committees and legislative leadership committees and
- 8 to other amounts, at a percentage which shall be the same as the 9 percentage of change that the commission applies to the amounts used
- 10 for the primary and general elections for the office of Governor held
- in the third year preceding the year in which that December 1 occurs,
- 12 pursuant to section 19 of P.L.1980, c.74 (C.19:44A-7.1). Any amount
- so recommended for adjustment shall be rounded in the same manner as provided in that section.
 - b. The amounts to be recommended for adjustment as provided under this section shall be:
 - under this section shall be:

 (1) the maximum amount of contributions permitted to be made by
- 17 (1) the maximum amount of contributions permitted to be made by 18 an individual, a corporation or labor organization to a candidate,
- 19 candidate committee or joint candidates committee, the maximum
- amount of contributions permitted to be made by a political committee
- 21 or a continuing political committee to a candidate, candidate
- 22 committee or joint candidates committee other than the committee of
- 23 a candidate for nomination or election to the office of Governor and
- 24 the maximum amount of contributions permitted to be made by one
- 25 candidate, candidate committee or joint candidates committee, other
- 26 than the committee of a candidate for nomination or election to the
- 27 office of Governor, to another candidate, candidate committee or joint
- 28 candidates committee other than the committee of a candidate for
- 29 nomination or election to the office of Governor pursuant to section
- 30 18 of P.L.1993, c.65 (C.19:44A-11.3);

- 31 (2) the maximum amount of contributions permitted to be made by 32 an individual, corporation, labor organization, political committee,
- 33 continuing political committee, candidate committee or joint
- 34 candidates committee or any other group to any political party
- 35 committee or any legislative leadership committee pursuant to section
- 36 19 of P.L.1993, c.65 (C.19:44A-11.4); and
- 37 (3) the maximum amount of contributions permitted to be made by
- a candidate, candidate committee or joint candidates committee to a
- 39 political committee or a continuing political committee and the
- 40 maximum amount of contributions permitted to be made by one
- 41 political committee or continuing political committee to another
- 42 political committee or continuing political committee pursuant to
- 43 section 20 of P.L.1993, c.65 (C.19:44A-11.5).
- c. No later than July 15 of each year preceding any year in which
- a general election is to be held to fill the office of Governor for a
- 46 four-year term, the commission shall transmit a copy of its report to

each member of the Legislature and make public its recommended adjustment of limits pursuant to this section. The Legislature shall have the option of adopting all or part of the recommended adjustments by the passage of appropriate legislation.

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3. Section 18 of P.L.1993, c.65 (C.19:44A-11.3) is amended to read as follows:

8 18. a. No individual, other than an individual who is a candidate, 9 no corporation of any kind organized and incorporated under the laws 10 of this State or any other state or any country other than the United 11 States, no labor organization of any kind which exists or is constituted 12 for the purpose, in whole or in part, of collective bargaining, or of 13 dealing with employers concerning the grievances, terms or conditions 14 of employment, or of other mutual aid or protection in connection with 15 employment, or any group shall: (1) pay or make any contribution of 16 money or other thing of value to a candidate who has established only 17 a candidate committee, his campaign treasurer, deputy campaign 18 treasurer or candidate committee which in the aggregate exceeds [\$1,500] <u>\$2,600</u> per election, or (2) pay or make any contribution of 19 20 money or other thing of value to candidates who have established only 21 a joint candidates committee, their campaign treasurer, deputy 22 campaign treasurer, or joint candidates committee, which in the 23 aggregate exceeds [\$1,500] \$2,600 per election per candidate, or (3) 24 pay or make any contribution of money or other thing of value to a 25 candidate who has established both a candidate committee and a joint 26 candidates committee, the campaign treasurers, deputy campaign 27 treasurers, or candidate committee or joint candidates committee, 28 which in the aggregate exceeds [\$1,500] \$2,600 per election. No 29 candidate who has established only a candidate committee, his 30 campaign treasurer, deputy campaign treasurer or candidate committee 31 shall knowingly accept from an individual, other than an individual 32 who is a candidate, a corporation of any kind organized and 33 incorporated under the laws of this State or any other state or any country other than the United States, a labor organization of any kind 34 35 which exists or is constituted for the purpose, in whole or in part, of 36 collective bargaining, or of dealing with employers concerning the 37 grievances, terms or conditions of employment, or of other mutual aid 38 or protection in connection with employment, or any group any 39 contribution of money or other thing of value which in the aggregate 40 exceeds [\$1,500] \$2,600 per election, and no candidates who have 41 established only a joint candidates committee, or their campaign 42 treasurer, deputy campaign treasurer, or joint candidates committee, 43 shall knowingly accept from any such source any contribution of 44 money or other thing of value which in the aggregate exceeds [\$1,500] \$2,600 per election per candidate, and no candidate who has 45 46 established both a candidate committee and a joint candidates

committee, the campaign treasurers, deputy campaign treasurers, or

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2 candidate committee or joint candidates committee shall knowingly accept from any such source any contribution of money or other thing 3 4 of value which in the aggregate exceeds [\$1,500] \$2,600 per election. 5 b. (1) No political committee or continuing political committee 6 shall: (a) pay or make any contribution of money or other thing of 7 value to a candidate who has established only a candidate committee, 8 his campaign treasurer, deputy campaign treasurer or candidate 9 committee, other than a candidate for nomination for election or for 10 election for the office of Governor, which in the aggregate exceeds 11 [\$5,000] <u>\$8,200</u> per election, or (b) pay or make any contribution of 12 money or other thing of value to candidates who have established only 13 a joint candidates committee, their campaign treasurer or deputy 14 campaign treasurer, or the joint candidates committee, which in the 15 aggregate exceeds [\$5,000] <u>\$8,200</u> per election per candidate, or (c) pay or make any contribution of money or other thing of value to a 16 17 candidate who has established both a candidate committee and a joint 18 candidates committee, the campaign treasurers, deputy campaign 19 treasurers, or candidate committee or joint candidates committee, 20 which in the aggregate exceeds [\$5,000] \$8,200 per election. No 21 candidate who has established only a candidate committee, his campaign treasurer, deputy campaign treasurer or candidate 22 23 committee, other than a candidate for nomination for election or for 24 election for the office of Governor, shall knowingly accept from any 25 political committee or continuing political committee any contribution of money or other thing of value which in the aggregate exceeds 26 27 [\$5,000] <u>\$8,200</u> per election, and no candidates who have established 28 only a joint candidates committee, their campaign treasurer, deputy 29 campaign treasurer, or joint candidates committee, shall knowingly 30 accept from any such source any contribution of money or other thing 31 of value which in the aggregate exceeds [\$5,000] \$8,200 per election 32 per candidate, and no candidate who has established both a candidate 33 committee and a joint candidates committee, the campaign treasurers, 34 deputy campaign treasurers, or candidate committee or joint 35 candidates committee shall knowingly accept from any such source any

(2) The limitation upon the knowing acceptance by a candidate, campaign treasurer, deputy campaign treasurer, candidate committee or joint candidates committee of any contribution of money or other thing of value from a political committee or continuing political committee under the provisions of paragraph (1) of this subsection shall also be applicable to the knowing acceptance of any such contribution from the county committee of a political party by a candidate or the campaign treasurer, deputy campaign treasurer, candidate committee or joint candidates committee of a candidate for

contribution of money or other thing of value which in the aggregate

exceeds [\$5,000] <u>\$8,200</u> per election.

1 any elective public office in another county or, in the case of a 2 candidate for nomination for election or for election to the office of 3 member of the Legislature, in a legislative district in which, according 4 to the federal decennial census upon the basis of which legislative districts shall have been established, less than 20% of the population 5 6 resides within the county of that county committee. In addition, all 7 contributor reporting requirements and other restrictions and 8 regulations applicable to a contribution of money or other thing of 9 value by a political committee or continuing political committee under 10 the provisions of P.L.1973, c.83 (C.19:44A-1 et al.) shall likewise be 11 applicable to the making or payment of such a contribution by such a 12 county committee.

13 The limitation upon the knowing acceptance by a candidate, 14 campaign treasurer, deputy campaign treasurer, candidate committee 15 or joint candidates committee of any contribution of money or other thing of value from a political committee or continuing political 16 committee under the provisions of paragraph (1) of this subsection, 17 18 except that the amount of any contribution of money or other thing of 19 value shall be in an amount which in the aggregate does not exceed 20 \$25,000, shall also be applicable to the knowing acceptance of any 21 such contribution from the county committee of a political party by a 22 candidate, or the campaign treasurer, deputy campaign treasurer, 23 candidate committee or joint candidates committee of a candidate, for nomination for election or for election to the office of member of the 24 25 Legislature in a legislative district in which, according to the federal 26 decennial census upon the basis of which legislative districts shall have 27 been established, at least 20% but less than 40% of the population 28 resides within the county of that county committee. In addition, all 29 contributor reporting requirements and other restrictions and 30 regulations applicable to a contribution of money or other thing of 31 value by a political committee or continuing political committee under 32 the provisions of P.L.1973, c.83 (C.19:44A-1 et al.) shall likewise be 33 applicable to the making or payment of such a contribution by such a 34 county committee.

