

# ASSEMBLY, No. 3833

## STATE OF NEW JERSEY 210th LEGISLATURE

INTRODUCED JUNE 23, 2003

**Sponsored by:**  
**Assemblyman MATT AHEARN**  
**District 38 (Bergen)**

### **SYNOPSIS**

"The New Jersey Clean and Fair Elections For Legislative Candidates Act;"  
appropriates \$2 million.

### **CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT establishing a procedure for the public financing of the  
2 campaigns of candidates seeking election to the Legislature,  
3 supplementing Title 19 of the Revised Statutes and making an  
4 appropriation.

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

8  
9 1. This act shall be known and may be cited as "The New Jersey  
10 Clean and Fair Elections for Legislative Candidates Act."

11  
12 2. The Legislature finds and declares that:

13 a. The current system of privately-financed campaigns for the  
14 Legislature undermines democracy in New Jersey and diminishes the  
15 meaning of the fundamental right to vote in this State by allowing  
16 large contributions to have a deleterious influence on the political  
17 process.

18 b. The current system also diminishes the free-speech rights of  
19 those candidates and voters who are not wealthy, because their voices  
20 and influence are overwhelmed by those in the political process who  
21 can afford to monopolize the arena of paid political communications.

22 c. The result is a public perception of corruption that insidiously  
23 undermines public confidence in the democratic process and  
24 democratic institutions, leaving much of the electorate with the belief  
25 that their elected officials are accountable mostly to the major  
26 contributors who finance their campaigns.

27 d. A voluntary clean money campaign finance system for legislative  
28 candidates would enhance democracy in New Jersey by removing  
29 access to wealth as a major determinant of a citizen's influence within  
30 the political process and thus strengthening the principle of "one man,  
31 one vote."

32 e. Establishment of such a system would provide candidates with  
33 equal resources with which to communicate with voters, reverse the  
34 escalating cost of elections and free candidates from the incessant  
35 rigors of raising money, thus allowing them more time to conduct their  
36 official duties.

37 f. Enactment of a clean money public finance system, similar to  
38 ones currently in effect in Maine and Arizona, would represent a big  
39 step towards diminishing the public perception of corruption in the  
40 current political process and strengthen public confidence in this  
41 State's democratic processes and institutions.

42  
43 3. As used in this act:

44 "Certified candidate" means a candidate seeking nomination for  
45 election or for election to the office of member of the State Senate or  
46 General Assembly who chooses to seek office pursuant to the

1 provisions of "The New Jersey Clean and Fair Elections for Legislative  
2 Candidates Act" and who is certified pursuant to section 9 of P.L. ,  
3 c. (C. )(now pending before the Legislature as this bill).

4 "Commission" means the Election Law Enforcement Commission,  
5 established pursuant to section 5 of P.L.1973, c.83 (C.19:44A-5).

6 "Contribution" and "expenditure" have the same meaning as  
7 provided in subsection d. of section 3 of P.L.1973, c.83 (C.19:44A-3),  
8 except that the terms shall not include money or other thing of value  
9 received from a candidates committee, joint candidates committee,  
10 political committee, continuing political committee, political party  
11 committee or legislative leadership committee, as those terms are  
12 defined in section 3 of P.L.1973, c.83 (C.19:44A-3), or any other  
13 person, association or group.

14 "Fund" means the New Jersey Clean and Fair Elections for  
15 Legislative Candidates Fund established pursuant to section 5 of P.L.,  
16 c. (C. )(now pending before the Legislature as this bill).

17 "New Jersey Clean and Fair Elections candidate" means a candidate  
18 who is a certified candidate, as defined by this section.

19 "Nonparticipating candidate" means a candidate seeking nomination  
20 for election or for election to the office of member of the State Senate  
21 or General Assembly who chooses not to seek office pursuant to the  
22 provisions of "The New Jersey Clean and Fair Elections Act," and who  
23 is not certified as a New Jersey Clean and Fair Elections candidate  
24 pursuant to section 9 of P.L. , c. (C. )(now pending before the  
25 Legislature as this bill).

26 "Participating candidate" means a candidate seeking nomination for  
27 election or for election to the office of member of the State Senate or  
28 General Assembly who chooses to seek office pursuant to the  
29 provisions of "The New Jersey Clean and Fair Elections Act," and is  
30 seeking to be certified as a New Jersey Clean and Fair Elections  
31 candidate pursuant to section 9 of P.L. , c. (C. )(now  
32 pending before the legislature as this bill).

33 "Qualifying contribution" means any contribution of money or other  
34 thing of value made to a participating candidate by any individual, but  
35 shall not include any such contribution made by a candidate  
36 committee, joint candidates committee, political committee, continuing  
37 political committee or legislative leadership committee, as those terms  
38 are defined in section 3 of P.L.1973, c.83 (C.19:44A-3), or any other  
39 person, association or group:

40 a. in the amount of five dollars in the form of a check or money  
41 order payable to the fund in support of a participating candidate;

42 b. made by a voter registered to vote in the legislative district the  
43 candidate represents or seeks to represent;

44 c. made during the designated qualifying period and received with  
45 the knowledge and approval of the candidate; and

46 d. that is acknowledged by a written receipt that identifies the

1 name and mailing address of the donor, plus the occupation of that  
2 person and the name and mailing address of the person's employer on  
3 forms provided by the commission.

