

[CORRECTED COPY]
CHAPTER 60

AN ACT creating a pilot project for the public financing of candidates seeking election to the offices of member of the Legislature in three districts in 2007, and making an appropriation.

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

1. This act shall be known and may be cited as “The 2007 New Jersey Fair and Clean Elections Pilot Project Act.”

2. The Legislature finds and declares that:

a. On August 11, 2004, P.L.2004, c.121 was enacted into law, creating the “New Jersey Fair and Clean Elections Pilot Project.”

b. The pilot project was based on similar programs in Arizona and Maine and it sought to have candidates for election to the office of member of the General Assembly in two legislative districts seek office with equal financial resources.

c. This project was a milestone in the political history of this State that sought to halt the erosion in public confidence in the political process by instituting a voluntary, publicly funded campaign finance system for legislative office designed to remove access to monied contributors as a major determinant of a citizen’s influence within the political process.

d. The pilot project was a success in the sense that all the candidates in each of the selected districts sought election as “clean elections” candidates, though only two candidates were actually certified as such, and the project raised public awareness about a proven method of campaign finance that allows candidates to compete for election on the basis of issues without reliance on how much money they raise and spend.

e. The New Jersey Citizens’ Clean Elections Commission (NJCEC), which was created by P.L.2004, c.121 to monitor the project and report to the Legislature, found that the project was worth continuing and, with some adjustments, was ready to be used in elections for the office of member of the Senate and the office of member of the General Assembly in 2007, as provided for in the act.

f. P.L.2007, c.60 embodies changes to P.L.2004, c.121 suggested by participants in the pilot project, legislators and the members of interest groups who monitored the program, and the members of the NJCEC.

g. As with P.L.2004, c.121, the 2007 pilot project’s goal is to improve the unfavorable opinion that many residents of this State have toward the political process and to strengthen the integrity of that process and improve access to it by many individuals and groups who have traditionally not been part of it.

3. As used in this act:

“Candidate intending to become certified” means a candidate from a participating district, as designated by section 6 of this act, who seeks election to the office of member of the Senate or the office of member of the General Assembly pursuant to this act and is seeking certification pursuant to section 9 of this act.

“Certified candidate” means a candidate seeking election to the office of member of the Senate or the office of member of the General Assembly who has chosen to seek such office pursuant to the provisions of this act, P.L.2007, c.60, and is certified pursuant to section 9 of this act.

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

"Department" means the Department of the Treasury.

"Fund" means the New Jersey Fair and Clean Elections Fund, established pursuant to section 5 of this act.

"Non-certified candidate" means a candidate seeking election to the office of member of the Senate or member of the General Assembly who does not seek office pursuant to the provisions of this act and is not certified pursuant to section 9 of this act.

"Political party committee" has the same meaning as provided in subsection p. of section 3 of P.L.1973, c.83 (C.19:44A-3).

"Qualifying contribution" means a contribution of \$10 given to a candidate intending to become certified by an individual who is registered to vote and resides in the district the candidate seeks to represent that is contributed during the qualifying period, with at least 400 such contributions needed to receive the minimum amount of public funding and at least 800 such contributions needed to receive the maximum amount of public funding, pursuant to section 11 of this act.

"Qualifying period" means the period during which both seed money contributions and qualifying contributions can be collected, beginning on April 23, 2007 and ending on September 30, 2007.

"Seed money contribution" means a contribution of money of no more than \$500 from any individual registered to vote in this State, including the candidate and candidate's immediate family, but not from a candidate committee, joint candidates committee, political committee, continuing political committee, political party committee or legislative leadership committee, up to a limit of \$10,000 in the aggregate.

4. There is established a pilot project for the public financing of the campaigns of candidates seeking election to the office of member of the Senate or seeking election to the office of member of the General Assembly from three legislative districts in 2007, pursuant to section 6 of this act. The pilot project shall be open to candidates for those offices in those districts who are nominated directly by petition. Candidates participating in this pilot project shall comply with the applicable provisions of the "The New Jersey Campaign Contributions and Expenditures Reporting Act," P.L.1973, c.83 (C.19:44A-1 et al.), unless otherwise provided by this act.

5. a. There is established in the Department of the Treasury a fund to be known as the "New Jersey Fair and Clean Elections Fund," hereinafter referred to as the fund, to be held separate and apart from all other funds of the State. The department shall administer the fund and moneys in the fund shall be used to finance the election campaigns of certified candidates. All moneys on deposit pursuant to this section shall be appropriated for the fiscal year in which there is an election to elect members of the Senate and members of the General Assembly.

b. Moneys from the following sources shall be deposited in the fund:

- (1) voluntary donations made directly to the fund;
- (2) all earnings received from the investment of money in the fund;
- (3) fines and penalties collected by the State Treasurer or by the commission, pursuant to section 19 of this act;
- (4) money returned to the fund by candidates who withdraw from being certified candidates, pursuant to section 10 of this act; and

(5) money appropriated to the fund, pursuant to section 22 of this act.