With respect to the limitations in this paragraph, the Legislature finds and declares that:

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- (a) Persons making contributions to the county committee of a political party have a right to expect that their money will be used, for the most part, to support candidates for elective office who will most directly represent the interest of that county;
- (b) The practice of allowing a county committee to use funds raised with this expectation to make unlimited contributions to candidates for the Legislature who may have a limited, or even nonexistent, connection with that county serves to undermine public confidence in the integrity of the electoral process;
- (c) Furthermore, the risk of actual or perceived corruption is raised

by the potential for contributors to circumvent limits on contributions
 to candidates by funnelling money to candidates through county
 committees;

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- (d) The State has a compelling interest in preventing the actuality or appearance of corruption and in protecting public confidence in democratic institutions by limiting amounts which a county committee may contribute to legislative candidates whose districts are not located in close proximity to that county; and
- (e) It is, therefore, reasonable for the State to promote this compelling interest by limiting the amount a county committee may give to a legislative candidate based upon the degree to which the population of the legislative district overlaps with the population of that county.
- 14 c. (1) No candidate who has established only a candidate 15 committee, his campaign treasurer, deputy treasurer or candidate committee shall (a) pay or make any contribution of money or other 16 17 thing of value to another candidate who has established only a 18 candidate committee, his campaign treasurer, deputy campaign 19 treasurer or candidate committee, other than a candidate for 20 nomination for election or for election for the office of Governor, 21 which in the aggregate exceeds [\$5,000] <u>\$8,200</u> per election, or (b) 22 pay or make any contribution of money or other thing of value to 23 candidates who have established only a joint candidates committee, 24 their campaign treasurer, deputy campaign treasurer, or joint 25 candidates committee, which in the aggregate exceeds [\$5,000] 26 \$8,200 per election per candidate in the recipient committee, or (c) 27 pay or make any contribution of money or other thing of value to a candidate who has established both a candidate committee and a joint 28 29 candidates committee, the campaign treasurers, deputy campaign 30 treasurers, or candidate committee or joint candidates committee, which in the aggregate exceeds [\$5,000] <u>\$8,200</u> per election. No 31 32 candidate who has established only a candidate committee, his 33 campaign treasurer, deputy campaign treasurer or candidate committee, other than a candidate for nomination for election or for 34 35 election to the office of the Governor, shall knowingly accept from 36 another candidate who has established only a candidate committee, his 37 campaign treasurer, deputy campaign treasurer or candidate 38 committee, any contribution of money or other thing of value which 39 in the aggregate exceeds [\$5,000] \$8,200 per election, and no 40 candidates who have established only a joint candidates committee, 41 their campaign treasurer, deputy campaign treasurer, or joint candidates committee, shall knowingly accept from any such source 42 43 any contribution of money or other thing of value which in the 44 aggregate exceeds [\$5,000] <u>\$8,200</u> per election per candidate in the 45 recipient committee, and no candidate who has established both a 46 candidate committee and a joint candidates committee, the campaign

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treasurers, deputy campaign treasurers, or candidate committee or joint candidates committee, shall knowingly accept from any such source any contribution of money or other thing of value which in the aggregate exceeds [\$5,000] \$8,200 per election.

5 (2) No candidates who have established only a joint candidates committee, their campaign treasurer, deputy campaign treasurer, or 6 7 joint candidates committee shall (a) pay or make any contribution of 8 money or other thing of value to another candidate who has 9 established only a candidate committee, his campaign treasurer, deputy 10 campaign treasurer or candidate committee, other than a candidate for 11 nomination for election or for election for the office of Governor, 12 which in the aggregate exceeds, on the basis of each candidate in the contributing joint candidates committee, [\$5,000] \$8,200 per election, 13 14 or (b) pay or make any contribution of money or other thing of value 15 to candidates who have established only a joint candidates committee, 16 their campaign treasurer, deputy campaign treasurer or joint 17 candidates committee, which in the aggregate exceeds, on the basis of each candidate in the contributing joint candidates committee, 18 19 [\$5,000] \$8,200 per election per candidate in the recipient joint 20 candidates committee, or (c) pay or make any contribution of money 21 or other thing of value to a candidate who has established both a 22 candidate committee and a joint candidates committee, the campaign 23 treasurers, deputy campaign treasurers or candidate committee or joint 24 candidates committee, which in the aggregate exceeds, on the basis of 25 each candidate in the contributing joint candidates committee, 26 [\$5,000] <u>\$8,200</u> per election. No candidate who has established only a candidate committee, his campaign treasurer, deputy campaign 27 28 treasurer, or candidate committee, other than a candidate for 29 nomination for election or for election for the office of Governor, shall 30 knowingly accept from other candidates who have established only a 31 joint candidates committee, their campaign treasurer, deputy campaign 32 treasurer or joint candidates committee, any contribution of money or 33 other thing of value which in the aggregate exceeds, on the basis of 34 each candidate in the contributing committee, [\$5,000] \$8,200 per 35 election, and no candidates who have established only a joint 36 candidates committee, their campaign treasurer, deputy campaign 37 treasurer, or joint candidates committee, shall knowingly accept from 38 any such source any contribution of money or other thing of value 39 which in the aggregate exceeds, on the basis of each candidate in the 40 contributing joint candidates committee, [\$5,000] \$8,200 per election per candidate in the recipient joint candidates committee, and no 41 42 candidate who has established both a candidate committee and a joint 43 candidates committee, the campaign treasurers, deputy campaign 44 treasurers, or candidate committee or joint candidates committee, shall 45 knowingly accept from any such source any contribution of money or 46 other thing of value which in the aggregate exceeds, on the basis of

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each candidate in the contributing joint candidates committee, [\$5,000] \$8,200 per election.

3 (3) No candidate who has established both a candidate committee 4 and a joint candidates committee, the campaign treasurers, deputy 5 campaign treasurers, or candidate committee or joint candidates committee shall (a) pay or make any contribution of money or other 6 7 thing of value to another candidate who has established only a 8 candidate committee, his campaign treasurer, deputy campaign 9 treasurer or candidate committee, other than a candidate for 10 nomination for election or for election for the office of Governor, 11 which in the aggregate exceeds [\$5,000] \$8,200 per election, or (b) 12 pay or make any contribution of money or other thing of value to 13 candidates who have established only a joint candidates committee, 14 their campaign treasurer, deputy campaign treasurer or joint candidates committee, which in the aggregate exceeds [\$5,000] 15 \$8,200 per election per candidate in the recipient joint candidates 16 17 committee, or (c) pay or make any contribution of money or other 18 thing of value to a candidate who has established both a candidate 19 committee and a joint candidates committee, the campaign treasurers, 20 deputy campaign treasurers, or candidate committee or joint 21 candidates committee, which in the aggregate exceeds [\$5,000] \$8,200 per election. No candidate who has established only a 22 23 candidate committee, his campaign treasurer, deputy campaign treasurer, or candidate committee, other than a candidate for 24 25 nomination for election or for election for the office of Governor, shall 26 knowingly accept from a candidate who has established both a 27 candidate committee and a joint candidates committee, the campaign 28 treasurers, deputy campaign treasurers, or candidate committee or 29 joint candidates committee, any contribution of money or other thing 30 of value which in the aggregate exceeds [\$5,000] \$8,200 per election, 31 and no candidates who have established only a joint candidates 32 committee, their campaign treasurer, deputy campaign treasurer, or 33 joint candidates committee, shall knowingly accept from any such 34 source any contribution of money or other thing of value which in the aggregate exceeds [\$5,000] \$8,200 per election per candidate in the 35 36 recipient joint candidates committee, and no candidate who has 37 established both a candidate committee and a joint candidates 38 committee, the campaign treasurers, deputy campaign treasurers, or 39 candidate committee or joint candidates committee shall knowingly 40 accept from any such source any contribution of money or other thing 41 of value which in the aggregate exceeds [\$5,000] <u>\$8,200</u> per election. 42

(4) Expenditures by a candidate for nomination for election or for election to the office of member of the Legislature or to an office of a political subdivision of the State, or by the campaign treasurer, deputy treasurer, candidate committee or joint candidates committee of such a candidate, which are made in furtherance of the nomination

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1 or election, respectively, of another candidate for the same office in

- 2 the same legislative district or the same political subdivision shall not
- 3 be construed to be subject to any limitation under this subsection; for
- 4 the purposes of this sentence, the offices of member of the State
- Senate and member of the General Assembly shall be deemed to be the 5
- 6 same office.
- 7 d. Nothing contained in this section shall be construed to impose 8 any limitation on contributions by a candidate, or by a corporation, 9 100% of the stock in which is owned by a candidate or the candidate's 10 spouse, child, parent or sibling residing in the same household, to that 11 candidate's campaign.
 - e. For the purpose of determining the amount of a contribution to be attributed as given to or by each candidate in a joint candidates committee, the amount of the contribution to or by such a committee shall be divided equally among all the candidates in the committee. (cf: P.L.1993, c.65, s.18)

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- 4. Section 19 of P.L.1993, c.65 (C.19:44A-11.4) is amended to read as follows:
- 20 19. a. (1) Except as otherwise provided in paragraph (2) of this 21 subsection, no individual, no corporation of any kind organized and 22 incorporated under the laws of this State or any other state or any 23 country other than the United States, no labor organization of any kind 24 which exists or is constituted for the purpose, in whole or in part, of 25 collective bargaining, or of dealing with employers concerning the 26 grievances, terms or conditions of employment, or of other mutual aid 27 or protection in connection with employment, no political committee, 28 continuing political committee, candidate committee or joint 29 candidates committee or any other group, shall pay or make any 30 contribution of money or other thing of value to the campaign 31 treasurer, deputy treasurer or other representative of the State 32 committee of a political party or the campaign treasurer, deputy 33 campaign treasurer or other representative of any legislative leadership 34 committee, which in the aggregate exceeds \$25,000 per year, or in the case of a joint candidates committee when that is the only committee 35 established by the candidates, \$25,000 per year per candidate in the 36 joint candidates committee, or in the case of a candidate committee 37 38 and a joint candidates committee when both are established by a 39 candidate, \$25,000 per year from that candidate. No campaign 40 treasurer, deputy campaign treasurer or other representative of the 41 State committee of a political party or campaign treasurer, deputy 42 campaign treasurer or other representative of any legislative leadership 43 committee shall knowingly accept from an individual, a corporation of 44 any kind organized and incorporated under the laws of this State or 45 any other state or any country other than the United States, a labor organization of any kind which exists or is constituted for the purpose, 46

1 in whole or in part, of collective bargaining, or of dealing with 2 employers concerning the grievances, terms or conditions of 3 employment, or of other mutual aid or protection in connection with 4 employment, a political committee, a continuing political committee, 5 a candidate committee or a joint candidates committee or any other 6 group, any contribution of money or other thing of value which in the 7 aggregate exceeds \$25,000 per year, or in the case of a joint 8 candidates committee when that is the only committee established by 9 the candidates, \$25,000 per year per candidate in the joint candidates 10 committee, or in the case of a candidate committee and a joint 11 candidates committee when both are established by a candidate, 12 \$25,000 per year from that candidate.