4 "Qualifying period" means the period of time beginning January 1  
5 of the year in which elections are held to fill the office of member of  
6 the Senate or General Assembly or both, as the case may be, and  
7 ending at 4 p.m. on 54th day prior to the day of the primary election  
8 for the general election to nominate candidates for those offices,  
9 unless the candidate seeks direct nomination by petition, in which case  
10 the period ends at 4 p.m. on the day that the primary election for the  
11 general election occurs.

12 "Seed money contribution" means a contribution of money or other  
13 thing of value of no more than \$100 per individual made to a  
14 participating candidate and includes a contribution from the candidate  
15 or from a member of the candidate's immediate family.

16

17 4. There is hereby established an alternative system for the public  
18 financing of the campaign of candidates seeking nomination for  
19 election or for election to the office of member of the Legislature,  
20 including a candidate nominated by petition. The commission shall  
21 administer the fund and all other provisions of P.L. , c. (C. )(now  
22 pending before the Legislature as this bill). Candidates selecting this  
23 alternative system for the public financing of their campaigns for  
24 public office shall comply with all applicable provisions of the "The  
25 New Jersey Campaign Contributions and Expenditures Reporting  
26 Act," P.L.1973, c.83 (C.19:44A-1 et seq.), unless specified otherwise  
27 by P.L. , c. (C. )(now pending before the Legislature as this  
28 act).

29

30 5. a. There is established in the Department of Law and Public  
31 Safety a non-lapsing revolving fund to be known as the "New Jersey  
32 Clean and Fair Elections for Legislative Candidates Fund," hereafter  
33 referred to as the fund, to be held separate and apart from all other  
34 funds of the State. The commission shall administer the fund and  
35 monies in the fund shall be used to finance the election campaigns of  
36 New Jersey Clean and Fair Elections candidates, certified as such by  
37 the commission pursuant to section 9 of P.L. , c. (C. )(now  
38 pending before the Legislature as this act), seeking nomination for  
39 election or for election to the office of member of the Legislature. All  
40 moneys collected pursuant to subsection b. of this section shall be  
41 appropriated by the Legislature for the fiscal year in which there is an  
42 election to fill the office of member of the Legislature and be based on  
43 estimates of the amount of money in the fund provided annually to the  
44 commission by the Director of Budget and Accounting in the Office of  
45 Management and Budget.

46 b. Moneys from the following sources shall be deposited in the

1 fund:

2 (1) the qualifying contributions required to be submitted to the  
3 commission pursuant to section 8 of P.L. , c. (C. )(now  
4 pending before the Legislature as this bill);

5 (2) an annual appropriation of \$2,000,000 from the General Fund  
6 on or before January 1 of each year, beginning the year following the  
7 effective date of this P.L. , c. (C. )(now pending before the  
8 Legislature as this bill), with the amount of this appropriation offset in  
9 an equitable manner by an equivalent reduction in funds from the  
10 administrative divisions of the Legislature and the Executive branch of  
11 the State government;

12 (3) revenue deposited in the fund by voluntary election by a  
13 taxpayer from that taxpayer's tax refund or an enclosed contribution  
14 contributed to the fund that the taxpayer has, by statute, the  
15 opportunity to contribute on the taxpayer's New Jersey gross income  
16 tax return, pursuant to section 6 of P.L. , c. (C. )(now  
17 pending before the Legislature as this bill);

18 (4) seed money contributions remaining unspent after a candidate  
19 has become a certified candidate;

20 (5) fund revenues that were distributed to a certified candidate and  
21 that remain after the candidate has lost a primary election for the  
22 general election or after all moneys required to be distributed for the  
23 general elections in a given year have been distributed;

24 (6) other unspent fund revenues distributed to any certified  
25 candidate who does not continue to be a candidate for nomination for  
26 election or for election;

27 (7) voluntary donations made directly to the fund;

28 (8) all earnings received from the investment or deposit of money  
29 in the fund; and

30 (9) fines and penalties collected by the commission pursuant to  
31 section 17 of P.L. , c. (C. )(now pending before the  
32 Legislature as this bill).

33 c. No later than September 1 preceding each year in which there is  
34 an election to fill the office of member of the Legislature, the  
35 commission shall publish an estimate of the revenue in the fund  
36 available for distribution to certified candidates during the following  
37 year's elections.

38

39 6. Each taxpayer shall have the opportunity to indicate on the  
40 taxpayer's New Jersey gross income tax return that a portion of the  
41 taxpayer's tax refund, or an enclosed contribution, shall be deposited  
42 in the New Jersey Clean and Fair Elections for Legislative Candidates  
43 Fund, established pursuant to section 5 of P.L. , c. (C. )  
44 (now pending before the Legislature as this bill).

