



State of New Jersey

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May 24, 1995

Attorney General Deborah T. Poritz  
CN-080  
Trenton, New Jersey 08625-0080

**Re: Request for Advisory Opinion, ELEC File No. A.O. 08-1995**

Dear Attorney General Poritz:

On behalf of the Commission, I am referring to your office as a request for an advisory opinion correspondence from the Coastal Corporation asking whether it is prohibited from making political contributions in New Jersey pursuant to N.J.S.A. 19:34-45. At its meeting of May 23, 1995, by a vote of 4-0, the Commission directed staff to refer this request for advisory opinion consideration by your office. The Commission declined to express any opinion as to the outcome.

I am enclosing a letter received from Leslie Wm. Adams, Director, Corporate Law, Coastal, dated May 5, 1995, and designated by the Commission as Advisory Opinion Request No. 08-1995. Since N.J.S.A. 19:35-45 is not part of the Campaign Contributions and Expenditures Reporting Act, the Commission does not have authority to issue an advisory opinion pursuant to N.J.S.A. 19:44A-6(f).

While the Commission has declined to express any opinion concerning the outcome of this particular request, it has asked me to note that the Commission has recommended to the Legislature that all corporate entities be prohibited from making political contributions.

Thank you for your consideration of this request. The Commission would appreciate being advised of any advisory opinion that ultimately is issued by your office.

Very truly yours,

  
FREDERICK M. HERRMANN, PH.D.  
Executive Director

FMH/elz  
Enclosure

c/ Leslie Wm. Adams, Director, Corporate Law  
Mark J. Fleming, Assistant Attorney General



11/13/1995

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May 31, 1995

**RECEIVED**

JUN 05 1995

ELECTION LAW ENFORCEMENT  
COMMISSION

Leslie Wm. Adams  
Director, Corporate Law  
The Coastal Corporation  
Coastal Tower  
Nine Greenway Plaza  
Houston, TX 77046-0995

Re: Attorney General Opinion No. 94-0104 --  
Political Contributions by Cogenerators

Dear Mr. Adams:

Your recent letter to Frederick M. Herrmann, Executive Director, Election Law Enforcement Commission, has been referred to this Office for review and response. In your letter, you have asked whether N.J.S.A. 19:34-45 and Attorney General Opinion No. 94-0104 prohibit The Coastal Corporation from making political contributions. For the reasons which follow, and based upon the facts you have provided to us, we do not believe that The Coastal Corporation falls within the prohibition of this statute as discussed in Opinion No. 94-0104.

As you are aware, in Opinion No. 94-0104, issued on October 12, 1994, we advised the Election Law Enforcement Commission that cogenerators are prohibited by N.J.S.A. 19:34-45 from making political contributions. This statute 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. [Emphasis added.]

The mandate of N.J.S.A. 19:34-45 is "absolute and unambiguous" and "[t]he words of the statute are to be given their ordinary and well understood meaning according to approved usage of the language." Attorney General Formal Opinion No. 4 - 1983, citing Service Armament Company v. Hyland, 70 N.J. 440 (1976).

Thus, in order to fall under the prohibition from making campaign contributions imposed by N.J.S.A. 19:34-45, the corporation must own or hold "the majority of stock in any ... corporation" carrying on the business of providing power or heat. The term "majority" has been defined as meaning "any number larger than one-half of the total." Gilmore v. Civil Service Bd., 528 So. 1271, 1272 (Fla. Dist. Ct. of App. 1988); see also Webster's Third International Dictionary (1976) ("majority" means "a number greater than half of a total"); The Oxford English Dictionary, (2nd Ed. 1989) ("majority" means "a number which is more than half of the whole number"). Thus, the plain meaning of the term "majority," as used in N.J.S.A. 19:34-45, is that, in order to be barred from making political contributions, the corporation must own more than half of the stock in a cogeneration facility.

Here, you have advised us that The Coastal Corporation (hereinafter "Coastal") is incorporated in Delaware and is registered to do business in New Jersey. Coastal wholly owns the Coastal Natural Gas Company (Delaware), which in turn owns American Natural Resources Corporation (Delaware). That corporation wholly owns ANR Venture Eagle Point Company (Delaware) (hereinafter "ANRV"). ANRV has a 50% interest in a New Jersey partnership known as Eagle Point Cogeneration Partnership (hereinafter "EPCP"). EPCP is the owner and operator of a cogeneration facility.

You have asked whether ANRV's 50% ownership of EPCP prohibits Coastal from making political contributions. We do not believe that such a prohibition exists. Under the facts as you have relayed them to us, Coastal's subsidiary ANRV owns a 50% interest in the cogeneration facility. Because this ownership interest does not exceed 50%, however, Coastal does not own or hold "the majority of stock" in the cogeneration facility within the plain meaning of N.J.S.A. 19:34-45. See Chase Manhattan Bank v. Josephson, 135 N.J. 209, 225 (1994) (Effect is to be given to the plain language of a statute). Therefore, and based solely upon the facts you have provided to us, we do not view N.J.S.A. 19:34-45 as barring Coastal from making political contributions.

Based upon the foregoing, we believe that, because Coastal does not own more than 50% of a cogeneration facility, N.J.S.A. 19:34-45 is not applicable to it. This being the case, it is not necessary to address the remaining issues raised in your recent correspondence and we express no opinion concerning them.

Thank you for your cooperation.

Very truly yours,

DEBORAH T. PORITZ  
Attorney General of New Jersey

By: Mark J. Fleming  
Mark J. Fleming  
Assistant Attorney General

MJF/mgh

c: Frederick M. Herrmann, Ph.D.  
Executive Director