[Adjustments to the limits established in this paragraph which have been made by the Election Law Enforcement Commission, pursuant to section 22 of P.L.1993, c.65 (C.19:44A-7.2), prior to the effective date of P.L.2001, c.384 are rescinded. The limits established in this paragraph shall remain as stated in this paragraph until subsequently adjusted by the commission in the manner prescribed by section 22 of P.L.1993, c.65 (C.19:44A-7.2).]

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- (2) No national committee of a political party shall pay or make any contribution of money or other thing of value to the campaign treasurer, deputy treasurer or other representative of the State committee of a political party which in the aggregate exceeds [\$50,000] \$72,000 per year, and no campaign treasurer, deputy campaign treasurer or other representative of the State committee of a political party shall knowingly accept from the national committee of a political party any contribution of money or other thing of value which in the aggregate exceeds [\$50,000] \$72,000 per year.
- b. No individual, no corporation of any kind organized and 29 30 incorporated under the laws of this State or any other state or any 31 country other than the United States, no labor organization of any kind 32 which exists or is constituted for the purpose, in whole or in part, of 33 collective bargaining, or of dealing with employers concerning the 34 grievances, terms or conditions of employment, or of other mutual aid 35 or protection in connection with employment, no political committee, 36 continuing political committee, candidate committee or joint 37 candidates committee or any other group, shall pay or make any 38 contribution of money or other thing of value to any county committee 39 of a political party, which in the aggregate exceeds [\$25,000] \$37,000 40 per year, or in the case of a joint candidates committee when that is 41 the only committee established by the candidates, [\$25,000] \$37,000 42 per year per candidate in the joint candidates committee, or in the case 43 of a candidate committee and a joint candidates committee when both 44 are established by a candidate, [\$25,000] \$37,000 per year from that 45 candidate. No campaign treasurer, deputy campaign treasurer or other 46 representative of a county committee of a political party shall

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1 knowingly accept from an individual, a corporation of any kind 2 organized and incorporated under the laws of this State or any other 3 state or any country other than the United States, a labor organization 4 of any kind which exists or is constituted for the purpose, in whole or 5 in part, of collective bargaining, or of dealing with employers 6 concerning the grievances, terms or conditions of employment, or of 7 other mutual aid or protection in connection with employment, a 8 political committee, a continuing political committee, a candidate 9 committee or a joint candidates committee or any other group, any 10 contribution of money or other thing of value which in the aggregate 11 exceeds [\$25,000] <u>\$37,000</u> per year, or in the case of a joint 12 candidates committee when that is the only committee established by the candidates, [\$25,000] \$37,000 per year per candidate in the joint 13 14 candidates committee, or in the case of a candidate committee and a joint candidates committee when both are established by a candidate, 15 16 [\$25,000] <u>\$37,000</u> per year from that candidate.

17 c. No individual, no corporation of any kind organized and 18 incorporated under the laws of this State or any other state or any 19 country other than the United States, no labor organization of any kind 20 which exists or is constituted for the purpose, in whole or in part, of 21 collective bargaining, or of dealing with employers concerning the 22 grievances, terms or conditions of employment, or of other mutual aid 23 or protection in connection with employment, no political committee, 24 continuing political committee, candidate committee or joint 25 candidates committee or any other group shall pay or make any 26 contribution of money or other thing of value to any municipal 27 committee of a political party, which in the aggregate exceeds 28 [\$5,000] \$7,200 per year, or in the case of a joint candidates 29 committee when that is the only committee established by the 30 candidates, [\$5,000] \$7,200 per year per candidate in the joint 31 candidates committee, or in the case of a candidate committee and a 32 joint candidates committee when both are established by a candidate, [\$5,000] \$7,200 per year from that candidate. No campaign 33 34 treasurer, deputy campaign treasurer or other representative of a 35 municipal committee of a political party shall knowingly accept from 36 an individual, a corporation of any kind organized and incorporated 37 under the laws of this State or any other state or any country other 38 than the United States, a labor organization of any kind which exists 39 or is constituted for the purpose, in whole or in part, of collective 40 bargaining, or of dealing with employers concerning the grievances, 41 terms or conditions of employment, or of other mutual aid or 42 protection in connection with employment, a political committee, a 43 continuing political committee, a candidate committee or a joint 44 candidates committee or any other group, any contribution of money 45 or other thing of value which in the aggregate exceeds [\$5,000] 46 \$7,200 per year, or in the case of a joint candidates committee when

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that is the only committee established by the candidates, [\$5,000] \$7,200 per year per candidate in the joint candidates committee, or in the case of a candidate committee and a joint candidates committee when both are established by a candidate, [\$5,000] \$7,200 per year

from that candidate.

No county committee of a political party in any county shall pay or make any contribution of money or other thing of value to a municipal committee of a political party in a municipality not located in that county which in the aggregate exceeds the amount of aggregate contributions which, under this subsection, a continuing political committee is permitted to pay or make to a municipal committee of a political party. No campaign treasurer, deputy campaign treasurer or other representative of a municipal committee of a political party in any municipality shall knowingly accept from any county committee of a political party in any county other than the county in which the municipality is located any contribution of money or other thing of value which in the aggregate exceeds the amount of contributions permitted to be so paid or made under that subsection.

- d. For the purpose of determining the amount of a contribution to be attributed as given by each candidate in a joint candidates committee, the amount of the contribution by such a committee shall be divided equally among all the candidates in the committee.
- 23 (cf: P.L.2001, c.384, s.2)

5. This act shall take effect on the seventh day following the date of enactment.

STATEMENT

N.J.S.A.19:44A-7.2 provides that by December 1 of each year preceding any year in which a general election is held to fill the office of Governor for a four-year term, the Election Law Enforcement Commission (ELEC) must adjust the limits on 12 campaign finance contributions and expenditure thresholds and penalty amounts, including those on contributions to candidates for public offices, other than Governor, received from political committees, continuing political committees, candidates committees, political party committees and legislative leadership committees. The adjustment of these thresholds is based on a formula in current law that measures the increase in the cost of campaigning over the preceding four years.

This bill ends such adjustment on the amount of money or other thing of value that committees can contribute and receive. The quadrennial adjustment of other limits and thresholds would not be effected by the bill. Limits on contributions that may be received by a candidate committee, joint candidates committee, or both, would be

- 1 established by the bill, but that limit would be the amount as adjusted
- 2 by ELEC, pursuant to N.J.S.A.19:44A-7.2, and no further adjustments
- 3 would be made.
- 4 Specifically, the bill:
- 5 1) limits to \$2,600 per election the amount of money or other thing
- 6 of value that may be contributed to a candidate committee, joint
- 7 candidates committee, or both, by an individual, corporation, union,
- 8 association or group; and
- 9 2) limits to \$8,200 per election the amount of money or other thing
- 10 of value that may be contributed to a candidate committee, joint
- 11 candidates committee, or both, by a political committee, a continuing
- 12 political committee or another candidate committee, joint candidates
- 13 committee or both.
- The bill also establishes in statute the current limits on contributions
- 15 to other committees, as adjusted by ELEC in 2000. These include:
- 16 1) \$72,000 per year as the limit on contributions to the State party
- of a political party by the national committee of a political party;
- 18 2) \$37,000 per year as the limit contributions to a county
- committee of a political party by an individual, corporation, union, association or group, political committee, continuing political
- 21 committee, candidate committee or joint candidates committee; and
- 22 3) \$7,200 per year as the limit on contributions to the municipal
- 23 committee of a political party by an individual, corporation, union,
- 24 association or group, political committee, continuing political
- 25 committee, candidate committee or joint candidates committee.
- 26 Under the bill, ELEC must issue a report setting forth its
- 27 recommendations for adjustment of these contribution limits no later
- 28 than July 1 of each year preceding the year in which a general election
- 29 is held to fill the office of Governor for a four-year term and must
- 30 transmit the report to each member of the Legislature. The
- 31 recommendations would be based on the same formula currently used
- 32 by ELEC, pursuant to N.J.S.A.19:44A-7.1. The Legislature could
- 33 adopt all or part of the recommended adjustments by the passage of
- 34 appropriate legislation.

ASSEMBLY STATE GOVERNMENT COMMITTEE

STATEMENT TO

SENATE, No. 27

STATE OF NEW JERSEY

DATED: DECEMBER 6, 2004

The Assembly State Government Committee reports favorably Senate, No. 27.