45 Any costs incurred by the Division of Taxation for collection or  
46 administration attributable to this act may be deducted from receipts

1 collected pursuant to this act, as determined by the Director of the  
2 Division of Budget and Accounting. The State Treasurer shall deposit  
3 net contributions collected pursuant to P.L. , c. (C. )(now  
4 pending before the Legislature as this bill) into the New Jersey Clean  
5 and Fair Elections for Legislative Candidates Fund.

6  
7 7. Each participating candidate shall sign and file a declaration of  
8 intent to seek certification as a New Jersey Clean and Fair Elections  
9 candidate and to comply with the requirements of section 9 of P.L. ,  
10 c. (C. )(now pending before the Legislature as this bill). The  
11 declaration of intent shall be filed with the commission prior to or  
12 during the qualifying period, except as provided in section 20 of P.L.,  
13 c. (C. )(now pending before the Legislature as this bill), using  
14 the forms and procedures developed by the commission pursuant to  
15 section 13 of P.L. , c. (C. ) (now pending before the  
16 Legislature as this bill). A participating candidate shall submit a  
17 declaration of intent prior to collecting qualifying contributions under  
18 section 8 of P.L. , c. (C. )(now pending before the  
19 Legislature as this bill).

20  
21 8. a. Subsequent to becoming a participating candidate, as defined  
22 in section 3 of P.L. , c. (C. )(now pending before the  
23 Legislature as this bill), and prior to certification as a certified  
24 candidate, a participating candidate shall not accept contributions,  
25 except for seed money contributions, that are greater than the  
26 following amounts:

27 (1) \$1,500 for a candidate seeking nomination for election or for  
28 election to the office of member of the State Senate; and

29 (2) \$500 for a candidate seeking nomination for election or for  
30 election to the office of member of the General Assembly.

31 b. Participating candidates shall obtain qualifying contributions  
32 during the qualifying period as follows:

33 for a candidate for nomination for election or for election to the  
34 office of member of the State Senate or General Assembly, no fewer  
35 than 150 voters registered to vote in the legislative district the  
36 candidate represents or seeks to represent shall show support for the  
37 candidate by providing a qualifying contribution to that candidate.

38 No payment, gift or other thing of value shall be given in exchange  
39 for a qualifying contribution.

40 c. A participating candidate shall submit qualifying contributions  
41 to the commission in accordance with procedures developed by the  
42 commission, except as provided by section 20 of P.L. , c. (C. )(now  
43 pending before the Legislature as this bill).

44  
45 9. Upon receipt of a final submittal of qualifying contributions by  
46 a participating candidate, the commission shall certify that candidate

1 as a New Jersey Clean and Fair Elections candidate if the candidate  
2 has:

3 a. signed and filed a declaration of intent to participate in the  
4 election as a New Jersey Clean and Fair Elections candidate, pursuant  
5 to section 7 of P.L. , c. (C. )(now pending before the  
6 Legislature as this bill);

7 b. received the appropriate number of valid qualifying  
8 contributions, pursuant to section 8 of P.L. , c. (C. )(now  
9 pending before the Legislature as this bill);

10 c. submitted to the Attorney General a petition of nomination with  
11 the required number of valid signatures, as required for direct  
12 nomination by petition by chapter 13 of Title 19 of the Revised  
13 Statutes, or as required to participate in the primary election for the  
14 general election as required by chapter 23 of Title 19 of the Revised  
15 Statutes;

16 d. not accepted contributions, except for seed money contributions,  
17 and otherwise complied with the seed money contributions restrictions  
18 provided for in sections 3 and 8 of P.L. , c. (C. )(now pending  
19 before the Legislature) and this section; and

20 e. otherwise met the requirements to be considered a New Jersey  
21 Clean and Fair Elections candidate pursuant to P.L. , c. (C. )(now  
22 pending before the Legislature as this bill).

23 The commission shall so certify an eligible candidate as soon as  
24 possible, and in any case no later than three days, after the candidate  
25 makes his or her final submission of qualifying contributions. Upon  
26 certification, a candidate shall transfer to the fund any unspent seed  
27 money contributions. A certified candidate shall comply with the  
28 provisions of P.L. , c. (C. )(now pending before the  
29 Legislature as this bill) after the candidates has been certified and  
30 through the primary election for the general election and the general  
31 election period. A candidate who has been certified prior to the  
32 primary election for the general election shall remain certified for the  
33 general election and cannot become a nonparticipating candidate.

34 To be eligible for certification, a candidate shall collect and spend  
35 only seed money contributions after becoming a participating  
36 candidate and throughout the qualifying period. A participating  
37 candidate shall not collect or spend seed money contributions after  
38 certification as a New Jersey Clean and Fair Elections candidate. All  
39 seed money contributions shall be reported to the commission in  
40 accordance with procedures developed thereby pursuant to section 13  
41 of P.L. , c. (C. )(now pending before the Legislature as this bill).

