

ASSEMBLY, No. 1002

STATE OF NEW JERSEY 215th LEGISLATURE

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Sponsored by:

Assemblywoman VALERIE VAINIERI HUTTLE

District 37 (Bergen)

Assemblywoman CONNIE WAGNER

District 38 (Bergen and Passaic)

SYNOPSIS

Requires certain issue advocacy organizations to register with ELEC and disclose contribution and independent expenditure information.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel



A1002 VAINIERI HUTTLE, WAGNER

2

1 AN ACT concerning certain issue advocacy organizations, and
2 supplementing P.L.1973, c.83 (C.19:44A-1 et seq.).

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

6

7 1. a. As used in this section, “independent expenditure” means
8 an expenditure that is made to support or defeat a candidate for
9 election to public office without the cooperation or prior consent of,
10 or without consultation with, or without the request or suggestion
11 of, a candidate or any person or committee acting on behalf of a
12 candidate, or an expenditure that is made to aide or defeat a public
13 question without the cooperation or prior consent of, or without
14 consultation with, or without the request or suggestion of, any
15 person or committee supporting or opposing a public question; and

16 “issue advocacy organization” means an organization organized
17 under section 527 of the federal Internal Revenue Code (26 U.S.C.
18 s.527) or under paragraphs (3), (4), (5) or (6) of subsection c. of
19 section 501 of the federal Internal Revenue Code (26 U.S.C. s.501),
20 or any other organization organized under federal law that the
21 Election Law Enforcement Commission determines is essentially
22 similar to such organizations, that does not fall within the definition
23 of any other committee subject to the provisions of P.L.1973, c.83
24 (C.19:44A-1 et seq.).

25 b. Each issue advocacy organization that engages in
26 influencing or attempting to influence the outcome of any election
27 or the selection, nomination, or election of any person to any State
28 or local elective public office, or the passage or defeat of any public
29 question, or in providing political information on any candidate or
30 public question, and that makes an independent expenditure of at
31 least \$2,100 per calendar year for any such purpose, but does not
32 coordinate its activities with any candidate or political party, shall
33 register with the commission in accordance with section 21 of
34 P.L.1993, c.65 (C.19:44A-8.1).

35 c. Each issue advocacy organization required to register with
36 the commission pursuant to subsection b. of this section shall make
37 a full cumulative report, upon a form prescribed by the commission,
38 of all contributions in the form of moneys, loans, paid personal
39 services, or other thing of value made to it, and of all independent
40 expenditures made, incurred, or authorized by it during the period
41 ending 48 hours preceding the date of the report and beginning on
42 the date on which the first of those contributions was received or
43 the first of those expenditures was made, whichever occurred first.
44 The cumulative report, except as hereinafter provided, shall contain
45 the name and mailing address of each person or group from whom
46 moneys, loans, paid personal services or other things of value have
47 been contributed since 48 hours preceding the date on which the

1 previous such report was made and the amount contributed by each
2 person or group, and where the contributor is an individual, the
3 report shall indicate the occupation of the individual and the name
4 and mailing address of the individual's employer. In the case of any
5 loan reported pursuant to this subsection, the report shall contain
6 the name and mailing address of each person who has cosigned such
7 loan since 48 hours preceding the date on which the previous such
8 report was made, and where an individual has cosigned such loans,
9 the report shall indicate the occupation of the individual and the
10 name and mailing address of the individual's employer. The
11 cumulative report shall also contain the name and address of each
12 person, firm, or organization to whom expenditures have been paid
13 since 48 hours preceding the date on which the previous such report
14 was made and the amount and purpose of each such expenditure.
15 The cumulative report shall be filed with the commission on the
16 dates designated in section 16 of P.L.1973, c.83 (C.19:44A-16).

17 The treasurer of the issue advocacy organization reporting shall
18 certify to the correctness of each report and shall maintain all
19 records of contributions and independent expenditures for a period
20 of not less than four years.

21 Each treasurer of an issue advocacy organization shall file
22 written notice with the commission of a contribution in excess of
23 \$1,200 received during the period between the 13th day prior to an
24 election and the date of an election, and of an independent
25 expenditure of money or other thing of value in excess of \$1,200
26 made, incurred, or authorized by the issue advocacy organization
27 during the period between the 13th day prior to an election and the
28 date of an election. The notice shall be filed in writing or by
29 telegram within 48 hours of the receipt of the contribution and shall
30 set forth the amount and date of the contribution, the name and
31 mailing address of the contributor, and where the contributor is an
32 individual, the individual's occupation and the name and mailing
33 address of the individual's employer. The notice of an independent
34 expenditure shall be filed in writing or by telegram within 48 hours
35 of the making, incurring, or authorization of the independent
36 expenditure and shall set forth the name and mailing address of the
37 person, firm or organization to whom or which the independent
38 expenditure was paid and the amount and purpose of the
39 independent expenditure.

40 d. Each person or donor association that contributes \$5,000 or
41 more in the aggregate during a calendar year to an issue advocacy
42 organization that is subject to the provisions of subsection b. of this
43 section shall provide to the treasurer of the issue advocacy
44 organization a written statement that includes the name, mailing
45 address, and amount attributable to each person or member of the
46 donor association that paid the dues or fees, or made contributions
47 to the person or association that, in total, aggregate \$2,100 or more

1 of the contribution in a calendar year from the person or donor
2 association to the issue advocacy organization. The statement shall
3 also include the total amount of the contribution from persons or
4 donor associations not subject to itemization under this section.
5 The statement must be certified as true and correct by the person or
6 an officer of the donor association and a copy of that statement
7 shall be provided by the issue advocacy organization to the
8 commission on the same schedule as required for the disclosure of
9 contributions by other organizations pursuant to section 8 of
10 P.L.1973, c.83 (C.19:44A-8).