N.J.S.A. 19:44A-7.2 provides that by December 1 of each year before any year in which a general election is held to fill the office of Governor for a four-year term, the Election Law Enforcement Commission (ELEC) must adjust the restrictions on 12 campaign finance contributions and expenditure limits, thresholds and penalty amounts, including those on contributions to candidates for public offices, other than Governor, received from political committees, continuing political committees, candidates committees, political party committees and legislative leadership committees. The adjustment of these amounts is based on a formula in current law that measures the increase in the cost of campaigning over the preceding four years.

This bill ends such automatic adjustment on the amount of money or other thing of value that candidates and committees can contribute and receive. The quadrennial adjustment of other thresholds and penalties would not be affected by the bill. The bill increases the limits on contributions that may be received by a candidate committee, joint candidates committee, or both, to the amounts required by ELEC's adjustment this year, pursuant to N.J.S.A.19:44A-7.2, but ends further automatic adjustments of those amounts.

Specifically, the bill:

- 1) limits to \$2,600 per election the amount of money or other thing of value that may be contributed to a candidate committee, joint candidates committee, or both, by an individual, corporation, union, association or group; and
- 2) limits to \$8,200 per election the amount of money or other thing of value that may be contributed to a candidate committee, joint candidates committee, or both, by a political committee, a continuing political committee or another candidate committee, joint candidates committee or both.

The bill also updates statutory law to reflect the current limits on contributions to other committees, pursuant to adjustment by ELEC in 2000. These include:

- 1) \$72,000 per year as the limit on contributions to the State party of a political party by the national committee of a political party;
 - 2) \$37,000 per year as the limit on contributions to a county

committee of a political party by an individual, corporation, union, association or group, political committee, continuing political committee, candidate committee or joint candidates committee; and

3) \$7,200 per year as the limit on contributions to the municipal committee of a political party by an individual, corporation, union, association or group, political committee, continuing political committee, candidate committee or joint candidates committee.

Under the bill, the automatic quadrennial adjustment of these limits by ELEC would also end.

The bill provides that ELEC must issue a report setting forth its recommendations for adjustment of these contribution limits no later than July 1 of each year before the year in which a general election is held to fill the office of Governor for a four-year term and must transmit the report to each member of the Legislature. The recommendations would be based on the same adjustment formula used currently by ELEC, pursuant to N.J.S.A.19:44A-7.1. The Legislature could adopt all or part of the recommended adjustments by the passage of appropriate legislation.

This bill is the same as Assembly, No. 3434 of 2004.

SENATE STATE GOVERNMENT COMMITTEE

STATEMENT TO

SENATE, No. 27

STATE OF NEW JERSEY

DATED: OCTOBER 4, 2004

The Senate State Government Committee reports favorably Senate Bill No. 27.

N.J.S.A.19:44A-7.2 provides that by December 1 of each year before any year in which a general election is held to fill the office of Governor for a four-year term, the Election Law Enforcement Commission (ELEC) must adjust the restrictions on 12 campaign finance contributions and expenditure limits, thresholds and penalty amounts, including those on contributions to candidates for public offices, other than Governor, received from political committees, continuing political committees, candidates committees, political party committees and legislative leadership committees. The adjustment of these amounts is based on a formula in current law that measures the increase in the cost of campaigning over the preceding four years.

This bill ends such automatic adjustment on the amount of money or other thing of value that candidates and committees can contribute and receive. The quadrennial adjustment of other thresholds and penalties would not be affected by the bill. The bill increases the limits on contributions that may be received by a candidate committee, joint candidates committee, or both, to the amounts required by ELEC's adjustment this year, pursuant to N.J.S.A.19:44A-7.2, but ends further automatic adjustments of those amounts.

Specifically, the bill:

- 1) limits to \$2,600 per election the amount of money or other thing of value that may be contributed to a candidate committee, joint candidates committee, or both, by an individual, corporation, union, association or group; and
- 2) limits to \$8,200 per election the amount of money or other thing of value that may be contributed to a candidate committee, joint candidates committee, or both, by a political committee, a continuing political committee or another candidate committee, joint candidates committee or both.

The bill also updates statutory law to reflect the current limits on contributions to other committees, pursuant to adjustment by ELEC in 2000. These include:

- 1) \$72,000 per year as the limit on contributions to the State party of a political party by the national committee of a political party;
 - 2) \$37,000 per year as the limit on contributions to a county

committee of a political party by an individual, corporation, union, association or group, political committee, continuing political committee, candidate committee or joint candidates committee; and

3) \$7,200 per year as the limit on contributions to the municipal committee of a political party by an individual, corporation, union, association or group, political committee, continuing political committee, candidate committee or joint candidates committee.

Under the bill, the automatic quadrennial adjustment of these limits by ELEC would also end.

The bill provides that ELEC must issue a report setting forth its recommendations for adjustment of these contribution limits no later than July 1 of each year before the year in which a general election is held to fill the office of Governor for a four-year term and must transmit the report to each member of the Legislature. The recommendations would be based on the same adjustment formula used currently by ELEC, pursuant to N.J.S.A.19:44A-7.1. The Legislature could adopt all or part of the recommended adjustments by the passage of appropriate legislation.

ASSEMBLY, No. 3434

STATE OF NEW JERSEY 211th LEGISLATURE

INTRODUCED OCTOBER 21, 2004

Sponsored by: Assemblyman ALFRED E. STEELE District 35 (Bergen and Passaic) Assemblyman MIMS HACKETT, JR.

District 27 (Essex)

Co-Sponsored by:

Assemblywoman Greenstein

SYNOPSIS

Ends automatic adjustment of campaign contribution limits for committees; adjusts limits for candidate committees.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 12/14/2004)

1 **AN ACT** concerning political contributions, and amending and supplementing P.L.1993, c.65 (C.19:44A-1 et seq.).

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4 **BE IT ENACTED** by the Senate and General Assembly of the State of New Jersey:

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section shall be:

- 7 1. Section 22 of P.L.1993, c.65 (C.19:44A-7.2) is amended to read 8 as follows:
- 9 22. a. Not later than December 1 of each year preceding any year 10 in which a general election is to be held to fill the office of Governor 11 for a four-year term, the Election Law Enforcement Commission shall 12 adjust the amounts, set forth in subsection b. of this section, which shall be applicable under P.L.1973, c.83 (C.19:44A-1 et al.) to primary 13 and general elections for any public office other than the office of 14 15 Governor[, to limitations on contributions to and from political 16 committees, continuing political committees, candidate committees, 17 joint candidates committees, political party committees and legislative 18 leadership committees and to other amounts,] at a percentage which shall be the same as the percentage of change that the commission 19 applies to the amounts used for the primary and general elections for 20 21 the office of Governor held in the third year preceding the year in 22 which that December 1 occurs, pursuant to section 19 of P.L.1980, 23 c.74 (C.19:44A-7.1), and any amount so adjusted shall be rounded in
- the same manner as provided in that section.
 b. The amounts subject to adjustment as provided under this
 - (1) the minimum amount raised or expended by any two or more persons acting jointly who qualify as a political committee and the minimum amount contributed or expected to be contributed in any calendar year by any group of two or more persons acting jointly who qualify as a continuing political committee as defined in section 3 of P.L.1973, c.83 (C.19:44A-3);
 - (2) (Deleted by amendment, P.L.2004, c.28);
- 34 (3) the minimum amount of a contribution to a political committee, 35 continuing political committee, legislative leadership committee or a 36 political party committee received during the period between the 13th day prior to the election and the date of the election, the minimum 37 38 amount of an expenditure by a political committee during that period, 39 and the minimum amount of an expenditure by a continuing political 40 committee during the period beginning after March 31 and ending on 41 the date of the primary election and the period beginning after 42 September 30 and ending on the date of the general election which 43 triggers an obligation to report that contribution to the commission

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

- pursuant to section 8 of P.L.1973, c.83 (C.19:44A-8), and the minimum amount of a contribution to a candidate, candidate committee or joint candidates committee received during the period between the 13th day prior to the election and the date of the election which triggers an obligation to report that contribution to the commission pursuant to section 16 of P.L.1973, c.83 (C.19:44A-16);
 - (4) the maximum amount which may be expended by the campaign organizations of two or more candidates forming a joint candidates committee without being required to file contribution reports, pursuant to section 8 of P.L.1973, c.83 (C.19:44A-8);

- (5) the maximum amount that a person, not acting in concert with any other person or group, may spend to support or defeat a candidate or to aid the passage or defeat of a public question without being required to report all such expenditures and expenses to the commission pursuant to section 11 of P.L.1973, c.83 (C.19:44A-11) and the maximum amount that a person, not acting in concert with any other person or group, may raise through a public solicitation and expend to finance any lawful activity in support of or in opposition to any candidate or public question or to seek to influence the content, introduction, passage or defeat of legislation pursuant to section 19 of P.L.1973, c.83 (C.19:44A-19);
- (6) the maximum amount that may be expended, in the aggregate, on behalf of a candidate without requiring that candidate to file contribution reports with the commission and the maximum amount that may be expended, in the aggregate, on behalf of a candidate seeking election to a public office of a school district, without requiring that candidate to file contribution reports with the commission pursuant to section 16 of P.L.1973, c.83 (C.19:44A-16);
- (7) the maximum amount of penalty which may be imposed by the commission on any person who fails to comply with the regulatory provisions of P.L.1973, c.83 (C.19:44A-1 et al.) for a first offense or a second and subsequent offenses, pursuant to section 22 of P.L.1973, c.83 (C.19:44A-22);
- (8) the maximum amount of penalty which may be imposed by the commission on any corporation or labor organization which provides any of its employees any additional increment of salary for the express purpose of making a contribution to a candidate, candidate committee, joint candidates committee, political party committee, legislative leadership committee, political committee or continuing political committee for a first or a second and subsequent offenses, pursuant to section 15 of P.L.1993, c.65 (C.19:44A-20.1);
- 42 (9) [the maximum amount of contributions permitted to be made 43 by an individual, a corporation or labor organization to a candidate, 44 candidate committee or joint candidates committee, the maximum 45 amount of contributions permitted to be made by a political committee 46 or a continuing political committee to a candidate, candidate

