



State of New Jersey

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P.O. Box 185
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Website: <http://www.state.nj.us/lps/elec/>

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Legal Director

JAMES P. WYSE
Counsel

July 22, 1999

Jeryl Kortlander
330 Ocean Boulevard
Atlantic Highlands, New Jersey 07716
VIA FAX AND REGULAR MAIL

Advisory Opinion Request No. 02-1999

Dear Ms. Kortlander:

You have written that you are the treasurer of the Election Fund of Steve Corodemus, and you have asked the Commission whether or not the Assemblyman's campaign funds may be invested in stocks or bonds, and whether such securities would be valued at cost or market price, see attached request for an advisory opinion.

Submitted Facts

You have written in your request that Assemblyman Corodemus' campaign fund is considering investing an unstated amount of its funds in a money market account, or in a security listed on a nationally recognized stock exchange. The Commission notes that the most recent campaign report from the Election Fund of Steve Corodemus was a 20-day postelection report received on June 28, 1999, and was for the 1999 primary election in which Assemblyman Corodemus was a Republican candidate for nomination for election to the State Assembly from the 11th District. The closing balance was reported as \$104,271.70.

Questions Presented

Is the proposed use of candidate committee funds for investment in stocks or bonds a permissible campaign expense within the meaning of the Campaign Contributions and Expenditures Reporting Act (hereafter, the Act), specifically N.J.S.A. 19:44A-11.2a(1)?

Commission Response

The Commission notes that its existing regulation, N.J.A.C. 19:25-5.2(b), states as follows:

(b) For the limited purpose of establishing a depository for investing campaign or organizational funds, a recognized investment institution authorized by law to transact business in the State of New Jersey may be designated as a depository, provided that the invested funds are not used for the benefit of any person or enterprise in which the candidate, or a campaign or committee official, has an economic interest.

Also, the Commission has issued prior Advisory Opinions No. 02-1992, 01-1990, 02-1989, and 34-1980, all permitting investment of contributed funds; see enclosed copies. However, the Commission recognizes that more specific guidance may be necessary regarding the investment options that may be exercised, and therefore has scheduled this subject for a more comprehensive consideration at its October 20, 1999 public meeting.

In the interim, the Commission notes that you may invest funds in conformity with the regulation cited above, and its prior opinions, with the caveat that pending further study the Commission is inclined to be against investment in more speculative securities such as stocks and bonds.

Thank you for submitting this request, and the Commission encourages you to submit any comment you may have concerning the advisability of permitting investments in securities such as stocks and bond for its October meeting.

Very truly yours,

ELECTION LAW ENFORCEMENT COMMISSION

By _____

GREGORY E. NAGY
Legal Director

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