



State of New Jersey

ELECTION LAW ENFORCEMENT COMMISSION

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May 5, 1982

Philip J. Cocuzza, Executive V. P.
New Jersey Builders Association
1000 Route 9
Woodbridge, New Jersey 07095

ADVISORY OPINION No. 09-1982

Dear Mr. Cocuzza:

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 New Jersey Builders Association which has established a political action committee known as "BPAC" may consistent with the provisions of the Campaign Contributions and Expenditures Reporting Act (N.J.S.A. 19:44A-1 et seq.) pay administrative costs of the political action committee it has established. Kindly be advised that nothing contained in the provisions of the Reporting Act prohibits an association such as the New Jersey Builders Association from paying the administrative costs of its political action committee.

You have informed the Commission that the New Jersey Builders Association is the parent organization of BPAC, which acts as a political action committee for the building industry. BPAC is unincorporated, and it has a board of trustees independent of the New Jersey Builders Association. The Association collects donations to BPAC from the Association's membership on a voluntary basis, and BPAC makes contributions to candidates for public office. Most of the administrative costs of BPAC are paid by the New Jersey Builders Association.

"BPAC" is a "political committee" within the meaning of that term as defined in N.J.S.A. 19:44A-3(1) because it is organized to aid or promote candidates. Assumptions of administrative costs of "BPAC" are "contributions", as that term is defined in N.J.S.A. 19:44A-3(d), because something of value is transferred to that political committee. The Reporting Act contemplates that corporations may make contributions to political committees, whether they be a "political action committee" formed by the corporate contributor, or another political committee. The Act requires only that the contribution be disclosed in campaign reports filed on behalf of the political committee. N.J.S.A. 19:44A-8. More particularly, the Commission regulations specify reporting requirements for political action committees (PAC's). N.J.A.C. 19:25-4.8 (copy enclosed). While it is unclear from your inquiry what assumptions of liability were made, the Commission wishes to point out that if the New Jersey Builders Association provided office space, clerical assistance or other "in-kind" contributions to "BPAC", such "in-kind" contributions must be valued at fair market value and disclosed in BPAC reports. N.J.A.C. 19:25-11.4.

Philip J. Cocuzzs, Executive V. P.

May 5, 1982

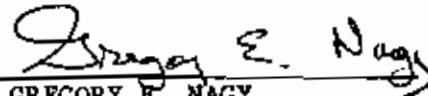
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While the Commission's jurisdiction is limited to the Reporting Act, other provisions of Title 19, Elections, and other statutes prohibit certain corporations from making any political contributions. N.J.S.A. 19:34-32 (insurance companies); 19:34-45 (banks, railroads, other companies) and 5:12-138 (casinos). Such prohibited contributors may not permit their funds to be used to establish, administer or solicit contributions for PAC's. See Attorney General Formal Opinion No. 14-1979.

Very truly yours,

ELECTION LAW ENFORCEMENT COMMISSION

By:


GREGORY E. NAGY
Staff Counsel

GEN:cej