6. Three legislative districts shall be selected to participate in “The 2007 New Jersey Fair and Clean Elections Pilot Project.” They shall be selected as follows:

a. The President of the Senate and the Speaker of the General Assembly shall together select one legislative district in which the member of the Senate and the members of the General Assembly are each members of the political party whose candidate for the office of Governor received the largest number of votes in the most recent gubernatorial election.

b. The Minority Leader of the Senate and the Minority Leader of the General Assembly shall together select one legislative district in which the member of the Senate and the members of the General Assembly are each members of the political party whose candidate for the office of Governor received the next largest number of votes in the most recent gubernatorial election.

c. The President of the Senate and the Minority Leader of the Senate, and the Speaker of the General Assembly and the Minority Leader of the General Assembly, shall together select one legislative district in which no more than two members of the Legislature are members of the same political party as the other member of the Legislature.

d. The selections required by subsections a., b., and c. of this section shall take into account geographic diversity in this State and shall be made no later than April 9, 2007.

e. In the event that the President of the Senate and the Minority Leader of the Senate, and the Speaker of the General Assembly and the Minority Leader of the General Assembly refuse to make one or more such selections by April 11, 2007, an alternative selection committee shall be established to make the selection. The committee shall consist of a total of five individuals, four members of the public, one appointed by the President of the Senate, one appointed by the Minority Leader of the Senate, one appointed by the Speaker of the General Assembly and one appointed by the Minority Leader of the General Assembly, and one former Governor of this State appointed jointly by the Senate President and the Speaker. No more than three members of the committee shall be members of the same political party. The committee shall select the districts to participate in the pilot project no later than April 16, 2007.

f. The legislative districts selected to participate in the pilot project shall be those districts approved by the Apportionment Commission on April 11, 2001 and described in the corrected plan for legislative districts filed with the New Jersey Secretary of State on April 17, 2001.

7. a. Following the selection of districts pursuant to section 6 of this act, each candidate who becomes a candidate intending to become certified shall:

(1) sign and file a declaration of intent to seek certification and to comply with the requirements of this act, which shall be filed with the commission at any time during the qualifying period, using the forms and procedures developed by the commission pursuant to section 20 of this act;

(2) begin to accept seed money contributions and qualifying contributions under section 8 of this act; and

(3) except as permitted by section 8 of this act, suspend for the time the candidate is a candidate intending to become certified all access that candidate has to the funds of the candidate committee of that candidate, including those that the candidate has as part of a joint candidates committee, which have been raised prior to becoming a candidate intending to become certified.

b. (1) Candidates intending to become certified who are seeking election to the office of member of the General Assembly from the same legislative district and are members of the same political party shall be required to become certified candidates together and shall seek election together. A candidate intending to become certified who is seeking election to the office of member of the Senate shall not be required to become certified at the same time as candidates for election to the office of member of the General Assembly from the same political party and in the same legislative district, nor shall candidates for the office of member of the General Assembly be required to seek election together with a candidate for the office of member of the Senate from the same political party and in the same legislative district. Such candidates, however, may coordinate their campaigns pursuant to section 9 of this act.

Any candidate intending to become certified who does not file a declaration of intent to seek certification during the qualifying period shall be considered a noncertified candidate and precluded from becoming a certified candidate in the 2007 general election.

8. After filing a declaration of intent, and prior to certification as a certified candidate, a candidate intending to become certified shall collect seed money contributions and qualifying contributions, starting on April 23, 2007 and continuing for the remainder of the qualifying period. All moneys that a candidate collects during that time as a participant in the pilot project created by this act shall be separate from, and in no way infringe on, the collection of money in which the candidate may be engaged as a candidate for nomination for election in the legislative district the candidate seeks to represent.

a. (1) A candidate intending to become certified shall obtain seed money contributions in amounts of no more than \$500 per individual, up to a maximum of \$10,000 in the aggregate. Such funds shall be raised and spent by a candidate during the qualifying period while the candidate seeks the required number of qualifying contributions. Except as provided in paragraph (2) of this subsection, no seed money contributions shall be accepted from an individual who is not a registered voter in this State, nor from a candidate committee, joint candidates committee, political committee, continuing political committee or legislative leadership committee.

(2) A candidate intending to become certified may use funds raised and reported to the commission pursuant to P.L.1973, c.83 (C.19:44A-1 et al.) prior to becoming such a candidate as part of the seed money collected by a candidate intending to become certified, but only to the extent that such money can be attributable to contributions of \$500 or less from individuals who are registered to vote in this State.

(3) Seed money contributions shall be in the form of cash, check, money order, electronic check, debit card, or credit card payable to one or more candidates intending to become certified.

(4) Seed money contributions shall be deposited by the candidate or an individual associated with his or her campaign as soon as possible into an account separate from all other accounts but in the name of the candidate in a banking institution holding a State or federal charter. No such funds shall be transferred subsequently into an investment account of any type or used by the candidate for the purpose of gambling. The candidate shall file a report with the commission on the amount of seed money contributions collected at the same time as the candidate files reports on the number of qualifying contributions collected, as required by this section. The report shall be made on the forms required by this subsection.

(5) De-minimus, in-kind contributions of seed money that have a fair market value of \$200 or less per individual per year shall be permitted and not counted toward the \$10,000

seed money maximum. Pursuant to section 20 of this act, the commission shall use current Federal Election Commission regulations to define what constitutes a de-minimus, in-kind contribution of seed money, especially with respect to events held in an individual's home to raise qualifying contributions.

(6) Each seed money contribution shall be accompanied by a form developed by the commission. The form for non-cash contributions shall: (a) be as clear, concise and easy to use as possible; (b) serve as the acknowledgement of one or more contributions by one or more individuals to a single candidate; and (c) include such other identifying information deemed appropriate by the commission. The form for cash contributions shall: (a) be as clear, concise and easy to use as possible; (b) include the contributor's name, mailing address, contact telephone number and the date of the contribution; (c) be signed by the individual; (d) include an affirmation that the contribution is made without knowing intention to commit fraud; and (e) include such additional information deemed appropriate by the commission.

b. (1) A candidate intending to become certified shall obtain qualifying contributions of \$10 per individual during the qualifying period from at least 400 registered voters residing in the district the candidate is seeking to represent. Such individuals may include the candidate and the candidate's immediate family. No such funds shall be spent by a candidate during the qualifying period. No qualifying contributions shall be accepted from a candidate committee, joint candidates committee, political committee, continuing political committee or legislative leadership committee.

