



State of New Jersey

DEPARTMENT OF LAW AND PUBLIC SAFETY

DIVISION OF LAW

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June 25, 1992

Frederick M. Herrmann, Ph.D.
Executive Director
Election Law Enforcement Commission
28 West State Street
CN 185
Trenton, NJ 08625

Re: 92-0056 - Inquiry of Jersey Central Power
and Light Company

Dear Mr. Herrmann:

You have asked whether Jersey Central Power and Light Company ("JCP&L") may allow its employees' Political Action Committee ("PAC") to use services and facilities of the company, such as interoffice mail, conference rooms and photocopying. For the following reasons, you are advised that supplying these kinds of services and facilities to employee PACs does not violate N.J.S.A. 19:34-45 if the company is fully reimbursed for the costs involved.

Correspondence from JCP&L indicates that the JCP&L/GPU Employees' PAC solicits and receives voluntary contributions from management level employees of JCP&L, GPU Service Corporation and GPU Nuclear Corporation. The PAC has recently asked JCP&L to permit it to use the company's interoffice mail system. In the future the PAC may also request use of conference rooms and photocopying services. The company would estimate the cost of all services and facilities used by the PAC and the PAC would reimburse JCP&L. If the cost is not readily ascertainable or susceptible to reasonable estimation, the PAC would be precluded from utilizing that service or facility.

The relevant statute, N.J.S.A. 19:34-45 provides:

No corporation carrying on the business of a bank, savings bank, co-operative bank, trust, trustee, savings indemnity, safe deposit, insurance, railroad,

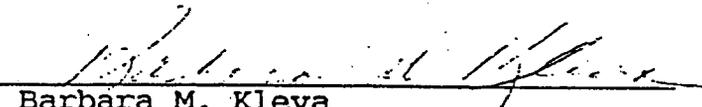
street railway, telephone, telegraph, gas, electric light, heat, or power, canal or aqueduct company, or having the right to condemn land, or to exercise franchises in public ways granted by the state or any county or municipality, and no corporation, person, trustee or trustees, owning or holding the majority of stock in any such corporation, shall pay or contribute money or thing of value in order to aid or promote the nomination or election of any person, or in order to aid or promote the interests, success or defeat of any political party.

As explained in previously issued Attorney General Opinions (i.e. Formal Opinion No. 14-1979 and Opinion No. 89-0142), N.J.S.A. 19:34-45 prohibits a covered entity from using its funds to establish, administer or solicit contributions for PACs. It does not, however, preclude employees of these corporations from forming PACs if they are supported by the employees' voluntary contributions. The JCP&L proposal accommodates PACs only if the costs of the JCP&L services and facilities are calculable in dollars and immediately reimbursed to the corporation.*

To summarize, N.J.S.A. 19:34-45 does not prohibit regulated industries from providing employee PACs with corporate facilities and services as long as the costs of these accommodations are fully and immediately reimbursable.

Very truly yours,

ROBERT J. DEL TUFO
ATTORNEY GENERAL OF NEW JERSEY

By: 

Barbara M. Kleva
Deputy Attorney General

BMK:lls

* The correspondence from JCP&L does not indicate whether other employee organizations are provided with similar accommodations. It is assumed for the purposes of this opinion that JCP&L provides these services and facilities to other employee groups that request them, thereby avoiding any appearance of favored treatment which may constitute an intangible benefit not susceptible to reimbursement. Additionally, it should be noted that this opinion does not speak to whatever rate-making treatment such accommodations may be accorded by the Board of Regulatory Commissioners.