



*State of New Jersey*

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December 21, 2005

Honorable Bonnie Watson Coleman, Chair  
New Jersey Democratic State Committee  
196 West State Street  
Trenton, New Jersey 08608

Peter D. Nichols, Treasurer  
Inaugural 2006, Inc.  
196 West State Street  
Trenton, New Jersey 08608

**Advisory Opinion No. 05-2005**

Dear Chair Watson Coleman and Mr. Nichols:

The Commission has considered your request for an advisory opinion and directed me to issue this response. Your inquiry concerns activity by the New Jersey Democratic State Committee (NJDCS), the State political party committee, and Inaugural 2006, Inc., a committee whose purpose you describe as “to manage and coordinate the events and activities related to the inauguration of Governor-elect Jon S. Corzine.” The Commission notes that on December 12, 2006, Inaugural 2006, Inc. filed a Political Committee-Registration Statement and Designation of Treasurer and Depository (Form PC) reporting Mr. Nichols as the Treasurer of Inaugural 2006, Inc. (hereafter, the Inaugural Committee), and that a separate depository account was established by the Inaugural Committee at Bank of America, 150 West State Street, Trenton, New Jersey.

**Question Presented**

You have asked whether or not the Inaugural Committee may accept an unlimited amount of monetary and in-kind contributions from the NJDCS.

## Commission Response

The Commission concludes that contributions to the Inaugural Committee from the NJDSC are not subject to the \$500.00 inaugural event contribution limit, and that the Inaugural Committee may accept an unlimited amount of monetary and in-kind contributions from the NJDSC.

### Discussion

The New Jersey Campaign Contributions and Expenditures Reporting Act, N.J.S.A. 19:44A-1 et seq. (hereafter, the Campaign Reporting Act), and Commission regulations govern the activity and reporting requirements applicable to a “gubernatorial inaugural fund-raising event” (hereafter, inaugural event); see N.J.S.A. 19:44A-18.1 (Section 18.1) and N.J.A.C. 19:25-15.59 through 19:25-15.63. An inaugural event is:

any event or events held between the date of the general election for the office of Governor and a date 15 days after the date of the inauguration of the Governor, whether the event is sponsored by the inaugural committee, the State political party committee representing the party of the Governor-elect, or any other person or persons, and at which the Governor-elect is a prominent participant or for which solicitations of contributions include the name of the Governor-elect in prominent display. N.J.S.A. 19:44A-18.1b.

Because you have indicated that the Inaugural Committee has been “established to manage and coordinate the events” related to the inauguration of Governor-elect Jon S. Corzine, the Commission concludes that the Inaugural Committee comes within the definition of and is subject to regulation as an inaugural event.

The Campaign Reporting Act and Commission regulations establish a \$500.00 aggregate limit on the amount of a contribution or contributions that may be made by a person, candidate, candidate committee, joint candidates committee, political committee, or continuing political committee to an inaugural event or events; see N.J.S.A. 19:44A-18.1a and N.J.A.C. 19:25-15.59. However, as you have indicated, neither the statutory text creating the \$500.00 contribution limit in N.J.S.A. 19:44A-18.1a, nor the regulation, N.J.A.C. 19:25-15.59(a), includes the State political party committee, as defined at N.J.S.A. 19:44A-3p and N.J.A.C. 19:25-1.7, among the entities that are subject to the \$500.00 inaugural event contribution limit.

In Advisory Opinion 10-1993, the Commission examined the relationship between a State political party committee and an inaugural event committee and concluded that the State political party committee was permitted to make a contribution in the form of a loan, in excess of the \$500.00 limit, to the 1994 inaugural committee because:

[t]he Commission is unable to discern any legislative intent to restrict the amount of funds that a State political party committee may lend to an inaugural event . . . . The interests of both the State political party committee and the inaugural event appear co-extensive: to support the political party of the Governor-elect. Therefore, there is no cognizable danger that the State [political party] committee could exercise undue influence over the Governor-elect in the same sense that a contributing “person” might, and therefore no public purpose to be served by

restricting any loan the State [political party] committee may extend to a gubernatorial inaugural event.

The Commission applies the same reasoning to authorize the NJDSC, the State political party committee related to Governor-elect Corzine, to make unlimited monetary contributions and in-kind contributions of good and services, to the Inaugural Committee. The Commission perceives no danger that unlimited contributions from the NJDSC will exert undue influence over the Governor-elect in the same way that unlimited contributions from an individual, corporation, or continuing political committee might.

The Commission reminds both the NJDSC and the Inaugural Committee that all contributions are subject to the recordkeeping and reporting requirements of the Campaign Reporting Act and Commission regulations. The NJDSC is required to report on its quarterly reports each monetary contribution and each contribution of goods and services, that is, each in-kind contribution, made to the Inaugural Committee, and the Inaugural Committee is required to report on the 45-day and quarterly reports, required pursuant to N.J.S.A. 19:44A-18.1 and N.J.A.C. 19:25-15.59, each monetary or in-kind contribution received from the NJDSC.