(2) Qualifying contributions shall be in the form of cash, check, money order, electronic check, debit card, or credit card payable to the one or more candidate intending to become certified. No such contribution shall be in the form of an in-kind contribution.

(3) All qualifying contributions shall be deposited by the candidate or an individual associated with his or her campaign as soon as possible into an account separate from all other accounts but in the name of the candidate in a banking institution holding a State or federal charter. No such funds shall be transferred subsequently into an investment account of any type or used by the candidate for the purpose of gambling. The candidate shall notify the commission within three business days when he or she has received at least 400 qualifying contributions, and thereafter shall file a report each week listing the number and aggregate dollar amount of qualifying contributions received to date and such other information about the contributions as may be required by the commission including after 800 qualifying contributions have been received.

(4) Each qualifying contribution shall be accompanied by a form developed by the commission. The form for non-cash contributions shall: (a) be as clear, concise and easy to use as possible; (b) serve as the acknowledgement of one or more contributions by one or more individuals to a single candidate; and (c) include such other identifying information deemed appropriate by the commission, except that such information shall not include the name and mailing address of the employer of the individual. The form for cash contributions shall: (a) be as clear, concise and easy to use as possible; (b) include the contributor's name, mailing address, contact number and the date of the contribution; (c) be signed by the individual; (d) include an affirmation that the contribution is made without knowing intention to commit fraud; and (e) include such additional information deemed appropriate by the commission, except that such information shall not include the name and mailing address of the employer of the individual.

c. Each candidate intending to become certified shall be permitted to create and use a qualifying contribution form, based on the requirements established by this act and the

commission, to mail to potential contributors, provided the candidate submits a draft of the form to the commission and the commission does not disapprove of the draft form within 24 hours of its receipt.

d. An individual shall be permitted to make both a seed money contribution and a qualifying contribution to one or more candidates intending to become certified.

e. Joint checking account holders shall be permitted to make a qualifying contribution, a seed money contribution, or both, using one check that is signed by one account holder; however, if both persons holding a joint checking account wish to make a seed money contribution, a qualifying contribution, or both, the check must include the signature of each person and each such individual shall sign the contribution form required by this section.

f. The following activities shall be permitted and not counted as an in-kind contribution on behalf of a certified candidate or a candidate intending to become certified:

(1) personal services performed by an individual, a political party committee or another association, organization or group on a voluntary, non-compensated basis for the purpose of collecting seed money contributions, qualifying contributions, or both, and the collection of signatures on petitions of nomination;

(2) communications in writing, or delivered via telephone or the Internet, in support of or in opposition to the election of any candidate by a labor organization or membership organization or other such association to its members and their families, or by any association, group or organization, other than a labor organization, to its members and their families; and

(3) communications to the general public in any form by any means undertaken by any organization, group, association or business that seeks to disseminate information in any form about this act that is neither in support of, or in opposition to, the election of any candidate.

g. Except as provided otherwise by this act, all cash contributions shall be subject to the provisions of P.L.1973, c.83 (C.19:44A-1 et al.), as amended and supplemented.

h. (1) Unless the candidate has already begun reporting as required by subsection b. of this section, starting on May 23, 2007 and continuing each week thereafter, each candidate intending to become certified who has been nominated by the voters of a political party and has signed and filed a declaration of intent to become certified shall file with the commission a report listing the number and aggregate dollar amount of qualifying contributions received to date and such other information about the contributions as may be required by the commission. Nothing in this subsection shall preclude a candidate intending to become certified from becoming certified before May 23, 2007.

(2) Each candidate intending to become certified who is nominated by direct petition filed with the Attorney General pursuant to chapter 13 of Title 19 of the Revised Statutes may start collecting seed money and qualifying contributions after his or her petitions of nomination are filed with the Attorney General, provided the candidate does so during the qualifying period. Unless the candidate has already begun reporting as required by subsection b. of this section, starting on the 30th day after the candidate signs and files a declaration of intent to become a certified candidate, and each week thereafter, such a candidate intending to become certified shall file with the commission a report listing the number and aggregate dollar amount of qualifying contributions received to date and such other information about the contributions as may be required by the commission. Nothing in this subsection shall preclude a candidate intending to become certified from becoming certified before the 30th day after the candidate signs and files a declaration of intent to become certified.

i. Notwithstanding any law, rule or regulation to the contrary, no candidate intending to become certified shall collect contributions or make expenditures as part of the candidate's campaign for nomination for election and election at the general election in 2007 at the same event where the candidate intending to become certified is seeking to collect seed money or qualifying contributions.

j. In addition to the types of contributions provided for in this section, an individual shall be permitted to make a seed money contribution, a qualifying contribution, or both, to a candidate by means of the Internet. Such a contribution shall be accompanied by an electronic version of the forms required by this section and may be made on the website of the candidate if such a site is established. The commission shall establish a link on its own website to other websites collecting such contributions and shall be responsible for providing technical assistance to candidates seeking to collect contributions by means of the Internet.

k. The commission shall ensure the rapid transmission and public access to the reports required by this section and, wherever possible, shall use electronic means for receiving, reporting, storing and displaying such information.

