



State of New Jersey

ELECTION LAW ENFORCEMENT COMMISSION

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May 27, 1981

Donald Lan
34 Cypress Terrace
Springfield, NJ 07081

ADVISORY OPINION NO. 23-81

Dear Mr. Lan:

I am writing on behalf of the Election Law Enforcement Commission in response to your letter of May 14, 1981 requesting an advisory opinion from the Commission. You have advised the Commission that because of the withdrawal of your candidacy for the office of Governor it has become necessary for you to maintain a bookkeeper on an hourly basis to complete payrolls and for the submission of reports in compliance with the requirements of the Campaign Contributions and Expenditures Reporting Act (N.J.S.A. 19:44A-1 st seq.). Reasonable expenditures for the purposes you have outlined appear to be campaign related. Although you have not specifically raised the question, the Commission notes that the cost of accounting expenses incurred for the purposes of complying with the public financing provisions of the Reporting Act may be paid with public funds. N.J.S.A. 19:44A-35(a)(6).

You have also advised that the "Florio for Governor" campaign has begun using facilities and equipment previously utilized for your campaign. Such uses include the leasing of facilities, purchase of equipment involved in the operation of a phone bank and the continuation of rentals for various equipment. You have stated that it is your expectation that a fair market value be assessed to any equipment purchased, with a pro rata share to be charged to the Florio campaign. Your attention is drawn to Commission Regulation N.J.A.C. 19:25-16.34 which provides in pertinent part that goods "... be valued by the reasonable commercial value of such goods and services to the candidate, whether or not the cost or value of such goods or services to the contributor or other provider of those services is higher or lower than such reasonable commercial value." Therefore, the candidate, that is the Florio campaign, and the provider, that is the Lan campaign, must assign the reasonable commercial value to the goods that are being assumed by the Florio campaign. Although nothing in your inquiry expressly raises the point, the Commission wishes to emphasize that the Lan campaign is subject to the \$800.00 contribution limitation contained in N.J.S.A. 19:44A-29(a) in regard to any contribution that may be made to the Florio campaign.

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You have also indicated that the Florio campaign is assuming leases that were previously held by the Lau campaign. The Commission would anticipate that if such leases had reasonable commercial value, that value would have to be reported and be subject to the public financing provisions of the Reporting Act.

Very truly yours,

ELECTION LAW ENFORCEMENT COMMISSION

By: Gregory E. Nagy
GREGORY E. NAGY
Staff Counsel

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