42 After certification, a candidate shall limit his or her campaign  
43 expenditures and obligations, including outstanding obligations, to the  
44 moneys distributed to the candidate from the fund and shall not accept  
45 any other contributions unless specifically authorized by the  
46 commission. All revenues distributed to certified candidates from the

1 fund shall be used only for the purposes provided in section 17 of  
2 P.L.1993, c.65 (C.19:44A-11.2).

3  
4 10. a. In amounts determined pursuant to subsection b. of this  
5 section, the commission shall distribute moneys from the fund as  
6 follows:

7 (1) Within three days after certification, for candidates certified  
8 prior to the 54th day prior to the day of the primary election for the  
9 general election in the year in which elections are held for the office of  
10 member of the Legislature, moneys from the fund must be distributed  
11 as if the candidates are in an uncontested primary election.

12 (2) Between the 54th day and the 53rd day prior to the day of the  
13 primary election for the general election in the year in which elections  
14 are held for the office of member of the Legislature, for certified  
15 candidates seeking nomination for public office in a primary election,  
16 moneys from the fund shall be distributed according to whether the  
17 candidate is in a contested or uncontested primary election and shall  
18 be reduced by any amounts distributed previously pursuant to  
19 paragraph (1) of this subsection.

20 (3) Within three days after the primary election for the general  
21 election, for certified candidates seeking election to the office of  
22 member of the Legislature in the general election, moneys from the  
23 fund shall be distributed according to whether the candidates are in a  
24 contested general election. No moneys shall be distributed from the  
25 fund to any certified candidate who is unopposed in a general election.

26 Moneys shall be distributed from the fund by the commission to  
27 certified candidates pursuant to this section in accordance with such  
28 procedures as the commission shall establish pursuant to section 20 of  
29 P.L. , c. (C. )(now pending before the Legislature as this bill)  
30 to ensure accountability and safeguard the integrity of the fund.

31 b. No later than the July 1 following the enactment of P.L. , c.  
32 (C. )(now pending before the Legislature as this bill) and no later  
33 than the fourth year following that date, the commission shall  
34 determine the amount of moneys to be distributed to certified  
35 candidates as follows:

36 (1) For a primary election for the general election in which two or  
37 more candidates are seeking nomination to the same public office, the  
38 amount of moneys to be distributed from the fund to each candidate  
39 shall be the average amount of campaign expenditures made by each  
40 candidate during all such election contests for the immediately  
41 preceding two primary elections for the general election, as reported  
42 in the initial filing period subsequent to those elections for the offices  
43 of member of the State Senate and member of the General Assembly.

44 (2) For a primary election for the general election in which no  
45 more than one candidate seeks nomination for each public office for  
46 which nominations are being made at that election, the amount of

1 money to be distributed from the fund to each candidate shall be the  
2 average amount of campaign expenditures made by each candidate  
3 during all such election contests during the immediately preceding two  
4 primary elections for the general election, or the average amount of  
5 campaign expenditures made in a primary election for the general  
6 election in which two or more candidates are seeking nomination to  
7 the same public office for the immediately preceding two primary  
8 elections for the general election if less than the former amount, as  
9 reported in the initial filing period subsequent to those elections for the  
10 offices of member of the State Senate and member of the General  
11 Assembly.

12 (3) For a general election in which two or more candidates are  
13 seeking the same public office, the amount of moneys to be distributed  
14 from the fund to each candidate shall be the average amount of  
15 campaign expenditures made by each candidate during all such election  
16 contests for the immediately preceding two general elections, as  
17 reported in the initial filing period subsequent to those elections for the  
18 offices of member of the State Senate and member of the General  
19 Assembly.

20 If only insufficient electoral data is available for the two election  
21 cycles immediately preceding the enactment of P.L. , c. (C. )(now  
22 pending before the Legislature as this bill), the commission shall use  
23 information from the most recent applicable election from which data  
24 are available.

25 For the computations required pursuant to subsection b. of this  
26 section for only the election held immediately following the enactment  
27 of P.L. , c. (C. )(now pending before the Legislature as this  
28 bill), the commission shall reduce by 25 percent the amount to be  
29 distributed from the funds to each participating candidate.

30  
31 11. Whenever the campaign report of a nonparticipating candidate  
32 for the nomination for election or for election to the office of member  
33 of the Legislature shows that the aggregate amount of the  
34 contributions, expenditures or obligations, alone or in conjunction with  
35 independent expenditures reported pursuant to section 11 of P.L.1973,  
36 c.83 (C.19:44A-11), exceeds the distribution amount provided  
37 pursuant to section 10 of P.L. , c. (C. )(now pending before  
38 the Legislature as this bill) to a New Jersey Clean and Fair Elections  
39 candidate, the commission shall issue to that candidate, as soon as  
40 practicable, an additional amount of money from the fund equivalent  
41 to the excess amount spent by that nonparticipating candidate. The  
42 amount of such matching moneys shall be limited to no more than  
43 twice the amount of moneys distributed originally to the certified  
44 candidate pursuant to section 10 of P.L. , c. (C. )(now  
45 pending before the Legislature as this bill).