9. a. The commission shall certify a candidate intending to become certified if he or she has:

(1) received at least 400 qualifying contributions by September 30, 2007 from registered voters residing within the candidate's district, pursuant to section 8 of this act;

(2) not accepted other contributions, except for seed money contributions, and otherwise complied with the contribution restrictions of this act;

(3) in the case of a candidate seeking election to the office of member of the Senate or election to the office of member of the General Assembly by direct nomination, submitted to the Attorney General a petition for such pursuant to chapter 13 of Title 19 of the Revised Statutes; and

(4) otherwise met the requirements to be considered a certified candidate pursuant to this act.

b. The commission shall certify a candidate intending to become certified as soon as possible, and in any case no later than three days after the candidate makes his or her final submission of qualifying contributions. A certified candidate shall comply with the provisions of this act after certification and through the general election.

c. After certification, a candidate shall limit his or her campaign expenditures and obligations, including outstanding obligations, to the moneys in the candidate's qualifying contribution account, including qualifying contributions and moneys distributed to the candidate from the fund and shall not accept any other contributions, including seed money, unless specifically authorized by this act or the commission. All such funds distributed to certified candidates from the fund shall be used only for the purposes provided in section 17 of P.L.1993, c.65 (C.19:44A-11.2).

d. If a candidate intending to become certified or a certified candidate is not nominated for election at the primary election preceding the general election held in 2007, the candidate shall either return all seed money and qualifying contributions collected prior to the day of the primary election for the general election to contributors thereof on a pro-rata basis or remit such moneys to the fund; and shall, if in receipt of moneys from the fund pursuant to section 11 or 12 of this act, return to the fund the full amount of such moneys received.

e. In the event that the candidates for the office of member of the General Assembly from the same legislative district are certified and are members of the same political party and the candidate for the member of the Senate from the same legislative district is a member

of the same political party and is also certified, nothing in this act shall prevent such candidates from coordinating their campaigns for election to office in the general election. In the event, however, that either the candidates for the office of member of the General Assembly or the candidate for the member of the Senate does not become certified, the certified candidate or candidates shall not be permitted to coordinate his or her campaign with the noncertified candidate or candidates. The failure by either the certified candidates or the noncertified candidates to comply with this restriction shall constitute an illegal contribution and both candidates shall be liable for the penalty provided by subsection a. of section 19 of this act.

f. Notwithstanding any law, rule or regulation to the contrary, each candidate who is certified no later than August 17, 2007 shall:

(1) have included with his or her name on the general election ballot the slogan "Clean Elections Candidate" in such size and type face as to be easily readable to the voter and in addition to the name of the political party of which the candidate is a member; and

(2) be permitted to submit to the commission a statement of no more than 250 words for inclusion with the sample ballot mailed to registered voters in the district in which the candidate is seeking office prior to the election pursuant to R.S.19:14-21 et al.

10. a. (1) If a certified candidate wishes to withdraw from the pilot project and become a noncertified candidate because the noncertified opponent of the candidate has spent substantially more than the certified candidate has been provided pursuant to sections 11 and 12 of this act; or if a certified candidate wishes to withdraw from the pilot project and no longer seek election to either the office of member of the Senate or the office of member of the General Assembly at the 2007 general election, the candidate may do so after transmitting written notification to the commission. The commission shall provide the candidate with a receipt of the notification within 24 hours of receiving the notification and shall, as soon as possible thereafter, make a public announcement noting the withdrawal, and as part of the announcement, inform available electronic news media and at least three newspapers that circulate within at least three counties in this State, including the district the candidate seeks to represent, that the candidate who has withdrawn is no longer a certified candidate. Upon the receipt of the notification, the candidate shall: (a) immediately suspend all activity on the qualifying contribution and seed money accounts established and used by the candidate; (b) within 24 hours thereafter, make and certify an accounting of the moneys remaining in the accounts, including any money received from the fund; and (c) within 24 hours thereafter, return to the commission for deposit into the fund all moneys remaining in the accounts. As used in this paragraph "substantially more" means an expenditure by a noncertified candidate that exceeds by 100 percent or more of the maximum allowable amount of money provided to a certified candidate pursuant to sections 11 and 12 of this act.

(2) If a certified candidate wishes to withdraw from being such and become a noncertified candidate, although the opponent of that candidate is a certified candidate who is continuing in the program; or if a certified candidate leaves or is forced out of the pilot project due to his or her criminal misconduct, the candidate shall do so pursuant to the provisions of this paragraph. The candidate shall transmit written notification to the commission and it shall provide the candidate with a receipt of the notification within 24 hours of receiving the notification. It shall also, as soon as possible thereafter, make a public announcement noting the withdrawal, and as part of the announcement, inform available electronic news media and at least three newspapers that circulate within at least three counties in this State, including the district the candidate seeks to represent, that the candidate who has withdrawn is no

longer a certified candidate. Upon the receipt of the notification, the candidate shall: (a) immediately suspend all activity on the qualifying contribution and seed money accounts established and used by the candidate; (b) within 24 hours thereafter, make and certify an accounting of the moneys remaining in the accounts, including any money received from the fund; (c) within 24 hours thereafter, return to the commission for deposit into the fund all moneys remaining in the accounts ; and (d) return to the commission for deposit into the fund an amount equal to all moneys the candidate already spent from public funds he or she received pursuant to section 11 or section 12, or both, of this act by such time as shall be determined by the commission, based on the circumstances of the withdrawal. In addition to these requirements, any certified candidate who wishes to withdraw and become a noncertified candidate, although the opponent of that candidate is a certified candidate who is continuing, shall not be permitted to do so until the request is reviewed and decided by a special committee identical to the one established by subsection e. of section 6 of this act. The members of the committee shall be appointed within three days after the candidate informs the commission that the candidate seeks to withdraw and the commission so informs the respective appointing authorities. Within three days after the appointment of its members, the committee shall notify the candidate and the commission of their decision whether or not to permit the candidate to withdraw from being a certified candidate.

