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March 11, 1983

Mark L. Husik, Director
The Governor's Club
Box 679
Lakewood, New Jersey 08701

ADVISORY OPINION NO. 06-1983

Dear Mr. Husik:

Your letter to the Election Law Enforcement Commission requesting an Advisory Opinion has been considered by the Commission and I have been directed to issue this response. You have asked whether the Governor's Club, an entity that contemplates receiving contributions and making expenditures for State legislative candidates, among other activities, may have any obligation to file campaign or other reports with the Commission pursuant to provisions of Campaign Contributions and Expenditures Reporting Act (N.J.S.A. 19:44A-1 et seq.).

You have written that the Governor's Club is an entity separate from the New Jersey Republican State Committee. You have also represented in telephone conversations with the Commission staff that although some of the officers and members of the Republican State Committee may be associated with the Governor's Club, in fact the Governor's Club is not subject to the control of the Republican State Committee and the two organizations are independent of each other. The Governor's Club was established after the election of Thomas Kean, the candidate of the Republican Party, as Governor of this State.

You have also written that the activities of the Governor's Club are expected to include owning and maintaining a property that will house the Republican State Committee. Further, it anticipates raising funds that may be used for what you describe as educational and political seminars; social events; production of a newsletter and making contributions to State legislative candidates. It is the Commission's understanding that no determinations have been made as to which elections the Governor's Club intends to participate by raising funds, making contributions or making expenditures on behalf of candidates.

With respect to any contributions received or expenditures made in furtherance of a candidacy, the Governor's Club would appear to meet the definition of a "political committee" as set forth in N.J.S.A. 19:44A-3(1). Therefore, it would be required for each election in which it was active to appoint a campaign treasurer and establish a separate campaign depository bank account. N.J.S.A. 19:44A-10. The bank account would

serve as depository for all contributions received by the Governor's Club to aid or promote election candidates, and all expenditures for that purpose would be made from that account. N.J.S.A. 19:44A-12. The Governor's Club would be further responsible for filing campaign reports 25 days prior to the election, 7 days prior to the election and 15 days after the election. Further reports would have to be filed at 60 day intervals until the campaign activities were wound up. N.J.S.A. 19:44A-8 and 19:44A-16.

While the description of the activities anticipated by the Governor's Club is speculative and rather broad, the Commission believes that the Governor's Club is further required to file annual reports on March 1st of every year pursuant to N.J.S.A. 19:44A-8 and N.J.A.C. 19:25-4.6. The text of N.J.A.C. 19:25-4.6(b) provides as follows:

"A political club having a permanent or continuing existence unrelated to the candidacy of particular candidates, or which receives contributions or makes expenditures from time-to-time unrelated to the promotion of the candidacy of a particular candidate or candidates, or carries on in fact some or all of the continuing functions of a political party committee, is deemed to be a political party committee for purposes of the preelection [sic] and post-election reporting requirements and the annual reporting requirements of the act, and must appoint a campaign treasurer and campaign depository on or before January 31 of each year."

The Governor's Club, even assuming independence from the Republican State Club, contemplates activities that would meet the above-quoted regulatory definition of "political club". Specifically, the Governor's Club will have a permanent or continuing existence which is unrelated to particular candidates. It will receive contributions and make expenditures that are unrelated to the promotion of the candidacy of a particular candidate or candidates. Further, it will carry out some of the continuing functions of a political party committee.

Under the provisions of N.J.A.C. 19:25-4.6, the Governor's Club may be deemed to be carrying out some of the functions of a political party committee, and therefore subject to both election and annual reporting requirements. As to election reporting, as have been discussed, those requirements would arise in any election in which contributions or expenditures were made. In regard to annual reports, the Governor's Club would be required to appoint a treasurer and establish a separate depository for the purpose of handling general organizational contributions and expenditures. N.J.S.A. 19:44A-10. Such organizational contributions and expenditures would not be normally reported in the context of an election unless they were specifically related to a candidacy. However, they would be subject to disclosure in annual reports to be filed on each March 1 following the prior calendar year. N.J.S.A. 19:44A-8.

The Commission concludes that the anticipated activities of the Governor's Club are sufficiently similar to that of a political party committee so that it may be required to report its organizational contributions and expenditures on an annual basis.

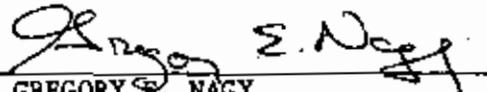
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In addition, contributions received for the purpose of promoting candidates and expenditures promoting candidacies must be disclosed on election reports.

Very truly yours,

ELECTION LAW ENFORCEMENT COMMISSION

By: 
GREGORY P. NAGY
Staff Counsel

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