1       12. a. A candidate seeking the office of member of the Legislature  
2 by means of direct nomination by petition, pursuant to chapter 13 of  
3 Title 19 of the Revised Statutes, that is certified by the commission no  
4 later than the 54th day prior to the day of the primary election for the  
5 general election shall be eligible for moneys from the fund in the same  
6 amounts and at the same time as a candidate in a primary election in  
7 which no more than one candidate seeks each public office for which  
8 nominations are being made at that election, as provided in paragraph  
9 (2) of subsection a. of section 10 of P.L.     , c.     (C.     )(now  
10 pending before the Legislature as this bill), and as a candidate in a  
11 general election in which two or more candidates are seeking the same  
12 public office, as provided in paragraph (3) of subsection a. of section  
13 10 of P.L.     , c.     (C.     ) (now pending before the Legislature as  
14 this bill).

15       b. For a candidate seeking the office of member of the Legislature  
16 by means of direct nomination by petition, pursuant to chapter 13 of  
17 Title 19 of the Revised Statutes, who has not been certified by the  
18 commission later than 4:00 p.m. of the 54th day preceding the day of  
19 the primary election for the general election, the deadline for filing  
20 qualifying contributions is 4:00 p.m. on the day of the primary election  
21 for the general election.

22       c. A candidate seeking the office of member of the Legislature by  
23 means of direct nomination by petition, pursuant to chapter 13 of Title  
24 19 of the Revised Statutes, that is certified by the commission after  
25 4:00 p.m. on the 54th day prior to the day of the primary election for  
26 the general election shall be eligible for moneys from the fund in the  
27 same amount as a general election, as provided for in paragraph (3) of  
28 subsection b. of section 10 of P.L.     , c.     (C.     ) (now pending  
29 before the Legislature as this bill).

30

31       13. Notwithstanding the provisions of section 16 of P.L.1973, c.83  
32 (C.19:44A-16) or any other law, rule or regulation relating to the  
33 reporting of campaign contributions by a candidate to the contrary,  
34 certified candidates shall report all contributions and expenditures,  
35 obligations and related activities to the commission on a schedule and  
36 according to procedures developed by the commission. In developing  
37 such schedule and procedures, the commission shall use to the greatest  
38 extent possible the existing campaign reporting schedule and  
39 procedures established in section 16 of P.L.1973, c.83 (C.19:44A-16)  
40 for candidates committees and joint candidates committees.

41       Each such certified candidate who is defeated in a primary election  
42 for a general election and each certified candidate who is defeated in  
43 a general election shall, upon the filing of a final report relative to the  
44 election, return to the commission for deposit into the fund all unspent  
45 fund moneys.

46       The commission shall insure public access to the campaign finance

1 reports required pursuant to this section and, wherever possible, shall  
2 use electronic means for the reporting, storing and display of such  
3 information.

4  
5 14. The commission shall not distribute to certified candidates  
6 moneys in excess of the total amount of money deposited in the fund  
7 pursuant to section 5 of P.L. , c. (C. ) (now pending before the  
8 Legislature as this bill) or remaining therein from previous fiscal years  
9 as estimated by the Director of Budget and Accounting in the Office  
10 of Management and Budget. Notwithstanding any other provisions of  
11 P.L. , c. (C. ) (now pending before the Legislature as this  
12 bill) to the contrary, if the commission determines that the moneys in  
13 the fund are insufficient to meet the distributions required by section  
14 5 of P.L. , c. (C. ) (now pending before the Legislature as  
15 this bill), the commission shall permit certified candidates to accept  
16 and spend contributions of money and other thing of value, less any  
17 seed money contributions received prior to becoming a certified  
18 candidate, that aggregate no more than \$250 per contributor for the  
19 primary election for the general election and the same for the general  
20 election occurring in the same calendar year for candidates seeking the  
21 office of member of the Legislature, up to the limits for the candidates  
22 for those offices established by section 10 of P.L. , c. (C. )(now  
23 pending before the Legislature as this bill).

24  
25 15. A candidate who has been denied certification by the  
26 commission as a New Jersey Clean and Fair Elections candidate or the  
27 opponent of a candidate who has been certified as a New Jersey Clean  
28 and Fair Elections candidate may challenge a certification decision by  
29 the commission as follows.

30 a. A candidate or a challenger may appeal to the commission within  
31 three days of the decision to grant certification. The appeal shall be  
32 in writing and shall set forth the reasons for the appeal.

33 b. Within five days after an appeal is filed, the commission shall  
34 hold a hearing thereon after notice is given of the hearing to the  
35 challenger and any opponent. The challenger has the burden of  
36 providing evidence to demonstrate that the decision of the commission  
37 to certify the candidate was improper. The commission shall rule on  
38 the appeal within three days after the completion of the hearing.