(3) In the event that a candidate who has become certified no later than August 17, 2007 wishes to withdraw from being certified and become a noncertified candidate for any reason, or wishes to withdraw from the pilot project and no longer seek election to any office, the commission shall make a public announcement noting the withdrawal, and as part of the announcement, inform available electronic news media and at least three newspapers that circulate within at least three counties in this State, including the district the candidate seeks to represent, that the candidate who has withdrawn is no longer a certified candidate and the designation "Clean Elections Candidate," provided for by section 9 of this act, is no longer valid.

b. If a candidate intending to become certified chooses not to become certified and becomes instead a noncertified candidate at any time prior to the last day of the qualifying period, the candidate shall rescind his or her declaration of intent by notifying the commission as soon as possible. The commission shall acknowledge this decision as soon as possible, but in any event no later than three business days after receipt of the request. Once the candidate receives the acknowledgement, the candidate shall be permitted to raise and spend campaign contributions pursuant to the provisions of P.L.1973, c.83 (C.19:44A-1 et al.). The qualifying contributions in the account of such a candidate shall be remitted to the fund as soon as possible, but in no event no later than three days following receipt of the acknowledgement. If a candidate intending to become certified fails to qualify because he or she did not receive sufficient qualifying contributions by the last date of the qualifying period for the general election, the candidate shall be permitted to retain and expend those qualifying contributions as well as any remaining seed money that has been collected.

c. Each certified candidate who is defeated in a general election in 2007 shall, upon the filing of a final report relative to the election, return to the commission for deposit into the fund all unspent fund moneys.

11. a. (1) Upon collecting and depositing at least 400 qualifying contributions prior to the end of the qualifying period, and certification by the commission that such amount has been received by the candidate, a certified candidate who has been nominated by voters who are members of a political party shall be provided with \$50,000 from the fund to seek election to

either the office of member of the Senate or the office of member of the General Assembly; except that, if such a candidate is not opposed by any other candidate seeking election to the office of member of the Senate or the office of member of the General Assembly from the same district, the candidate shall be provided with \$25,000 from the fund. Thereafter, a certified candidate who has been nominated by voters who are members of a political party shall be provided with money from the fund in equal proportion to the number of remaining qualifying contributions the candidate receives, up to a maximum of 800 contributions, calculated to the nearest dollar, up to an amount equal to the initial amount provided by the fund, to (a) a maximum of \$100,000 for candidates from districts selected pursuant to subsections a. and b. of section 6 of this act; or (b) for candidates in a district selected pursuant to subsection c. of section 6 of this act, to a maximum of the average amount of money expended by all candidates for the office of member of the General Assembly and the office of member of the Senate in that legislative district in the two immediately preceding general elections for those offices. These amounts shall be in addition to the money provided to candidates pursuant to section 12 of this act.

(2) Upon collecting and depositing at least 400 qualifying contributions prior to the end of the qualifying period, and certification by the commission that such amount has been received by the candidate, a certified candidate who has been nominated by direct nomination by petition filed with the Attorney General pursuant to chapter 13 of Title 19 of the Revised Statutes shall be provided with \$25,000 from the fund to seek election to either the office of member of the Senate or the office of member of the General Assembly; except that, if such a candidate is not opposed by any other candidate seeking election to the office of member of the Senate or the office of member of the General Assembly from the same district, the candidate shall be provided with \$12,500 from the fund. Thereafter, a certified candidate who has been nominated by direct nomination by petition filed with the Attorney General pursuant to chapter 13 of Title 19 of the Revised Statutes shall be provided with money from the fund in equal number to the percentage of remaining qualifying contributions they receive, up to a maximum of 800 contributions, calculated to the nearest dollar, up to an amount equal to the initial amount provided by the fund, up to a maximum of \$50,000.

b. No later than the third day following the candidate's certification, the commission shall determine the amount of qualifying contribution money in the candidate's account and shall authorize the department to transmit to the candidate from the fund as soon as possible the amount of money provided for by this section, less the amount of qualifying contributions received by the candidate.

12. a. (1) If a campaign report of a noncertified candidate shows that the aggregate amount of the contributions, alone or in conjunction with money raised on behalf of such a candidate in a general election by a person or a political committee, continuing political committee, political party committee, candidate committee, joint candidates committee or legislative leadership committee not acting in concert with that noncertified candidate, exceeds the amount of money provided to an opposing candidate certified pursuant to section 11 of this act, the commission shall within 24 hours of the receipt of the report authorize the issuance from the fund to each opposing certified candidate in the same district as the noncertified candidate, an additional amount of money equivalent to the excess amount, up to a maximum of \$100,000. The additional amount of money shall be known as rescue money and shall be issued as each increment of \$1,000 is reported by the noncertified candidate.

