



State of New Jersey

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May 17, 1985

Ms. Anita Timko  
Legislative Aide  
Assemblyman Anthony S. Marsella  
427, Rd. 3, Ganttown Road  
Sewell, New Jersey 08080

Re: A. O. 8-1985  
Your letter of May 1, 1985

Dear Ms. Timko:

I have been asked by the New Jersey Election Law Enforcement Commission to reply to your letter of May 1, 1985, in which you inquire as to the legality of a proposed fundraising plan involving "Celebrity Card".

The Election Law relating to candidates and campaigns which is administered by the Commission is, with the exception of elections relating to the office of Governor, limited to appropriate disclosure of campaign contributions and expenditures. The Commission has no jurisdiction outside of the area of appropriate disclosure and, accordingly, takes no position with respect to the lawfulness of particular fundraising or campaign activities. There is nothing in the New Jersey Campaign Contributions and Expenditures Reporting Act which would render the proposal you have described unlawful. The entire amount of the contribution would be reportable as a contribution and the amounts forwarded to "Celebrity Card" would be reportable as expenditures. To the extent that the procedures resulted in discounts by restaurants or other establishments involved, there might be raised questions of allocation of in kind contributions. I would suggest that you contact the Commission for assistance in dealing with the reporting requirements should that occasion arise.

We do raise two notes of caution. First, other provisions of New Jersey law, not under the jurisdiction of the Commission, prevent contributions by particular kinds of organizations, including casinos and casino control groups. We express no opinion

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with respect to whether the fundraising proposal you describe would in some circumstances constitute an unlawful contribution by a casino or a casino control group. We would suggest you consult the Casino Control Commission whose address and telephone number are listed below if you wish to pursue that question.

Second, the literature describing the proposal includes a statement that the contribution to the campaign of the candidate would be completely tax deductible. While we have serious doubt that that is an accurate description of existing federal and New Jersey state tax law, particularly in the absence of some element of charitable contribution, we express no opinion with respect to that question. The question should be directed to your tax counsel or to the Internal Revenue Service or the New Jersey Department of Taxation.

Yours very truly,

NEW JERSEY ELECTION LAW ENFORCEMENT  
COMMISSION

By   
Edward J. Farrell  
Legal Counsel

EJF:nc

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bcc: Mr. Frederick Herrmann