39 c. A challenger may appeal to Superior Court a decision on an  
40 appeal rendered by the commission pursuant to this section and the  
41 court shall hear the appeal and render a decision thereon in an  
42 expedited manner.

43 d. Any candidate whose certification by the commission is revoked  
44 as a result of an appeal to Superior Court shall return to the  
45 commission for deposit in the fund any unspent moneys received to  
46 date from the fund.

1 e. If the commission or the court finds that an appeal was made  
2 frivolously or to cause delay or hardship, the commission or court may  
3 require the challenger to pay the expenses of the commission, the  
4 court and the challenged candidate, if any such expenses have been  
5 incurred.

6  
7 16. In order for an individual who sought election, was elected or  
8 failed of election to a public office as a candidate, as defined pursuant  
9 to "The New Jersey Campaign Contributions and Expenditures  
10 Reporting Act" P.L.1973, c.83 (C.19:44A-1 et seq.), to seek  
11 nomination for election, election or re-election to the office of member  
12 of the Legislature as a New Jersey Clean and Fair Elections candidate  
13 pursuant to P.L. , c. (C. )(now pending before the  
14 Legislature as this bill), the individual shall:

15 a. close up or cause to be closed up the affairs of any candidate  
16 committee, joint candidates committee, or both, or legislative  
17 leadership committee, with which the individual was involved as a  
18 candidate in accordance with the provisions of section 16 of P.L.1973,  
19 c.83 (C.19:44A-16) before signing and filing a declaration of intent to  
20 seek certification as a New Jersey Clean and Fair Elections candidate  
21 pursuant to section 7 of P.L. , c. (C. )(now pending before  
22 the Legislature as this bill); and

23 b. make every effort to repay or satisfy any debts that remain  
24 outstanding from a previous campaign.

25 In addition to using the contributions received by such committees  
26 for the purposes provided for in section 17 of P.L.1973, c.65  
27 (C.19:44A-11.3), an individual who sought election, was elected or  
28 failed of election to a public office as a candidate pursuant to  
29 P.L.1973, c.83 (C.19:44A-1 et seq.) may use funds raised while such  
30 a candidate as the seed money required of a participating candidate,  
31 but only to the extent that such moneys can be traceable to  
32 contributions of \$100 or less from other individuals.

33 The individual who sought election, was elected or failed of  
34 election to a public office as a candidate pursuant to P.L.1973, c.83  
35 (C.19:44A-1 et seq.) shall also be permitted to carry forward and use  
36 any signs, supplies, computer or office equipment or other campaign  
37 property while a New Jersey Clean and Fair Elections candidate,  
38 provided that such use is reported to the commission pursuant to  
39 section 13 of P.L. , c. (C. )(now pending before the  
40 Legislature as this bill).

41  
42 17. a. (1) Any person, including any candidate, treasurer or other  
43 official associated with the campaign of a certified or participating  
44 candidate, charged with the responsibility under P.L. , c. (C. )(now  
45 pending before the Legislature as this bill) for the preparation,  
46 certification, filing or retention of any reports, records, notices or

1 other documents in paper or electronic form, who fails, neglects or  
2 omits to prepare, certify, file or retain any such report, record, notice  
3 or document at the time or during the time period, as the case may be,  
4 and in the manner prescribed by law, or who omits or incorrectly  
5 states or certifies any of the information required by law to be included  
6 in such report, record, notice or document, and any other person who  
7 in any way violates any of the provisions of this act shall, in addition  
8 to any other penalty provided by law, be liable to a penalty of not  
9 more than \$3,000.00 for the first offense and not more than \$6,000.00  
10 for the second and each subsequent offense. Upon receiving evidence  
11 of a violation of this paragraph, the commission shall use the  
12 procedure provided for in section 22 of P.L.1973, c.83 (C.19:44A-22)  
13 for investigating the possible violation and assessing a penalty, if  
14 deemed appropriate.

15 (2) The fine imposed on any certified candidate who is found to be  
16 in violation of paragraph (1) of this subsection shall, upon payment to  
17 the commission by that certified candidate, be deposited in the fund.

18 b. (1) Any person, including any candidate, treasurer or other  
19 official associated with the campaign of a certified or participating  
20 candidate, who knowingly and willfully makes a false statement or files  
21 a false report, record, notice or document in paper or electronic form  
22 or so violates any other provision of P.L. , c. (C. )(now  
23 pending before the Legislature as this bill) is guilty of a crime of the  
24 third degree.

25 (2) Any participating candidate who is found to be in violation of  
26 paragraph (1) of this subsection shall pay in an expedited manner to  
27 the commission for deposit into the fund any fine or penalty resulting  
28 from conviction for such a violation.

29 (3) Any certified candidate who is found to be in violation of  
30 paragraph (1) of this subsection shall (i) pay in an expedited manner  
31 to the commission for deposit into the fund any fine or penalty  
32 resulting from conviction for such a violation; and (ii) return in an  
33 expedited manner to the commission for deposit into the fund all  
34 moneys distributed to the candidate since he or she was certified as a  
35 New Jersey Clean and Fair Elections candidate for the election cycle  
36 in which the offense occurred.