(2) If a campaign report of a noncertified candidate shows that the aggregate amount of the contributions, alone or in conjunction with money raised on behalf of such a candidate in a general election by a person or a political committee, continuing political committee, political party committee, candidate committee, joint candidates committee or legislative leadership committee not acting in concert with that noncertified candidate, exceeds the amount of money provided pursuant to section 11 of this act to an opposing certified candidate who has been nominated by direct nomination by petition filed with the Attorney General, the commission shall within 24 hours of the receipt of the report authorize the issuance from the fund to each opposing certified candidate in the same district as the noncertified candidate, an additional amount of money equivalent to the excess amount, up to a maximum of \$50,000. The additional amount of money shall be known as rescue money and shall be issued as each increment of \$500 is reported by the noncertified candidate.

b. (1) If, based on a written and certified complaint that is filed by a certified candidate, the commission determines that a noncertified candidate is benefiting from money spent independently on behalf of such a candidate or that a certified candidate is the subject of unfavorable campaign publicity or advertisements by a person or a political committee, continuing political committee, political party committee, candidate committee, joint candidates committee or legislative leadership committee not acting in concert with that opposing noncertified candidate, the commission shall within 24 hours of either determination authorize the issuance from the fund to the opposing certified candidate in the same legislative district who is not benefiting from such an expenditure, an additional amount of money up to a maximum of \$100,000. The additional amount of money shall also be known as rescue money and shall be issued as each increment of \$1,000 is reported by the noncertified candidate.

(2) If, based on a written and certified complaint that is filed by a certified candidate who has been nominated by direct nomination by petition filed with the Attorney General, the commission determines that a noncertified candidate is benefiting from money spent independently on behalf of such a candidate or that a certified candidate is the subject of unfavorable campaign publicity or advertisements by a person or a political committee, continuing political committee, political party committee, candidate committee, joint candidates committee or legislative leadership committee not acting in concert with that opposing noncertified candidate, the commission shall within 24 hours of either determination authorize the issuance from the fund to the opposing certified candidate nominated by direct nomination by petition in the same legislative district who is not benefiting from such an expenditure, an additional amount of money up to a maximum of \$50,000. The additional amount of money shall also be known as rescue money and shall be issued as each increment of \$500 is reported by the noncertified candidate.

c. Notwithstanding any law, rule or regulation to the contrary, for the purposes of subsections a. and b. of this section, communications on any subject by a corporation to its stockholders and their families, or by a labor organization, partnership, membership organization or other association to its members and their families, shall not be considered to be an independent expenditure in aid of, or in opposition to, the candidacy of a noncertified candidate or a certified candidate.

d. The amounts of money provided to a certified candidate pursuant to this section shall be in addition to the money from the fund provided to a certified candidate pursuant to section 11 of this act.

13. For a candidate who is seeking election to the office of member of the Senate or the office of member of the General Assembly by direct nomination by petition, pursuant to chapter 13 of Title 19 of the Revised Statutes, to become a certified candidate, the candidate shall meet the requirements to become certified provided in section 9 of this act. If the candidate meets those requirements and becomes certified, the candidate shall be eligible for the money from the fund provided by sections 11 and 12 of this act.

14. The commission shall undertake a comprehensive program to inform the voters in each participating district and the general public about the provisions of this act. The program shall include, but need not be limited to, the following elements:

a. The commission shall be the primary government source of information for the general public and candidates intending to become certified about the provisions of “The 2007 New Jersey Fair and Clean Elections Pilot Project Act.” This information shall be both of a general and technical nature, and include such aspects of campaign finance law and regulations in this State as deemed appropriate by the commission. To facilitate the dissemination of such information, the commission shall, at a minimum: (1) feature it in a prominent location on its website and allocate sufficient space thereon to explain the pilot project fully; (2) respond to questions received by telephone, via the Internet or any other means that are asked by the candidates and the general public about the pilot project; and (3) have information available to each registered voter in each participating district explaining the pilot project and notify the voter where additional information is available and how it may be accessed.

b. The commission shall be authorized to contract for the services it deems necessary to inform the voters in the districts selected to participate in “The 2007 New Jersey Fair and Clean Elections Pilot Project Act” about its provisions. After an expedited review and determination by the Division of Purchase and Property in the Department of the Treasury that such services cannot be provided by, or are not available already in, the Executive Branch of State government, such a contract may be awarded pursuant to the public exigency provisions of subsection b. of section 5 of P.L.1954, c.48 (C.52:34-10) , but the contract shall be awarded in accordance with such requirements as the director of the commission deems appropriate. The transmission shall occur by such means as the vendor and the commission deem appropriate, including but not limited to, Statewide or local electronic media, public service announcements broadcast by such media, special mailings to each voter registered in each participating district, and paid advertisements in newspapers or publications circulating in the counties and municipalities in which the districts are located. Nothing in this section shall preclude a vendor from providing information about the pilot project to registered voters who reside in districts other than participating districts.

c. The commission shall prepare a voter's guide for the general public for each district in which certified candidates are seeking election to public office. The guide shall list the name of each candidate seeking election to public office. The guide shall identify the candidates that are candidates intending to become certified, the candidates that are certified candidates, and the candidates that are noncertified candidates. Copies of the guide shall be posted on the web site of the commission no later than the date provided for the mailing of absentee ballots by section 11 of P.L.1953, c.211 (C.19:57-11). The commission shall also encourage the clerk and election officials in each county that contains a district in which a certified candidate is seeking election to reproduce and distribute copies of the guide to as many publicly accessible, county-owned or operated facilities as possible.

d. Notwithstanding any law, rule or regulation to the contrary, the commission shall notify the clerk of each county in which a certified candidate is seeking election that for each candidate certified no later than August 17, 2007: (1) the name of the candidate on the general election ballot shall be accompanied by the slogan "Clean Elections Candidate" in a such size and type face as to be easily readable to the voter; and (2) a statement by the candidate of no more than 250 words shall be included with the sample ballot mailed to registered voters in the district in which the candidate is seeking office prior to the election pursuant to R.S.19:14-21 et al. The statements shall be administered and distributed by the commission in the same manner as the commission administers and distributes the statements printed and mailed with the sample ballot for candidates seeking election to the office of Governor, pursuant to section 12 of P.L.1974, c.26 (C.19:44A-37).

e. The commission shall undertake any other actions it deems necessary to inform the voters in the participating districts about the provisions of this act.