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- 1 committee or joint candidates committee other than the committee of
- 2 a candidate for nomination or election to the office of Governor and
- 3 the maximum amount of contributions permitted to be made by one
- 4 candidate, candidate committee or joint candidates committee, other
- 5 than the committee of a candidate for nomination or election to the
- 6 office of Governor, to another candidate, candidate committee or joint
- 7 candidates committee other than the committee of a candidate for
- 8 nomination or election to the office of Governor pursuant to section
- 9 18 of P.L.1993, c.65 (C.19:44A-11.3)] (Deleted by amendment, P.L.
- 10 <u>, c. (now pending before the Legislature as this bill)</u>;
- 11 (10) [the maximum amount of contributions permitted to be made 12 by an individual, corporation, labor organization, political committee, 13 continuing political committee, candidate committee or joint 14 condidates committee or any other group to any political party
- candidates committee or any other group to any political party committee or any legislative leadership committee pursuant to section
- 16 19 of P.L.1993, c.65 (C.19:44A-11.4] (Deleted by amendment, P.L.
- 17 _, c. (now pending before the Legislature as this bill));
- 18 (11) [the maximum amount of contributions permitted to be made
- by a candidate, candidate committee or joint candidates committee to
 a political committee or a continuing political committee and the
- 21 maximum amount of contributions permitted to be made by one
- 22 political committee or continuing political committee to another
- 23 political committee or continuing political committee pursuant to
- 24 section 20 of P.L.1993, c.65 (C.19:44A-11.5)] (Deleted by
- 25 amendment, P.L., c. (now pending before the Legislature as this bill));
- 27 (12) the amount of filing fees which may be collected from a
- 28 candidate committee, a joint candidates committee, a continuing
- 29 political committee, a political party committee, a legislative leadership
- 30 committee, or any other person pursuant to section 6 of P.L.1973,

c.83 (C.19:44A-6) (as that section shall have been amended by

32 P.L.1983, c.579).

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- c. Not later than December 15 of each year preceding any year in
- 34 which a general election is to be held to fill the office of Governor for
- a four-year term, the commission shall report to the Legislature and
- 36 make public its adjustment of limits in accordance with the provisions
- 37 of this section. Whenever, following the transmittal of that report, the
- 38 commission shall have notice that a person has declared as a candidate
- 39 for nomination for election or for election to any public office in a
- 40 forthcoming primary or general election, it shall promptly notify that
- 41 candidate of the amounts of those adjusted limits.
- 42 (cf: P.L.2004, c.28, s.2)

44 2. (New section) a. No later than July 1 of each year preceding

- any year in which a general election is to be held to fill the office of
- 46 Governor for a four-year term, the commission shall issue a report

- 1 setting forth its recommendations for the adjustment of the amounts,
- 2 set forth in subsection b. of this section and applicable to P.L.1973,
- 3 c.83 (C.19:44A-1 et seq.), to primary and general elections for any
- 4 public office other than the office of Governor, to limitations on
- 5 contributions to and from political committees, continuing political
- 6 committees, candidate committees, joint candidates committees,
- 7 political party committees and legislative leadership committees and
- 8 to other amounts, at a percentage which shall be the same as the
- 9 percentage of change that the commission applies to the amounts used
- 10 for the primary and general elections for the office of Governor held
- 11 in the third year preceding the year in which that December 1 occurs,
- 12 pursuant to section 19 of P.L.1980, c.74 (C.19:44A-7.1). Any amount
- 13 so recommended for adjustment shall be rounded in the same manner
- 14 as provided in that section.

- b. The amounts to be recommended for adjustment as provided
- 16 under this section shall be:
- 17 (1) the maximum amount of contributions permitted to be made by
- an individual, a corporation or labor organization to a candidate,
- 19 candidate committee or joint candidates committee, the maximum
- amount of contributions permitted to be made by a political committee
- 21 or a continuing political committee to a candidate, candidate
- 22 committee or joint candidates committee other than the committee of
- 23 a candidate for nomination or election to the office of Governor and
- 24 the maximum amount of contributions permitted to be made by one
- 25 candidate, candidate committee or joint candidates committee, other
- 26 than the committee of a candidate for nomination or election to the
- 27 office of Governor, to another candidate, candidate committee or joint
- 28 candidates committee other than the committee of a candidate for
- 29 nomination or election to the office of Governor pursuant to section
- 30 18 of P.L.1993, c.65 (C.19:44A-11.3);
- 31 (2) the maximum amount of contributions permitted to be made by
- an individual, corporation, labor organization, political committee,
- 33 continuing political committee, candidate committee or joint
- 34 candidates committee or any other group to any political party
- 35 committee or any legislative leadership committee pursuant to section
- 36 19 of P.L.1993, c.65 (C.19:44A-11.4); and
- 37 (3) the maximum amount of contributions permitted to be made by
- a candidate, candidate committee or joint candidates committee to a
- 39 political committee or a continuing political committee and the
- 40 maximum amount of contributions permitted to be made by one
- 41 political committee or continuing political committee to another
- 42 political committee or continuing political committee pursuant to
- 43 section 20 of P.L.1993, c.65 (C.19:44A-11.5).
- c. No later than July 15 of each year preceding any year in which
- a general election is to be held to fill the office of Governor for a
- 46 four-year term, the commission shall transmit a copy of its report to

each member of the Legislature and make public its recommended adjustment of limits pursuant to this section. The Legislature shall have the option of adopting all or part of the recommended adjustments by the passage of appropriate legislation.

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3. Section 18 of P.L.1993, c.65 (C.19:44A-11.3) is amended to read as follows:

8 18. a. No individual, other than an individual who is a candidate, 9 no corporation of any kind organized and incorporated under the laws 10 of this State or any other state or any country other than the United 11 States, no labor organization of any kind which exists or is constituted 12 for the purpose, in whole or in part, of collective bargaining, or of 13 dealing with employers concerning the grievances, terms or conditions 14 of employment, or of other mutual aid or protection in connection with 15 employment, or any group shall: (1) pay or make any contribution of 16 money or other thing of value to a candidate who has established only 17 a candidate committee, his campaign treasurer, deputy campaign 18 treasurer or candidate committee which in the aggregate exceeds [\$1,500] <u>\$2,600</u> per election, or (2) pay or make any contribution of 19 20 money or other thing of value to candidates who have established only 21 a joint candidates committee, their campaign treasurer, deputy 22 campaign treasurer, or joint candidates committee, which in the 23 aggregate exceeds [\$1,500] \$2,600 per election per candidate, or (3) 24 pay or make any contribution of money or other thing of value to a 25 candidate who has established both a candidate committee and a joint 26 candidates committee, the campaign treasurers, deputy campaign 27 treasurers, or candidate committee or joint candidates committee, 28 which in the aggregate exceeds [\$1,500] \$2,600 per election. No 29 candidate who has established only a candidate committee, his 30 campaign treasurer, deputy campaign treasurer or candidate committee 31 shall knowingly accept from an individual, other than an individual 32 who is a candidate, a corporation of any kind organized and 33 incorporated under the laws of this State or any other state or any country other than the United States, a labor organization of any kind 34 35 which exists or is constituted for the purpose, in whole or in part, of 36 collective bargaining, or of dealing with employers concerning the 37 grievances, terms or conditions of employment, or of other mutual aid 38 or protection in connection with employment, or any group any 39 contribution of money or other thing of value which in the aggregate 40 exceeds [\$1,500] \$2,600 per election, and no candidates who have 41 established only a joint candidates committee, or their campaign 42 treasurer, deputy campaign treasurer, or joint candidates committee, 43 shall knowingly accept from any such source any contribution of 44 money or other thing of value which in the aggregate exceeds [\$1,500] \$2,600 per election per candidate, and no candidate who has 45 46 established both a candidate committee and a joint candidates

