

0-35-77

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October 13, 1977

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Re: The New Jersey Campaign Contributions and Expenditures
Reporting Act, Chapter 83, Laws of 1973 as
Amended and Supplemented ("the Act")
Your Letter dated June 23, 1977
Opinion # (0-35-77)

Dear Mr. Raymar:

This is in reply to your three page letter dated June 23,
1977 relating to your review of various aspects of financing
the gubernatorial general election with Neil Upmeyer on
June 9, 1977.

First, the primary campaign organization must continue
to deposit primary contributions into the primary election
bank account. There is no requirement that a general election
bank account be opened immediately, except that such account
must be opened prior to the receipt of contributions or making
of expenditures with respect to the general election, and
no general election contribution may be deposited in a primary
election bank account.

Second, contributions may not be commingled and the
primary election account must receive all primary election
contributions. You are of course aware of the decision of
the Court with respect to contribution limitations in the
case of Common Cause v. New Jersey Election Law Enforcement
Commission.

Third, assets remaining from a primary campaign, if
transferred to the general election campaign, must be purchased
by the general election campaign pursuant to Regulation 19:25-
15.19 on the basis of reasonable commercial value, which may
or may not be the cost of such assets.

Fourth, the costs of complying with the public finance
reporting requirement of the Act are excluded from the
expenditure limitation of Section 7; other costs of compliance
of the Act are not so excluded (N.J.A.C. 19:25-15.30).

October 13, 1977

Fifth, the effect of a violation of the expenditure limitation of Section 7 is a question which would have to be determined in light of the facts then appearing, and the Commission is unable to determine in advance the effect of any particular notification procedures or of any particular degree of lack of participation by the candidate.

Sixth, reasonably allocated expenditures, including portions of salary expense of in-house press personnel producing copy for press releases, may properly be paid with public funds. Overhead expenses, such as office space used for such purposes, may not properly be paid with public funds.

Seventh, the travel expenses of the candidate and of certain other persons are referred to in a regulation of the Commission, a copy of which is enclosed herewith. The remainder of your comment with respect to travel expenses is not clear, and we would ask that you resubmit that portion of your question to the Commission after you have had an opportunity to review the proposed travel regulation.

With respect to the first full paragraph on page 3 of your letter, assuming that the fundraising event is not a fundraising event on behalf of the gubernatorial candidate, then none of the expenditures with respect to the event are subject to the expenditure limitation of Section 7 of the Act. The transfer of a portion of the proceeds of such event to the general election campaign depository of Citizens For Byrne, or the use by the state committee of such proceeds for the general election campaign for the office of Governor, will be subject to Section 19:25-15.16 and the other provisions of the public finance regulations, including the requirement of allocation against the \$600 contribution limitation on individual contributions.

Yours very truly,



Edward J. Farrell
Legal Counsel

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