15. In addition to the assistance it shall give to candidates pursuant to section 14 of this act, the commission shall assign one member of its staff to serve as the primary liaison to each of the districts selected to participate in this act. The liaisons need not be located physically in the district, but shall be responsible for receiving and bringing to the attention of the commission any issue raised by a candidate that concerns the commission with respect to this act. In addition, the liaisons shall:

a. be available to provide information to certified candidates, noncertified candidates and candidates intending to become certified about the provisions of this act and any regulations adopted by the commission that pertain to it;

b. receive and review any complaints from the candidates regarding the actions or activities of another candidate, especially where such actions are alleged to be in violation of this act, rendering a decision as to the legitimacy of such complaints within 48 hours after the receipt thereof; and

c. receive and review requests for rescue money, as provided by section 12 of this act, and if deemed appropriate, authorize the distribution of such moneys from the fund to the certified candidate as the certified candidate is entitled to pursuant to section 12 of this act.

16. Whenever any certified candidate makes, incurs, or authorizes an expenditure to finance a communication aiding or promoting the election of the candidate alone or in conjunction with another certified candidate who is a member of the same political party and seeking the office of member of the Senate or the office of member of the General Assembly from the same legislative district, or the defeat of such candidates' opponent or opponents, the communication shall include:

(a) in the case of radio, an audio statement in the candidate's own voice, or if in conjunction with another certified candidate in each candidate's own voice, that identifies the candidate, the office the candidate is seeking, and that the candidate has approved the communication; or

(b) in the case of television, the Internet or any other similar form of communication containing audio and visual images, a statement in the candidate's own voice, or if in conjunction with another certified candidate in each candidate's own voice, that identifies the candidate, the office the candidate is seeking, and that the candidate has approved the communication, that is either spoken by the candidate during an unobscured full-screen view of the candidate or through a voice-over by the candidate accompanied by a clearly identifiable photograph or similar image of the candidate that occupies at least eighty percent

of the vertical screen height, and includes the candidate's statement at the end of the communication in clearly readable writing in letters equal to at least four percent of the vertical picture height and visible for at least four seconds, except that an Internet communication consisting of printed material only, with or without photographs, shall include the written statement described above; or

(c) in the case of any other form of communication, the communication shall include the written statement described in paragraph (b) above.

A certified candidate, alone or in conjunction with the any other certified candidate who is seeking election to the office of member of the Senate or the office of member of the General Assembly from the same legislative district, may include in any communication made pursuant to this section a statement that he or she is a certified candidate.

17. a. A candidate who has been denied certification by the commission, or a person who opposes a candidate who has been certified, may challenge a certification decision by the commission as follows:

A candidate or an opponent may appeal to the commission within three days of the decision to grant or deny a certification. The appeal shall be in writing and shall set forth the reasons for the appeal.

Within five days after an appeal is filed, the commission shall hold a hearing thereon after notice is given of the hearing to the challenger. The challenger has the burden of providing evidence to demonstrate that the decision of the commission to certify, or to deny certification of, the candidate was improper. The commission shall rule on the appeal within three days after the completion of the hearing.

A challenger may appeal to the Appellate Division of the Superior Court a decision on an appeal rendered by the commission pursuant to this section and the court shall hear the appeal and render a decision thereon in an expedited manner.

b. Any candidate whose certification by the commission is revoked as a result of an appeal to the Appellate Division of the Superior Court shall return to the commission for deposit into the fund any unspent moneys received to date from the fund.

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

18. The candidates shall select the sponsors, and arrange among themselves, for at least two interactive debates prior to the general election. All certified candidates shall be required to participate in the debates, the first of which shall occur on or after October 1, 2007 and on or before October 15, 2007 and the second of which shall occur on or after October 16, 2007 and on or before October 30, 2007. The sponsorship and arrangement of such debates shall be subject to review and certification by the commission, and these arrangements shall be revised thereby if the commission deems it appropriate to insure maximum fairness to the candidates and access to the public. The candidates shall submit their plans for debates in writing to the commission no later than October 3, 2007 and the commission shall respond in writing to the candidates no later than October 7, 2007. At each debate, each certified candidates shall be identified as such and the meaning of that certification shall be explained in a manner to be determined by the commission. The candidates shall invite and permit noncertified candidates to participate in the debates. Any certified candidate who refuses to participate in the debates shall be liable for the return of

moneys received previously from the fund in the same manner as the commission is authorized to seek the return of funds from gubernatorial candidates who received public financing and fail or refuse to participate in interactive debates required pursuant to section 11 of P.L.1989, c.4 (C.19:44A-47). The commission shall determine whether reasonable circumstances existed to prevent a debate from being scheduled and whether a certified candidate has a reasonable justification to refuse to participate in the debates.