Thank you for submitting your request and for your interest in the work of the Commission.

Very truly yours,

ELECTION LAW ENFORCEMENT  
COMMISSION

By: \_\_\_\_\_  
NEDDA G. MASSAR, ESQ.



# ADVISORY OPINION REQUEST

A person, committee or entity subject to, or reasonably believing he, she or it may be subject to, any provision or requirement of the Campaign Reporting Act may request that the Commission provide an advisory opinion pursuant to N.J.S.A. 19:44A-6. Such request must be in writing (please type or print) and must include the following:

1. This request for an Advisory Opinion is being submitted on behalf of:

Full Name of Person, Committee or Entity

NJ Democratic State Committee / Inaugural 2006, Inc.

Mailing Address

196 West State Street / 196 West State Street

\*Day Telephone No.  
609-392-3367

Trenton, New Jersey 08608

Trenton, New Jersey 08608

\*Evening Telephone No.  
609-392-3367

2. Indicate if the above named person, committee or entity currently files reports with the Commission:

Yes

No

a. If yes, indicate in what capacity it is filing:

Candidate committee

Recall committee

Joint candidates committee

Recall defense committee

Political committee

Lobbyist

Continuing political committee

Legislative agent

Political party committee

Personal financial disclosure statement

Legislative leadership committee

Other (please describe): Gubernatorial Inaugural Committee

b. If no, indicate if the above named person, committee or entity has in the past filed reports with the Commission, giving elections (i.e., 1992 general election) or calendar years, and identify filing capacity:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

c. If reports are or were filed under a different name than that appearing in 1 above, provide that name:

\_\_\_\_\_  
\_\_\_\_\_

3. Please provide below a statement of the cognizable question of law arising under the Campaign Reporting Act, including specific citations to pertinent sections of the Campaign Reporting Act and Commission regulations (if known).

Can a gubernatorial inaugural committee accept unlimited monetary and/or in-kind contributions from the state political party associated with the governor-elect?

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4. Please provide below a full and complete statement of all pertinent facts and contemplated activities that are the subject of the inquiry. Your statement must affirmatively state that the contemplated activities have not already been undertaken by the person, committee or entity requesting the opinion, and that the person, committee or entity has standing to seek the opinion, that is the opinion will affect the person's or committee's reporting or other requirements under the Act. (Attach additional sheets if necessary).

#### Statement of Facts:

The New Jersey Democratic State Committee (NJDCS) is the political party committee for the New Jersey Democratic Party.

Inaugural 2006, Inc. (the inaugural committee) is a New Jersey non-profit corporation that is established to manage and coordinate the events and activities related to the inauguration of Governor-elect Jon S. Corzine. Bonnie Watson Coleman is the chairman of the NJDCS. Peter D. Nichols is the treasurer for Inaugural 2006, Inc. On behalf of the requesting committees, we jointly authorize this application for the subject advisory opinion.

Due to the limited time leading to the impending gubernatorial inauguration, this AO request is of an emergent nature; an expedited response is sought.

The inaugural committee believes that the NJDCS may make unlimited monetary and in-kind contributions to the committee provided that appropriate recordkeeping and reporting requirements pertinent to the inaugural committee and the NJDCS are observed.

The committee believes authority for the position that the NJDCS is not subject to the \$500 contribution limit arises out of the plain language of NJSA 19:44A-18.1(a), which provides: 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 \$500.

ELEC'S implementing regulation at NJAC 19:25-15.59(a) specifies the entities subject to the \$500 contribution limit as follows:

No person, candidate, candidate committee, joint candidates committee, political committee, or continuing 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 \$500.

Thus, neither the statute nor the regulation in their respective texts include a political party committee as defined at NJSA 19:44A-3p and at NJAC 19:25-1.7 in the list of entities subject to the \$500 contribution limit. Because of the existence of the statutory and regulatory definitions of the term "political party committee," the committee believes that the NJDCS, as the state political party committee of the Democratic Party, does not fall within the meaning of the term "person" as used in NJSA 19:44A-18.1(a) and NJAC 19:25-15.59(a).

Further support for this position can be found in ELEC Advisory Opinion No. 10-1993, issued December 16, 1993, to Mark W. Muser, Esq., on behalf of the inaugural committee of then Governor-elect Christine Todd Whitman (hereafter, "AO 10-1993"). In this opinion, it was held that the New Jersey Republican State Committee (NJRSC) could make a loan in an unlimited amount to the Whitman Inaugural Committee in excess of \$500. See AO 10-1993, Question 2, pp 2-3. It is noted the term "loan" comes within both the Statutory and regulatory definitions of the term "contribution." See NJSA 19:44A-3d and NJAC 19:25-1.7. Also, we note that ELEC Regulations specifically provide that loans are to be reported as contributions. See NJAC 19:25-10.13(a). Thus, by application, it appears that AO 10-1993 is also authority for the proposition that a state political party committee may make unlimited contributions to a gubernatorial inaugural committee.

