

MINUTES

SPECIAL COMMISSION MEETING

October 27, 1975

PRESENT

Frank P. Reiche, Chairman
Sidney Goldmann, Vice-Chairman
Archibald S. Alexander, Member
David F. Norcross, Executive Director
Edward J. Farrell, Legal Counsel

ABSENT

Josephine S. Margetts, Member
Herbert Alexander, Consultant

The meeting was convened at 1:15 p.m.

1) The Commission turned immediately to consideration of Opinion #(O-25-75), a request for advisory opinion by the National Conservative Political Action Committee. Counsel circulated a draft opinion which after discussion and deliberation was approved in the following form:

It is not clear from your letter whether the National Conservative Political Action Committee (NCPAC) is a permanent type of organization. In the event that it is such a permanent organization, then it would have an obligation of reporting annually to the Commission on March 1st of each year with respect to its activities attributable to the State of New Jersey for the preceding calendar year, as a political party committee would have.

The practice described in your letter of using non-earmarked funds to make cash contributions to candidates would not in itself constitute NCPAC a "political committee" (as described in Section 3(i) of the Act) on behalf of the candidates to whom contributions were made. Those candidates would of course have the obligation of reporting the name and amount of contribution of each contributor whose contribution exceeded \$100.00. Where an organization makes cash contributions to a candidate involving earmarked funds, or becomes involved on behalf of a candidate in ways other than through simply making cash contributions, such as by making in-kind contributions, such organization would then become a "political committee" for such candidate and would be required to file pre-election and post-election reports, including a statement of expenditures and the name, address and amount of contribution of each contributor to it in excess of \$100.00.

Although your letter does not so state, a review of the report which you have filed with the Commission makes reference to "in-kind contributions." It is the opinion of the Commission that involvement in the campaign on behalf of candidates in this manner makes NCPAC a "political committee" and, therefore, NCPAC has the obligation of filing pre-election and post-election re-

ports with respect to the election in which those candidates are involved, including the name, address and amount of contribution of each contributor to NCPAC whose contribution exceeds \$100.00.

The Act further requires that NCPAC maintain an account entitled "National Conservative Political Action Committee Campaign Account" with a bank authorized to do business in the State of New Jersey. The funds contributed either directly or indirectly through candidates by NCPAC with respect to the election must be deposited and disbursed through the campaign account described above.

On Motion of Vice-Chairman Goldmann, seconded by Chairman Reiche the above opinion was approved by the Commission with the disclosed contributions being those which the organization received on or after June 4, 1975 through October 27, 1975; said disclosure ordered to be made not later than Friday, October 31 at 12 noon.

Commissioner Alexander inquired as to the existence of other similar organizations known to the Commission staff which would be covered as a result of this opinion. The Director indicated that he knew of none at the present time but would have the staff undertake a review of present filings for that purpose.

2) Opinion Request #(O-24-75), Assemblyman Spizziri. The Commission determined that additional information was necessary before an advisory opinion could be rendered in this matter. The Director was requested to develop the following questions: Evaluation of the time provided; whether there were other requests for time; how selection as to the individual presenters is made; the text of the editorial by Assemblyman Spizziri; and the text of the initial editorial in support of the bond issue.

The Director was requested to inform Mr. Spizziri that further information would be necessary.

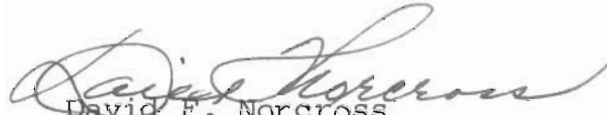
3) Opinion Request #(O-28-75), C. Louis Bassano. Counsel was directed to issue an advisory opinion indicating that the letters submitted by Mr. C. Louis Bassano with this request for advisory opinion were deemed to be political in nature on their face and that the cost would therefor be a campaign expenditure. Motion by Commissioner Alexander, seconded by Chairman Reiche, vote 3-0.

4) John I. Dawes and David Cohen vs. Morton Salkind, Complaint #(C-313-75). Complaint was amended to read: It was, on Motion of Commissioner Alexander, seconded by Vice-Chairman Goldmann, determined that the content of the September 25 newsletter was sufficiently political on its face to warrant

referral of the matter of the utilization of such a newsletter for political purposes to the Attorney General of New Jersey for such action as might be appropriate and further that the Commission retain jurisdiction over whatever reporting violations with respect to Section 16 might exist and that a hearing officer be appointed to decide the matter on November 7, 1975. Harold B. Wells was appointed as Hearing Officer. Vote 3-0.

5) Opinion Request #(O-22-75), Common Cause. Counsel was directed to issue an advisory opinion that an organization contributing money and communicating within its membership would not be "acting in a substantial manner" in an election campaign but that if election related communications were to other than members of the organization such action would constitute "acting in a substantial manner" and subject the organization to the reporting requirements of the Act. Motion by Chairman Reiche, seconded Vice-Chairman Goldman. Vote 2-1, Commissioner Alexander dissenting on the ground that mere contributions of funds should constitute "acting in a substantial manner."

Respectfully submitted,



David F. Norcross
Executive Director

DFN:skw