19. a. (1) Any person, including any candidate, treasurer or other official associated with the campaign of a candidate intending to become certified or a certified candidate, with the responsibility for the preparation, certification, filing or retention of any reports, records, notices or other documents in paper or electronic form, who, knowingly and willfully, fails, neglects or omits to prepare, certify, file or retain any such report, record, notice or document at the time or during the time period, as the case may be, and in the manner prescribed by law, or who, knowingly and willfully, omits or incorrectly states or certifies any of the information required by law to be included in such report, record, notice or document, and any other person who in any way knowingly and willfully violates any of the provisions of this act, shall, in addition to any other penalty provided by law, be liable to a penalty of not more than \$6,000 for the first offense and not more than \$12,000 for the second and each subsequent offense. Upon receiving evidence of a violation, the commission shall use the procedure provided in section 22 of P.L.1973, c.83 (C.19:44A-22) for investigating the violation and assessing a penalty, if deemed appropriate.

(2) The fine imposed for a violation of paragraph (1) of this subsection shall, upon payment to the commission, be deposited in the fund.

b. Any individual found to have knowingly and willfully given any amount of money to another person for the purpose of having that other person give such money, or a part thereof, to a candidate intending to become certified as a seed money contribution or qualifying contribution is guilty of a crime of the fourth degree.

c. (1) Any person, including any candidate, treasurer or other official associated with the campaign of a certified candidate or candidate intending to become certified, who knowingly and willfully makes a false statement or knowingly or willfully files a false report, record, notice or document in paper or electronic form is guilty of a crime of the third degree.

(2) If an individual is found to be in violation of paragraph (1) of this subsection, the candidate shall remit in an expedited manner to the commission for deposit into the fund all moneys distributed to the candidate since he or she became certified for the election cycle in which the offense occurred.

d. In addition to the penalties imposed by this section, any certified candidate or candidate intending to become certified who is investigated and found by the commission to have purposefully, knowingly and willfully violated this act shall be disqualified as a candidate for the public office sought or shall forfeit such office if elected.

e. All investigations undertaken by the commission pursuant to this section shall be carried out in full compliance with the existing requirements of due process of law, and shall be conducted and completed on an expedited basis.

f. Two hundred and fifty dollars shall be added to each fine and penalty imposed and collected through a court under authority of any law for any violation of the provisions of chapter 27 or 30 of Title 2C of the New Jersey Statutes, chapter 34 or 44A of Title 19 of the Revised Statutes, or chapter 13D of Title 52 of the Revised Statutes and shall be forwarded by the person to whom the same are paid to the State Treasurer. The State Treasurer shall upon receipt deposit those moneys so forwarded into the account of the commission for use

to effectuate the public information requirements established in subsection a. of section 14 of this act, up to a maximum of \$600,000. The State Treasurer shall deposit any moneys over that amount received pursuant to this section into the fund.

20. a. The commission shall promulgate such rules and regulations as it deems necessary to implement the provisions of this act , except that, notwithstanding any provision of the “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.), to the contrary, the commission may adopt, immediately upon so filing with the Office of Administrative Law, such rules and regulations as the commission deems necessary to implement the provisions of this act. Those rules and regulations shall be effective for a period not to exceed 18 months following the effective date of this act and may thereafter be amended, adopted or readopted by the commission pursuant to the requirements of P.L.1968, c.410. These rules and regulations shall include, but not be limited to, procedures for obtaining seed money and qualifying contributions, obtaining certification as a certified candidate, the distribution of fund moneys to certified candidates, the return of unspent distributed fund moneys from certified candidates, the electronic filing of campaign reports, and such other matters delegated to it or required of it by this act.

b. Within one year after the effective date of this act, the commission shall issue a report to the President of the Senate, the Minority Leader of the Senate, the Speaker of the General Assembly and the Minority Leader of the General Assembly on the pilot project created by this act. The report shall be strictly fact-based and shall contain no recommendations with respect to any future pilot project similar to the one created by this act.

c. The county clerks and municipal clerks of this State shall provide to the commission, at no cost to the commission, the current voter registration information and any additional election or voter information the commission may require to comply with the provisions of this act.

21. The New Jersey Fair and Clean Elections Pilot Project established by this act shall be reauthorized by the Legislature and the Governor in sufficient time for elections in 2009 to include:

a. candidates seeking election to the office of member of the Senate and candidates seeking election to the office of member of the General Assembly;

b. candidates seeking nomination for election to the office of member of the Senate and candidates seeking nomination for election to the office of member of the General Assembly, if this act is deemed a success; and

c. for any candidate nominated by direct petition pursuant to chapter 13 of Title 19 of the Revised Statutes, the same amount of funding as any candidate who is a member of a political party whose candidate for Governor received the greatest or next great number of votes in the most recent gubernatorial election, provided that: (1) a candidate nominated by direct petition who is a member of a political organization received 10 percent or more of the total number of votes cast in the legislative district from which the candidate sought to be elected in the general election held in 2007; or (2) a candidate independent of any such political organization or political party received 10 percent or more of the total number of votes cast in the legislative district from which the candidate sought to be elected in the general election held in 2007 and is also a candidate in 2009.

As used in this section, “success” means that at least 50 percent of the candidates who were members of political parties and were seeking election for either the office of member

of the Senate or the office of member of the General Assembly became certified candidates and did not withdraw from that designation.

22. There is appropriated from the General Fund to the Election Law Enforcement Commission \$600,000 to effectuate the public information requirements in subsection a. of section 14 of this act, \$75,000 to effectuate the voter's guide requirements in subsection c. of section 14 of this act and \$250,000 to fund the expenses incurred by the commission as a result of administering this act. There is appropriated from the General Fund to the Department of the Treasury for deposit into the New Jersey Fair and Clean Elections Fund, established pursuant to section 5 of this act, \$6,750,000 for the other purposes of this act.

23. This act shall take effect immediately and shall expire on the 180th day following the date of the general election held in 2007.

Approved March 28, 2007.