37

38 18. a. Not later than December 1 of each year preceding any year  
39 in which a general election is to be held to fill the office of Governor  
40 for a four-year term, the commission shall adjust the amounts, set forth  
41 in subsection b. of this section, which shall be applicable under P.L. ,  
42 c. (C. )(now pending before the Legislature as this bill) to a  
43 certified candidate or a participating candidate, with respect to  
44 limitations on contributions from individuals and to other amounts, at  
45 a percentage which shall be the same as the percentage of change that  
46 the commission applies to the amounts used for the primary election

1 for the general election and the general election for the office of  
2 Governor held in the third year preceding the year in which that  
3 December 1 occurs, pursuant to section 19 of P.L.1980, c.74  
4 (C.19:44A-7.1). Any amount so adjusted shall be rounded in the same  
5 manner as provided in that section.

6 b. The amounts subject to adjustment as provided under this  
7 section shall be:

8 (1) the maximum amount of a qualifying contribution permitted to  
9 be made by a voter registered to vote in the legislative district the  
10 candidate represents or seeks to represent to a participating candidate  
11 for nomination for election or for election to the office of member of  
12 the Legislature pursuant to section 3 of P.L. , c. (C. )(now  
13 pending before the Legislature as this bill);

14 (2) the maximum amount of a seed money contribution that an  
15 individual, a participating candidate or the candidate's immediate  
16 family may make to that candidate for nomination for election or for  
17 election to the office of member of the Legislature pursuant to section  
18 3 of P.L. , c. (C. )(now pending before the Legislature as  
19 this bill);

20 (3) the annual appropriation from the General Fund to the "New  
21 Jersey Clean and Fair Elections Fund" which shall be used to finance  
22 the election campaigns of New Jersey Clean and Fair Elections  
23 candidates pursuant to section 5 of P.L. , c. (C. )(now  
24 pending before the Legislature as this bill); and

25 (4) the maximum amount of contributions, except for seed money  
26 contributions, that a participating candidate for nomination for election  
27 or for election to the office of member of the State Senate or a  
28 participating candidate for nomination for election or for election to  
29 the office of member of the General Assembly can accept from  
30 individuals registered to vote in this State or registered to vote in a  
31 particular legislative district, as the case may be, pursuant to section  
32 8 of P.L. , c. (C. )(now pending before the Legislature as  
33 this bill);

34 c. Not later than December 15 of each year preceding any year in  
35 which a general election is to be held to fill the office of Governor for  
36 a four-year term, the commission shall report to the Legislature and  
37 make public its adjustment of limits in accordance with the provisions  
38 of this section. Whenever, following the transmittal of that report, the  
39 commission shall have notice that an individual wishes to be a  
40 participating candidate or a certified candidate in a forthcoming  
41 primary election for the general election or the general election, it shall  
42 promptly notify that candidate of the amounts of those adjusted limits.  
43

44 19. On or before January 1 of the fourth year following the  
45 enactment of P.L. , c. (C. )(now pending before the  
46 Legislature as this bill) and on or before that date every four years

1 thereafter, the commission shall prepare and distribute to the  
2 Legislature a report documenting, evaluating and making  
3 recommendations relating to the administration, implementation and  
4 enforcement of "The New Jersey Clean and Fair Elections for  
5 Legislative Candidates Act" P.L. , c. (C. )(now pending  
6 before the Legislature as this bill).

7  
8 20. The commission shall promulgate such rules and regulations as  
9 it deems necessary to implement the provisions of P.L. , c. (C. )(now  
10 pending before the Legislature as this bill). These rules and  
11 regulations shall include, but not be limited to, procedures for  
12 obtaining qualifying contributions, obtaining certification as a New  
13 Jersey Clean and Fair Elections candidate, the collection of moneys for  
14 the fund, the disbursement of fund moneys to certified candidates, the  
15 return of unspent fund revenues from certified candidates defeated in  
16 a primary election for the general election or in the general election,  
17 or involved in special elections, and certified candidates involved in  
18 recounts, withdrawals or other types of vacancies that may occur  
19 whenever a candidates seeks nomination for election or election to the  
20 office of member of the Legislature.

21  
22 21. There is appropriated from the General Fund to the New Jersey  
23 Clean and Fair Elections for Legislative Camdidates Fund, established  
24 in the Department of Law and Public Safety pursuant to section 5 of  
25 this act, the amount of \$2,000,000.

26  
27 22. This act shall take effect on January 1 next following the day  
28 of enactment.

29  
30  
31 STATEMENT

32  
33 The purpose of this bill, entitled "The New Jersey Clean and Fair  
34 Elections for Legislative Candidates Act," is to establish a procedure  
35 for the public financing of the candidates for nomination for election  
36 and for election to the office of member of the State Senate and the  
37 office of member of the General Assembly.