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1 committee, the campaign treasurers, deputy campaign treasurers, or 2 candidate committee or joint candidates committee shall knowingly accept from any such source any contribution of money or other thing 3 4 of value which in the aggregate exceeds [\$1,500] \$2,600 per election. 5 b. (1) No political committee or continuing political committee 6 shall: (a) pay or make any contribution of money or other thing of 7 value to a candidate who has established only a candidate committee, 8 his campaign treasurer, deputy campaign treasurer or candidate 9 committee, other than a candidate for nomination for election or for 10 election for the office of Governor, which in the aggregate exceeds 11 [\$5,000] <u>\$8,200</u> per election, or (b) pay or make any contribution of 12 money or other thing of value to candidates who have established only 13 a joint candidates committee, their campaign treasurer or deputy 14 campaign treasurer, or the joint candidates committee, which in the 15 aggregate exceeds [\$5,000] <u>\$8,200</u> per election per candidate, or (c) pay or make any contribution of money or other thing of value to a 16 17 candidate who has established both a candidate committee and a joint 18 candidates committee, the campaign treasurers, deputy campaign 19 treasurers, or candidate committee or joint candidates committee, 20 which in the aggregate exceeds [\$5,000] \$8,200 per election. No 21 candidate who has established only a candidate committee, his campaign treasurer, deputy campaign treasurer or candidate 22 23 committee, other than a candidate for nomination for election or for 24 election for the office of Governor, shall knowingly accept from any 25 political committee or continuing political committee any contribution of money or other thing of value which in the aggregate exceeds 26 27 [\$5,000] <u>\$8,200</u> per election, and no candidates who have established 28 only a joint candidates committee, their campaign treasurer, deputy 29 campaign treasurer, or joint candidates committee, shall knowingly 30 accept from any such source any contribution of money or other thing 31 of value which in the aggregate exceeds [\$5,000] \$8,200 per election 32 per candidate, and no candidate who has established both a candidate 33 committee and a joint candidates committee, the campaign treasurers, 34 deputy campaign treasurers, or candidate committee or joint 35 candidates committee shall knowingly accept from any such source any 36 contribution of money or other thing of value which in the aggregate exceeds [\$5,000] <u>\$8,200</u> per election. 37 38

(2) The limitation upon the knowing acceptance by a candidate, campaign treasurer, deputy campaign treasurer, candidate committee or joint candidates committee of any contribution of money or other thing of value from a political committee or continuing political committee under the provisions of paragraph (1) of this subsection shall also be applicable to the knowing acceptance of any such contribution from the county committee of a political party by a candidate or the campaign treasurer, deputy campaign treasurer, candidate committee or joint candidates committee of a candidate for

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1 any elective public office in another county or, in the case of a 2 candidate for nomination for election or for election to the office of 3 member of the Legislature, in a legislative district in which, according 4 to the federal decennial census upon the basis of which legislative districts shall have been established, less than 20% of the population 5 6 resides within the county of that county committee. In addition, all contributor reporting requirements and other restrictions and 7 8 regulations applicable to a contribution of money or other thing of 9 value by a political committee or continuing political committee under 10 the provisions of P.L.1973, c.83 (C.19:44A-1 et al.) shall likewise be 11 applicable to the making or payment of such a contribution by such a 12 county committee.

13 The limitation upon the knowing acceptance by a candidate, 14 campaign treasurer, deputy campaign treasurer, candidate committee 15 or joint candidates committee of any contribution of money or other thing of value from a political committee or continuing political 16 committee under the provisions of paragraph (1) of this subsection, 17 18 except that the amount of any contribution of money or other thing of 19 value shall be in an amount which in the aggregate does not exceed 20 \$25,000, shall also be applicable to the knowing acceptance of any 21 such contribution from the county committee of a political party by a 22 candidate, or the campaign treasurer, deputy campaign treasurer, 23 candidate committee or joint candidates committee of a candidate, for nomination for election or for election to the office of member of the 24 25 Legislature in a legislative district in which, according to the federal 26 decennial census upon the basis of which legislative districts shall have 27 been established, at least 20% but less than 40% of the population 28 resides within the county of that county committee. In addition, all 29 contributor reporting requirements and other restrictions and 30 regulations applicable to a contribution of money or other thing of 31 value by a political committee or continuing political committee under 32 the provisions of P.L.1973, c.83 (C.19:44A-1 et al.) shall likewise be 33 applicable to the making or payment of such a contribution by such a 34 county committee.

With respect to the limitations in this paragraph, the Legislature finds and declares that:

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- (a) Persons making contributions to the county committee of a political party have a right to expect that their money will be used, for the most part, to support candidates for elective office who will most directly represent the interest of that county;
- (b) The practice of allowing a county committee to use funds raised with this expectation to make unlimited contributions to candidates for the Legislature who may have a limited, or even nonexistent, connection with that county serves to undermine public confidence in the integrity of the electoral process;
- (c) Furthermore, the risk of actual or perceived corruption is raised

- by the potential for contributors to circumvent limits on contributions
 to candidates by funnelling money to candidates through county
 committees;
- 4 (d) The State has a compelling interest in preventing the actuality 5 or appearance of corruption and in protecting public confidence in 6 democratic institutions by limiting amounts which a county committee 7 may contribute to legislative candidates whose districts are not located 8 in close proximity to that county; and

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- (e) It is, therefore, reasonable for the State to promote this compelling interest by limiting the amount a county committee may give to a legislative candidate based upon the degree to which the population of the legislative district overlaps with the population of that county.
- 14 c. (1) No candidate who has established only a candidate 15 committee, his campaign treasurer, deputy treasurer or candidate committee shall (a) pay or make any contribution of money or other 16 17 thing of value to another candidate who has established only a 18 candidate committee, his campaign treasurer, deputy campaign 19 treasurer or candidate committee, other than a candidate for 20 nomination for election or for election for the office of Governor, 21 which in the aggregate exceeds [\$5,000] <u>\$8,200</u> per election, or (b) 22 pay or make any contribution of money or other thing of value to 23 candidates who have established only a joint candidates committee, 24 their campaign treasurer, deputy campaign treasurer, or joint 25 candidates committee, which in the aggregate exceeds [\$5,000] 26 \$8,200 per election per candidate in the recipient committee, or (c) 27 pay or make any contribution of money or other thing of value to a candidate who has established both a candidate committee and a joint 28 29 candidates committee, the campaign treasurers, deputy campaign 30 treasurers, or candidate committee or joint candidates committee, which in the aggregate exceeds [\$5,000] <u>\$8,200</u> per election. No 31 32 candidate who has established only a candidate committee, his 33 campaign treasurer, deputy campaign treasurer or candidate committee, other than a candidate for nomination for election or for 34 35 election to the office of the Governor, shall knowingly accept from 36 another candidate who has established only a candidate committee, his 37 campaign treasurer, deputy campaign treasurer or candidate 38 committee, any contribution of money or other thing of value which 39 in the aggregate exceeds [\$5,000] \$8,200 per election, and no 40 candidates who have established only a joint candidates committee, 41 their campaign treasurer, deputy campaign treasurer, or joint candidates committee, shall knowingly accept from any such source 42 43 any contribution of money or other thing of value which in the 44 aggregate exceeds [\$5,000] <u>\$8,200</u> per election per candidate in the 45 recipient committee, and no candidate who has established both a 46 candidate committee and a joint candidates committee, the campaign

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treasurers, deputy campaign treasurers, or candidate committee or joint candidates committee, shall knowingly accept from any such source any contribution of money or other thing of value which in the aggregate exceeds [\$5,000] \$8,200 per election.

5 (2) No candidates who have established only a joint candidates committee, their campaign treasurer, deputy campaign treasurer, or 6 7 joint candidates committee shall (a) pay or make any contribution of 8 money or other thing of value to another candidate who has 9 established only a candidate committee, his campaign treasurer, deputy 10 campaign treasurer or candidate committee, other than a candidate for 11 nomination for election or for election for the office of Governor, 12 which in the aggregate exceeds, on the basis of each candidate in the contributing joint candidates committee, [\$5,000] \$8,200 per election, 13 14 or (b) pay or make any contribution of money or other thing of value 15 to candidates who have established only a joint candidates committee, 16 their campaign treasurer, deputy campaign treasurer or joint 17 candidates committee, which in the aggregate exceeds, on the basis of each candidate in the contributing joint candidates committee, 18 19 [\$5,000] \$8,200 per election per candidate in the recipient joint 20 candidates committee, or (c) pay or make any contribution of money 21 or other thing of value to a candidate who has established both a 22 candidate committee and a joint candidates committee, the campaign 23 treasurers, deputy campaign treasurers or candidate committee or joint 24 candidates committee, which in the aggregate exceeds, on the basis of 25 each candidate in the contributing joint candidates committee, 26 [\$5,000] <u>\$8,200</u> per election. No candidate who has established only a candidate committee, his campaign treasurer, deputy campaign 27 28 treasurer, or candidate committee, other than a candidate for 29 nomination for election or for election for the office of Governor, shall 30 knowingly accept from other candidates who have established only a 31 joint candidates committee, their campaign treasurer, deputy campaign 32 treasurer or joint candidates committee, any contribution of money or 33 other thing of value which in the aggregate exceeds, on the basis of 34 each candidate in the contributing committee, [\$5,000] \$8,200 per 35 election, and no candidates who have established only a joint 36 candidates committee, their campaign treasurer, deputy campaign 37 treasurer, or joint candidates committee, shall knowingly accept from 38 any such source any contribution of money or other thing of value 39 which in the aggregate exceeds, on the basis of each candidate in the 40 contributing joint candidates committee, [\$5,000] \$8,200 per election per candidate in the recipient joint candidates committee, and no 41 42 candidate who has established both a candidate committee and a joint 43 candidates committee, the campaign treasurers, deputy campaign 44 treasurers, or candidate committee or joint candidates committee, shall 45 knowingly accept from any such source any contribution of money or 46 other thing of value which in the aggregate exceeds, on the basis of

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each candidate in the contributing joint candidates committee, [\$5,000] <u>\$8,200</u> per election.