11 To determine the membership dues or fees, or contributions
12 made to a person or donor association that exceed \$2,100 of the
13 contribution made by the person or donor association to a issue
14 advocacy organization in a calendar year, the person or donor
15 association shall: (1) apply a pro rata calculation to all unrestricted
16 dues, fees, and contributions received by the person or donor
17 association in the calendar year; or (2) as provided in this
18 subsection, identify the specific persons or associations whose
19 dues, fees, or contributions are included in the contribution to the
20 issue advocacy organization.

21 Dues, fees, or contributions to a person or donor association
22 shall be identified as a contribution to an issue advocacy
23 organization if: (1) the use of the dues, fees, or contributions was
24 authorized for this purpose; or (2) the dues, fees, or contributions
25 to the person or donor association are unrestricted and the person
26 or donor association designates them as the source of the subject
27 contribution to the issue advocacy organization. After a portion of
28 the dues, fees, or contributions to the person or donor association
29 have been designated as the source of a contribution to an issue
30 advocacy organization, that portion of the dues, fees, or
31 contributions to the person or donor association may not be
32 designated as the source of any other contribution to an issue
33 advocacy organization.

34 As used in this subsection, "donor association, organization or
35 group" means the association, organization, or group of two or
36 more persons acting jointly that have contributed to an issue
37 advocacy organization that is required to provide a statement
38 pursuant to this subsection.

39 e. No person serving as the chairman of a political party
40 committee or a legislative leadership committee shall be eligible to
41 serve as the head of an issue advocacy organization, or as its
42 treasurer. No candidate shall establish, authorize the establishment
43 of, maintain, or participate directly or indirectly in the management
44 or control of, any issue advocacy organization. An issue advocacy
45 organization shall appoint, not later than the date on which it first
46 receives any contribution or makes, incurs or authorizes any
47 independent expenditure, a single treasurer and designate a

1 campaign depository. Not later than the tenth day after the initial
2 designation of the depository, the organization shall file the name
3 and address of the depository, and of the treasurer, with the Election
4 Law Enforcement Commission.

5 f. Each issue advocacy organization that registers with the
6 commission pursuant to subsection b. of this section shall comply
7 with the campaign advertisement and disclosure requirements of
8 section 2 of P.L.1995, c.391 (C.19:44A-22.3).

9 g. An issue advocacy organization that fails to comply with the
10 provisions of this section shall, in addition to any other penalty
11 provided by law, be liable to the applicable penalty provided by
12 subsection a. of section 22 of P.L.1973, c.83 (C.19:44A-22).

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14 2. This act shall take effect 120 days after enactment, but the
15 Election Law Enforcement Commission may take such anticipatory
16 administrative action in advance as may be necessary for the
17 implementation of the act.

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STATEMENT

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22 This bill imposes disclosure requirements on issue advocacy
23 organizations that raise funds and make independent expenditures to
24 influence the electoral process in this State. The bill defines an
25 independent expenditure to include an expenditure that is made to
26 support or defeat a candidate for election to public office without
27 the cooperation or prior consent of, or without consultation with, or
28 without the request or suggestion of, a candidate or any person or
29 committee acting on behalf of a candidate, or an expenditure that is
30 made to aide or defeat a public question without the cooperation or
31 prior consent of, or without consultation with, or without the
32 request or suggestion of, any person or committee supporting or
33 opposing a public question.

34 Specifically, the bill would:

35 1) apply to issue advocacy organizations defined as any
36 organization organized under section 527, or under paragraphs (3),
37 (4), (5) or (6) of subsection c. of section 501, of the federal Internal
38 Revenue Code, or any other organization organized under federal
39 law that the Election Law Enforcement Commission (ELEC)
40 determines is essentially similar to such organizations;

41 2) require each issue advocacy organization that engages in
42 influencing or attempting to influence the outcome of any election
43 or the selection, nomination, or election of any person to any State
44 or local elective public office, or the passage or defeat of any public
45 question, or in providing political information on any candidate or
46 public question, and that makes an independent expenditure of at
47 least \$2,100 or more per calendar year for any such purpose, but

- 1 does not coordinate its activities with any candidate or political
2 party, to register with ELEC;
- 3 3) require each issue advocacy organization registered with
4 ELEC to report to the commission the contributions it receives and
5 the independent expenditures it makes, incurs or authorizes;
- 6 4) require that any person, association, organization or group of
7 two or more persons acting jointly that contributes \$5,000 or more
8 in the aggregate during a calendar year to an issue advocacy
9 organization that is registered with ELEC to disclose to the issue
10 advocacy organization the name, mailing address and amount
11 attributable to each individual or member of an association,
12 organization or group that paid dues or fees, or made a contribution
13 that, in total, aggregated \$2,100 or more in a calendar year as a
14 contribution to the issue advocacy organization, and that such
15 information must be provided to ELEC on a quarterly basis;
- 16 5) include certain information that identifies the issue advocacy
17 organization on any communication paid for by the organization
18 that attempts to influence a candidate election or the adoption or
19 defeat of a public question, or which provides political information;
20 and
- 21 6) prohibit a candidate from establishing, authorizing the
22 establishment of, maintaining, or participating directly or indirectly
23 in the management or control of, any issue advocacy organization.
- 24 The bill would take effect 120 days after enactment, but ELEC is
25 authorized to take such anticipatory administrative action in
26 advance as may be necessary for the bill's implementation.
- 27 The bill is based, in part, on current Minnesota law that requires
28 detailed disclosure by associations, organizations or groups of two
29 or more persons acting jointly.