

State of New Jersey

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January 26, 1988

John P., Sheridan, Jr., Esq.
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Re: Advisory Opinion 12-1987

Dear Mr. Sheridan:

Your letter received on October 14, 1987, by the New Jersey Election Law Enforcement Commission requesting an advisory opinion has been considered by the Commission and I have been directed to issue this response.

The Commission considered early in its existence the question whether a business entity would become a political committee or would otherwise become subject to the reporting requirements of the law solely by virtue of making political contributions. While the statutory language could be construed to require such disclosure, it has been the view of the Commission that reporting by contributors in that circumstance could not be said to have been the intent of the legislature, since that interpretation would have the effect of rendering meaningless the distinction between a political contributor and a political committee in a wide range of circumstances. Accordingly, the Commission ruled in a number of opinion letters that a business entity does not become a political committee solely by virtue of making political contributions. That determination has since been embodied in Section 19:25-1.7 (NJAC 19:25-1.7) in paragraph 2, under the definition of political committee.

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The one exception to this rule has been with respect to certain peripheral continuing political committees, as to which reporting would be required under the existing regulations in certain circumstances, where the amount of contributions by such committee for the calendar year exceeded \$10,000, NJAC 19:25-12.4 (b)(4).

The Commission has taken the occasion of your opinion request to reconsider the regulation. The Commission has concluded that the provision is not needed, because disclosure of the identify of the contributor will continue to be provided by the candidate or committee receiving the contribution, and because the computer program being developed will assist in identification of those entities which have been major contributors in the immediately preceding election periods, so as to facilitate identification of probable large contributors by anyone wishing to review pre-election or post-election reports.

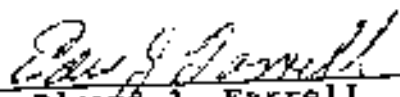
With this background, the answer to your question is that a business entity will not become a continuing political committee or a political committee solely by reason of the fact that it made political contributions, regardless of the amount of those contributions.

Consistent with this determination, the Commission is proceeding to promulgate a proposed regulation which will effect the repeal of the regulation in question. In light of that fact, and because the Commission is satisfied that its determination not to require reporting in those instances is the proper reading of the statute, the Commission will not seek to enforce that portion of the regulation as it presently exists, during the interim prior to repeal.

Yours very truly,

NEW JERSEY ELECTION LAW
ENFORCEMENT COMMISSION

By


Edward J. Farrell
Counsel

EJF:mmb