3 (3) No candidate who has established both a candidate committee 4 and a joint candidates committee, the campaign treasurers, deputy 5 campaign treasurers, or candidate committee or joint candidates committee shall (a) pay or make any contribution of money or other 6 7 thing of value to another candidate who has established only a 8 candidate committee, his campaign treasurer, deputy campaign 9 treasurer or candidate committee, other than a candidate for 10 nomination for election or for election for the office of Governor, 11 which in the aggregate exceeds [\$5,000] \$8,200 per election, or (b) 12 pay or make any contribution of money or other thing of value to 13 candidates who have established only a joint candidates committee, 14 their campaign treasurer, deputy campaign treasurer or joint candidates committee, which in the aggregate exceeds [\$5,000] 15 \$8,200 per election per candidate in the recipient joint candidates 16 17 committee, or (c) pay or make any contribution of money or other 18 thing of value to a candidate who has established both a candidate 19 committee and a joint candidates committee, the campaign treasurers, 20 deputy campaign treasurers, or candidate committee or joint 21 candidates committee, which in the aggregate exceeds [\$5,000] \$8,200 per election. No candidate who has established only a 22 23 candidate committee, his campaign treasurer, deputy campaign treasurer, or candidate committee, other than a candidate for 24 25 nomination for election or for election for the office of Governor, shall 26 knowingly accept from a candidate who has established both a 27 candidate committee and a joint candidates committee, the campaign 28 treasurers, deputy campaign treasurers, or candidate committee or 29 joint candidates committee, any contribution of money or other thing 30 of value which in the aggregate exceeds [\$5,000] \$8,200 per election, 31 and no candidates who have established only a joint candidates 32 committee, their campaign treasurer, deputy campaign treasurer, or 33 joint candidates committee, shall knowingly accept from any such 34 source any contribution of money or other thing of value which in the aggregate exceeds [\$5,000] \$8,200 per election per candidate in the 35 36 recipient joint candidates committee, and no candidate who has 37 established both a candidate committee and a joint candidates 38 committee, the campaign treasurers, deputy campaign treasurers, or 39 candidate committee or joint candidates committee shall knowingly 40 accept from any such source any contribution of money or other thing 41 of value which in the aggregate exceeds [\$5,000] \$8,200 per election. 42

(4) Expenditures by a candidate for nomination for election or for election to the office of member of the Legislature or to an office of a political subdivision of the State, or by the campaign treasurer, deputy treasurer, candidate committee or joint candidates committee of such a candidate, which are made in furtherance of the nomination

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- 1 or election, respectively, of another candidate for the same office in
- 2 the same legislative district or the same political subdivision shall not
- 3 be construed to be subject to any limitation under this subsection; for
- 4 the purposes of this sentence, the offices of member of the State
- Senate and member of the General Assembly shall be deemed to be the 5
- 6 same office.
- 7 d. Nothing contained in this section shall be construed to impose 8 any limitation on contributions by a candidate, or by a corporation,
- 9 100% of the stock in which is owned by a candidate or the candidate's
- 10 spouse, child, parent or sibling residing in the same household, to that
- 11 candidate's campaign.
- 12 e. For the purpose of determining the amount of a contribution to
- 13 be attributed as given to or by each candidate in a joint candidates
- 14 committee, the amount of the contribution to or by such a committee
- 15 shall be divided equally among all the candidates in the committee.
- (cf: P.L.1993, c.65, s.18) 16

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- 4. Section 19 of P.L.1993, c.65 (C.19:44A-11.4) is amended to read as follows:
- 20 19. a. (1) Except as otherwise provided in paragraph (2) of this
- 21 subsection, no individual, no corporation of any kind organized and
- 22 incorporated under the laws of this State or any other state or any
- 23 country other than the United States, no labor organization of any kind
- 24 which exists or is constituted for the purpose, in whole or in part, of
- 25 collective bargaining, or of dealing with employers concerning the
- 26 grievances, terms or conditions of employment, or of other mutual aid
- 27 or protection in connection with employment, no political committee, 28 continuing political committee, candidate committee or joint
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- candidates committee or any other group, shall pay or make any
- 30 contribution of money or other thing of value to the campaign
- 31 treasurer, deputy treasurer or other representative of the State 32 committee of a political party or the campaign treasurer, deputy
- 33 campaign treasurer or other representative of any legislative leadership
- 34 committee, which in the aggregate exceeds \$25,000 per year, or in the
- case of a joint candidates committee when that is the only committee 35
- established by the candidates, \$25,000 per year per candidate in the 36
- joint candidates committee, or in the case of a candidate committee 37
- 38 and a joint candidates committee when both are established by a
- 39 candidate, \$25,000 per year from that candidate. No campaign
- 40 treasurer, deputy campaign treasurer or other representative of the
- 41 State committee of a political party or campaign treasurer, deputy
- 42 campaign treasurer or other representative of any legislative leadership
- 43 committee shall knowingly accept from an individual, a corporation of
- 44 any kind organized and incorporated under the laws of this State or
- 45 any other state or any country other than the United States, a labor

organization of any kind which exists or is constituted for the purpose,

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1 in whole or in part, of collective bargaining, or of dealing with 2 employers concerning the grievances, terms or conditions of 3 employment, or of other mutual aid or protection in connection with 4 employment, a political committee, a continuing political committee, 5 a candidate committee or a joint candidates committee or any other 6 group, any contribution of money or other thing of value which in the 7 aggregate exceeds \$25,000 per year, or in the case of a joint 8 candidates committee when that is the only committee established by 9 the candidates, \$25,000 per year per candidate in the joint candidates 10 committee, or in the case of a candidate committee and a joint 11 candidates committee when both are established by a candidate, 12 \$25,000 per year from that candidate.

[Adjustments to the limits established in this paragraph which have been made by the Election Law Enforcement Commission, pursuant to section 22 of P.L.1993, c.65 (C.19:44A-7.2), prior to the effective date of P.L.2001, c.384 are rescinded. The limits established in this paragraph shall remain as stated in this paragraph until subsequently adjusted by the commission in the manner prescribed by section 22 of P.L.1993, c.65 (C.19:44A-7.2).]

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- (2) No national committee of a political party shall pay or make any contribution of money or other thing of value to the campaign treasurer, deputy treasurer or other representative of the State committee of a political party which in the aggregate exceeds [\$50,000] \$72,000 per year, and no campaign treasurer, deputy campaign treasurer or other representative of the State committee of a political party shall knowingly accept from the national committee of a political party any contribution of money or other thing of value which in the aggregate exceeds [\$50,000] \$72,000 per year.
- 29 b. No individual, no corporation of any kind organized and 30 incorporated under the laws of this State or any other state or any 31 country other than the United States, no labor organization of any kind 32 which exists or is constituted for the purpose, in whole or in part, of 33 collective bargaining, or of dealing with employers concerning the 34 grievances, terms or conditions of employment, or of other mutual aid 35 or protection in connection with employment, no political committee, 36 continuing political committee, candidate committee or joint 37 candidates committee or any other group, shall pay or make any 38 contribution of money or other thing of value to any county committee 39 of a political party, which in the aggregate exceeds [\$25,000] \$37,000 40 per year, or in the case of a joint candidates committee when that is 41 the only committee established by the candidates, [\$25,000] \$37,000 42 per year per candidate in the joint candidates committee, or in the case 43 of a candidate committee and a joint candidates committee when both 44 are established by a candidate, [\$25,000] \$37,000 per year from that 45 candidate. No campaign treasurer, deputy campaign treasurer or other 46 representative of a county committee of a political party shall

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1 knowingly accept from an individual, a corporation of any kind 2 organized and incorporated under the laws of this State or any other 3 state or any country other than the United States, a labor organization 4 of any kind which exists or is constituted for the purpose, in whole or 5 in part, of collective bargaining, or of dealing with employers 6 concerning the grievances, terms or conditions of employment, or of 7 other mutual aid or protection in connection with employment, a 8 political committee, a continuing political committee, a candidate 9 committee or a joint candidates committee or any other group, any 10 contribution of money or other thing of value which in the aggregate 11 exceeds [\$25,000] <u>\$37,000</u> per year, or in the case of a joint 12 candidates committee when that is the only committee established by the candidates, [\$25,000] \$37,000 per year per candidate in the joint 13 14 candidates committee, or in the case of a candidate committee and a joint candidates committee when both are established by a candidate, 15 16 [\$25,000] <u>\$37,000</u> per year from that candidate.

17 c. No individual, no corporation of any kind organized and 18 incorporated under the laws of this State or any other state or any 19 country other than the United States, no labor organization of any kind 20 which exists or is constituted for the purpose, in whole or in part, of 21 collective bargaining, or of dealing with employers concerning the 22 grievances, terms or conditions of employment, or of other mutual aid 23 or protection in connection with employment, no political committee, 24 continuing political committee, candidate committee or joint 25 candidates committee or any other group shall pay or make any 26 contribution of money or other thing of value to any municipal 27 committee of a political party, which in the aggregate exceeds 28 [\$5,000] \$7,200 per year, or in the case of a joint candidates 29 committee when that is the only committee established by the 30 candidates, [\$5,000] \$7,200 per year per candidate in the joint 31 candidates committee, or in the case of a candidate committee and a 32 joint candidates committee when both are established by a candidate, [\$5,000] \$7,200 per year from that candidate. No campaign 33 34 treasurer, deputy campaign treasurer or other representative of a 35 municipal committee of a political party shall knowingly accept from 36 an individual, a corporation of any kind organized and incorporated 37 under the laws of this State or any other state or any country other 38 than the United States, a labor organization of any kind which exists 39 or is constituted for the purpose, in whole or in part, of collective 40 bargaining, or of dealing with employers concerning the grievances, 41 terms or conditions of employment, or of other mutual aid or 42 protection in connection with employment, a political committee, a 43 continuing political committee, a candidate committee or a joint 44 candidates committee or any other group, any contribution of money 45 or other thing of value which in the aggregate exceeds [\$5,000] 46 \$7,200 per year, or in the case of a joint candidates committee when

- that is the only committee established by the candidates, [\$5,000]
- 2 \$7,200 per year per candidate in the joint candidates committee, or in
- 3 the case of a candidate committee and a joint candidates committee
 - when both are established by a candidate, [\$5,000] \$7,200 per year
- 5 from that candidate.