38 Specifically, the bill

39 1) requires candidates interested in seeking such office pursuant to  
40 the bill, defined as participating candidates, to initially raise money in  
41 contributions of no greater than \$100, defined as seed money  
42 contributions, from the candidate, the candidate's family or other  
43 individuals but not from a committee, continuing political committee,  
44 political party committee, or legislative leadership committee, up to a  
45 limit of \$1,500 for candidates for the State Senate and \$500 for  
46 candidates for the General Assembly;

- 1       2) next requires participating candidates to raise contributions of  
2 no more than five dollars, defined as qualifying contributions, from any  
3 single individual living in the electoral division of the candidate  
4 seeking office, with candidates for nomination or for election to the  
5 State Senate or General Assembly required to collect at least \$750  
6 from at least 150 voters registered to vote in the legislative district the  
7 candidate represents or seeks to represent;
- 8       3) requires such all qualifying contributions to be raised for  
9 candidates for the office of member of the Legislature, during the  
10 period between January 1 of the year in which elections are held to fill  
11 the office of member of the State Senate or General Assembly, or  
12 both, and ending at 4 p.m. on the 54th day prior to the day of the  
13 primary election, unless the candidate seeks direct nomination by  
14 petition in which case the period ends at 4 p.m. of the day of the  
15 primary election;
- 16       4) establishes The New Jersey Clean and Fair Election for  
17 Legislative Candidates Fund, a non-lapsing revolving fund into which  
18 is deposited qualifying contributions, voluntary contributions from  
19 taxpayers who elect to contribute part of their State income tax  
20 refund, an annual appropriation of \$2,000,000 from the General Fund,  
21 certain unspent campaign funds, voluntary donations, and fines and  
22 penalties collected for violations of the act, with these moneys used to  
23 finance the campaigns of New Jersey Clean and Fair Elections  
24 candidates;
- 25       5) establishes administrative responsibilities for the fund and all  
26 other provisions of the bill with the Election Law Enforcement  
27 Commission (ELEC) in the Department of Law and Public Safety;
- 28       6) enables participating candidates to be certified as New Jersey  
29 Clean and Fair Elections candidates, and therefore eligible for public  
30 money from the fund, if such candidates: a) sign and file with ELEC  
31 a declaration of intent to participate in the election as such a  
32 candidate; b) receive the appropriate number of valid qualifying  
33 contributions; c) submit a valid petition of nomination to the  
34 Attorney General; and d) have not accepted contributions, except for  
35 seed money contributions;
- 36       7) provides certified candidates for nomination in a primary  
37 election and candidates in a general election an amount of money equal  
38 to the average campaign expenditures made by each candidate during  
39 all such election contests for the immediately preceding two primary  
40 elections for the general election or general elections, respectively,  
41 except that no money will be distributed to any certified candidate who  
42 is unopposed in a general election;
- 43       8) provides that whenever a certified candidate is opposed in an  
44 election by an individual who is not a New Jersey Clean and Fair  
45 Elections candidate, defined as a nonparticipating candidate, and that  
46 candidate receives and spends more money than a certified candidate,

1 the certified candidate would receive an additional amount of money  
2 equivalent to the amount spent by the nonparticipating candidate, up  
3 to a limit of twice the amount originally received;

4 9) provides that if the Director of Budget and Accounting  
5 estimates that the amount of money in the fund is not sufficient to  
6 meet the distributions required by the act, ELEC may permit a certified  
7 candidate for the office of member of the Legislature to accept  
8 contributions of no more than \$250 per contributor per election up to  
9 the limits established by the bill;

10 10) establishes a procedure whereby a candidate who has been  
11 denied certification by ELEC or the candidate's opponent may  
12 challenge that decision;

13 11) provides that any person found to be in violation of the act will  
14 be liable to a penalty of not more than \$3,000 for the first offense and  
15 \$6,000 for the next and each subsequent offense and that any person,  
16 candidate or official associated with the campaign of a participating or  
17 certified candidate who knowingly and willfully makes false statements  
18 or files false reports is guilty of a crime of the third degree and is  
19 required to pay into the fund any fine or penalty resulting from a  
20 conviction for such a crime;

21 12) provides that no later than December 1 of the year preceding  
22 the year in which a general election is held to fill the office of  
23 Governor, the dollar amounts and limits provided for in the bill would  
24 be subject to the same adjustment as the dollar amounts and limits  
25 established in "The New Jersey Campaign Contributions and  
26 Expenditures Reporting Act;"

27 13) requires ELEC, on or before January 1 of the fourth year  
28 following the enactment of the bill and on or before that date every  
29 four years thereafter, to prepare and distribute to the Legislature a  
30 report documenting, evaluating and making recommendations relating  
31 to the administration, implementation and enforcement of "The New  
32 Jersey Clean and Fair Elections for Legislative Candidates Act;" and

33 14) appropriates from the General Fund to the New Jersey Clean  
34 and Fair Elections for Legislative Candidates Fund, the amount of  
35 \$2,000,000.

36 The bill is based on clean and fair elections laws currently in effect  
37 in Maine and Arizona.