



## State of New Jersey

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December 14, 1981

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#### ADVISORY OPINION No. 45-1981

Dear Mr. Bathgate:

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 Inaugural Committee appointed by Governor-elect Thomas H. Kean may borrow the sum of \$25,000.00 from the New Jersey **Republican State Committee consistent with the provisions of N.J.S.A. 19:44A-18.1, a statute regulating contributions to "gubernatorial inaugural fund-raising events."** For the reasons stated herein, you are advised that the Inaugural Committee may accept such a loan from the State Political Party Committee for the express purpose of securing start-up funds for such events.

You have informed the Commission that the Inaugural Committee is in the process of borrowing the sum of \$25,000.00 from the Republican State Committee. These funds will be employed principally so that the Inaugural Committee can make commitments related to the sponsorship of inaugural events that will generate contributions by virtue of ticket sales and other means. However, in order to arrange such events, it is necessary to make financial commitments at this time. You have further informed the Commission that once proceeds are generated as a result of the sponsorship of the Inaugural Committee of fund-raising events, the loan will be repaid from the first proceeds generated by those events. Further, any proceeds remaining from the contributions the Inaugural Committee receives after payment of debts will ultimately be transferred to the State Committee.

The statutory restriction on contributions to inaugural events as set forth in N.J.S.A. 19:44A-18.1(a) provides as follows:

"No person, candidate or political committee, otherwise eligible to make political contributions, shall make any contribution or contributions for the purpose of any gubernatorial inaugural fund-raising event or events in the aggregate in excess of \$250.00."

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The Commission recognizes that the Inaugural Committee must have the means to secure the services of vendors before it can anticipate raising contributions through ticket sales to inaugural events. Further, one of the principal objectives of the Inaugural Committee will be to raise funds for future political purposes. The Commission believes that the State Committee, which anticipates realizing the receipt of inaugural event proceeds, should be able to provide the very start-up funds necessary so that such events can be secured. Therefore, the Commission concludes that a loan for such start-up purposes is permissible, provided that the Inaugural Committee pay back the loan in entirety before making any transfer of any proceeds for any political purpose.

Incidental to your inquiry concerning the propriety of the start-up loan, you have asked whether there is any prohibition against the ultimate proceeds or profits remaining after payment of debts from being transferred to the State political party committee. As has been stated in this opinion, the Commission **believes that such an ultimate disposition is permissible under the statute.**

The Commission has instructed me to direct your attention to Commission regulation N.J.A.C. 19:25-15.47, a copy of which is enclosed for your convenience. This regulation provides, among other requirements, that a sponsoring entity of a gubernatorial inaugural fund raising event appoint a treasurer and designate a bank account before receiving contributions or expending funds. Further, the regulation reiterates the statutory reporting requirement. The Commission wishes to advise you that its staff stands ready to assist the Inaugural Committee in satisfying these requirements.

Very truly yours,

ELECTION LAW ENFORCEMENT COMMISSION

GREGORY E. NAGY  
Staff Counsel

GEN/cn  
enclosure