No county committee of a political party in any county shall pay or make any contribution of money or other thing of value to a municipal committee of a political party in a municipality not located in that county which in the aggregate exceeds the amount of aggregate contributions which, under this subsection, a continuing political committee is permitted to pay or make to a municipal committee of a political party. No campaign treasurer, deputy campaign treasurer or other representative of a municipal committee of a political party in any municipality shall knowingly accept from any county committee of a political party in any county other than the county in which the municipality is located any contribution of money or other thing of value which in the aggregate exceeds the amount of contributions permitted to be so paid or made under that subsection.

- d. For the purpose of determining the amount of a contribution to be attributed as given by each candidate in a joint candidates committee, the amount of the contribution by such a committee shall be divided equally among all the candidates in the committee.
- 23 (cf: P.L.2001, c.384, s.2)

5. This act shall take effect on the seventh day following the date of enactment.

STATEMENT

N.J.S.A.19:44A-7.2 provides that by December 1 of each year preceding any year in which a general election is held to fill the office of Governor for a four-year term, the Election Law Enforcement Commission (ELEC) must adjust the limits on 12 campaign finance contributions and expenditure thresholds and penalty amounts, including those on contributions to candidates for public offices, other than Governor, received from political committees, continuing political committees, candidates committees, political party committees and legislative leadership committees. The adjustment of these thresholds is based on a formula in current law that measures the increase in the cost of campaigning over the preceding four years.

This bill ends such adjustment on the amount of money or other thing of value that committees can contribute and receive. The quadrennial adjustment of other limits and thresholds would not be effected by the bill. Limits on contributions that may be received by a candidate committee, joint candidates committee, or both, would be

- 1 established by the bill, but that limit would be the amount as adjusted
- 2 by ELEC, pursuant to N.J.S.A.19:44A-7.2, and no further adjustments
- 3 would be made.
- 4 Specifically, the bill:
- 5 1) limits to \$2,600 per election the amount of money or other thing
- 6 of value that may be contributed to a candidate committee, joint
- 7 candidates committee, or both, by an individual, corporation, union,
- 8 association or group; and
- 9 2) limits to \$8,200 per election the amount of money or other thing
- 10 of value that may be contributed to a candidate committee, joint
- 11 candidates committee, or both, by a political committee, a continuing
- 12 political committee or another candidate committee, joint candidates
- 13 committee or both.
- 14 The bill also establishes in statute the current limits on contributions
- 15 to other committees, as adjusted by ELEC in 2000. These include:
- 16 1) \$72,000 per year as the limit on contributions to the State party
- of a political party by the national committee of a political party;
- 18 2) \$37,000 per year as the limit contributions to a county
- committee of a political party by an individual, corporation, union, association or group, political committee, continuing political
- 21 committee, candidate committee or joint candidates committee; and
- 22 3) \$7,200 per year as the limit on contributions to the municipal
- 23 committee of a political party by an individual, corporation, union,
- 24 association or group, political committee, continuing political
- 25 committee, candidate committee or joint candidates committee.
- Under the bill, ELEC must issue a report setting forth its
- 27 recommendations for adjustment of these contribution limits no later
- 28 than July 1 of each year preceding the year in which a general election
- 29 is held to fill the office of Governor for a four-year term and must
- 30 transmit the report to each member of the Legislature. The
- 31 recommendations would be based on the same formula currently used
- 32 by ELEC, pursuant to N.J.S.A.19:44A-7.1. The Legislature could
- 33 adopt all or part of the recommended adjustments by the passage of
- 34 appropriate legislation.

ASSEMBLY STATE GOVERNMENT COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3434

STATE OF NEW JERSEY

DATED: DECEMBER 6, 2004

The Assembly State Government Committee reports favorably Assembly, No. 3434.

N.J.S.A. 19:44A-7.2 provides that by December 1 of each year preceding any year in which a general election is held to fill the office of Governor for a four-year term, the Election Law Enforcement Commission (ELEC) must adjust the limits on 12 campaign finance contributions and expenditure thresholds and penalty amounts, including those on contributions to candidates for public offices, other than Governor, received from political committees, continuing political committees, candidates committees, political party committees and legislative leadership committees. The adjustment of these thresholds is based on a formula in current law that measures the increase in the cost of campaigning over the preceding four years.

This bill ends such adjustment on the amount of money or other thing of value that committees can contribute and receive. The quadrennial adjustment of other limits and thresholds would not be effected by the bill. Limits on contributions that may be received by a candidate committee, joint candidates committee, or both, would be established by the bill, but that limit would be the amount as adjusted by ELEC, pursuant to N.J.S.A.19:44A-7.2, and no further adjustments would be made.

Specifically, the bill:

- 1) limits to \$2,600 per election the amount of money or other thing of value that may be contributed to a candidate committee, joint candidates committee, or both, by an individual, corporation, union, association or group; and
- 2) limits to \$8,200 per election the amount of money or other thing of value that may be contributed to a candidate committee, joint candidates committee, or both, by a political committee, a continuing political committee or another candidate committee, joint candidates committee or both.

The bill also establishes in statute the current limits on contributions to other committees, as adjusted by ELEC in 2000. These include:

- 1) \$72,000 per year as the limit on contributions to the State party of a political party by the national committee of a political party;
 - 2) \$37,000 per year as the limit contributions to a county

committee of a political party by an individual, corporation, union, association or group, political committee, continuing political committee, candidate committee or joint candidates committee; and

3) \$7,200 per year as the limit on contributions to the municipal committee of a political party by an individual, corporation, union, association or group, political committee, continuing political committee, candidate committee or joint candidates committee.

Under the bill, ELEC must issue a report setting forth its recommendations for adjustment of these contribution limits no later than July 1 of each year preceding the year in which a general election is held to fill the office of Governor for a four-year term and must transmit the report to each member of the Legislature. The recommendations would be based on the same formula currently used by ELEC, pursuant to N.J.S.A.19:44A-7.1. The Legislature could adopt all or part of the recommended adjustments by the passage of appropriate legislation.

The bill is the same as Senate, No. 27 of 2004.

OFFICE OF THE ACTING GOVERNOR

PO BOX 004 TRENTON, NJ 08625

Contact: Kelley Heck 609-777-2600

RELEASE: December 15, 2004

Codey Signs Bill Freezing Campaign Contribution Limits for County and State Political Organizations

(TRENTON) – Acting Governor Richard J. Codey today signed S-27, a bill that will freeze campaign contribution limits to State and county political organizations and to leadership political action committees at their current levels.

The new law – which was co-sponsored by Codey as Senate President and by Senator Ellen Karcher, and in the Assembly by Assemblyman Alfred E. Steele and Assemblyman Mims Hackett Jr. – is another step in Acting Governor Codey's effort to restore the public's trust in government and eliminate the influence of money on State officials.

"We cannot talk about government reform if we're not doing everything possible to eliminate the influence of money," Acting Governor Codey said. "There is already too much money in politics."

"We actually have a law that requires contribution limits to go up every four years. It's absurd. Social Security checks should get a cost of living adjustment, not campaign contributions," the Acting Governor continued.

Prior to enactment of the new law, existing law required the Election Law Enforcement Commission to adjust campaign contribution limits by December 1 on years that precede a gubernatorial election. The adjustments were based on a formula that measured the increase in the cost of campaigning over the previous four years.

The new law ends the automatic four-year adjustment by ELEC, and freezes contribution limits at their current levels. The new law requires ELEC to issue a report to the Legislature every four years, with recommendations for contribution limit adjustments. The Legislature could then adopt part or all of the recommended adjustments through legislation.

"Jerry Fitzgerald English, the Chair of ELEC, has thanked me for this proposal. Even the people at ELEC don't want to be forced, every four years, to order us to raise contribution limits," Acting Governor Codey said.

The new law excludes a freeze on campaign contribution limits to individual candidate committees, because such contributions help create a larger field of candidates, and boost candidates' independence.

Today's action is part of Acting Governor Codey's broader effort to rebuild public trust in government.

In addition to today's bill signing, Acting Governor Codey:

- On December 6 signed an Executive Order banning the State, including its
 departments, agencies and independent authorities, from hiring bond underwriting
 firms that pay contingency fees to consultants. That Executive Order broadens an
 existing law sponsored by Codey as Senate President that bans contingency
 fees for lobbyists. The Executive Order and law help prevent the influence of
 money on government officials.
- On November 29 made New Jersey only the ninth State with a statewide office of *Inspector General* a position with a broad, powerful mandate to *seek out waste, mismanagement and fraud in Government spending*. The Inspector General will review procurements and public contracts; receive complaints and perform investigations; and recommend ways the State can save money.
- Created on November 17, his second day as Acting Governor, *Special Counsel for Ethics Reform*. The Special Counsel will conduct a *thorough audit of all ethics*

- *rules* that apply to Executive Branch and authorities employees; and will develop a *mandatory ethics training program* for employees.
- Is co-sponsoring a bill to let municipalities, counties and school boards enact stronger pay-to-play bans.
- Is working to codify into law former Governor McGreevey's Executive Order banning contributions from vendors that do business with State agencies.
- Announced he will go further than State law requires, by banning contributions from State vendors to his Senate leadership PAC and individual campaign committee while he serves as Acting Governor.

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