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ELECTION LAW ENFORCEMENT COMMISSION

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April 9, 2025

Tiffanie Fisher 1500 Hudson St, #2H Hoboken, NJ 07030 councilwomanfisher2@gmail.com

Advisory Opinion No. 03-2025

Dear Councilwoman Fisher:

You submitted a request for an Advisory Opinion on March 10, 2025, and completed the request as required by N.J.A.C. 19:25-18.1 on March 24, 2025. You consented to an extension until April 9, 2025 to respond. The Commission considered your request at its April 8, 2025 meeting and I am issuing this response pursuant to N.J.S.A. 19:44A-6(f).

Your request for an Advisory Opinion asked a series of questions related to the possibility of you establishing simultaneous candidate committees for separate offices in separate elections:

- 1. Can a candidate who established a committee and raised money for one election make expenditures from those funds for the benefit of a different election? Can a candidate do this without setting up a new committee?
- 2. When a candidate establishes a separate committee for a different election, can the candidate transfer to that committee the funds already raised by an existing committee? If so, what is the maximum amount that may be transferred?
- 3. If a candidate wishes to use funds from one account for the benefit of a different election, is the candidate required to first transfer funds between the accounts?
- 4. Do contribution amounts and donor limits transfer between the separate committees, or do limits reset with each new committee?
- 5. Can a donor contribute the maximum allowable amount to multiple candidate committees of the same candidate, and if so, can all contributions be used for the benefit of only one election? Would this practice allow a candidate to bypass contribution limits?
- 6. Would spending funds from one campaign account for the benefit of another election constitute impermissible use under N.J.S.A. 19:44A-11.2?
- 7. Upon forming a new candidate committee, may a candidate solicit contributions from donors who have already contributed to committees for a different election? Would such a practice constitute a circumvention of contribution limits under N.J.S.A. 19:44A-11.3?

8. Would it be an improper expenditure or reporting violation if assets purchased by one candidate committee are used by a separate committee for a different election?

Commission Response

You are advised that expenditures made by your 2025 mayoral candidate committee (mayoral committee) for the benefit of your 2027 city council committee (council committee) (or vice versa) are permissible in-kind contributions under the New Jersey Campaign Contributions and Expenditures Reporting Act (the Act) and Commission Regulations, subject to applicable contribution limits and reporting requirements. Funds are not required to be transferred between the committees in order to make these expenditures, but transfers between the committees that are within contribution limits are allowed. Assets purchased by your mayoral committee that are used by your council committee are also considered reportable in-kind contributions and are subject to contribution limits and reporting requirements. Each separate campaign committee may receive maximum contributions from the same donors, provided that you adhere to the provisions of the Act and Commission Regulations.

Submitted Facts

You state that you are a Hoboken city councilwoman and a current candidate in the 2025 Hoboken mayoral election. You further state that you have closed your 2023 general election account and currently maintain one active candidate committee for your 2025 mayoral candidacy but are considering establishing a candidate committee for a 2027 city council campaign. You indicate that several other city council members similarly intend to, or currently do, maintain multiple candidate committees for different elections. You state that this raises questions about funds raised by one candidate committee being spent on assets (website development, platform materials, email distribution lists, videos, and literature) that are later used by a new candidate committee established for a different office in a different election, as well as questions regarding funds being transferred between the separate candidate committees.

Discussion

Can a candidate who established a committee and raised money for one election make expenditures from those funds for the benefit of a different election? Can a candidate do this without setting up a new committee? Would spending funds from one campaign account for the benefit of another election constitute impermissible use under N.J.S.A. 19:44A-11.2?

Questions 1 and 6 will be addressed jointly, as the answers are substantially similar.

You are advised that a candidate who has established multiple candidate committees may make expenditures from one committee for the benefit of a separate committee established for a different office in a different election. An expenditure made by one committee for the benefit of another is an in-kind contribution, permissible under the Act and Commission Regulations. N.J.S.A. 19:44A-3d, 19:44A-11.2a(3), N.J.A.C. 19:25-1.7, 19:25-6.5(a)(3). In-kind contributions between candidate committees are subject to the contribution limits of N.J.S.A. 19:44A-11.3c(1) and N.J.A.C. 19:25-11.2¹ and both the committee making the contributions and the committee receiving the benefit must report the transactions accordingly. N.J.A.C. 19:25-10.4(a), 19:25-10.10(a) and 19:25-10.11(a)-(b).

¹ Pursuant to <u>N.J.S.A.</u> 19:44A-7.3, contribution limits are required to be adjusted every two years. The maximum amount a candidate committee can contribute to another candidate committee in 2025 is \$17,300. <u>N.J.A.C.</u> 19:25-11.2(a). The maximum amount for this type of contribution for 2027 elections will be adjusted according to a cost-index estimating inflation over the next two years.

The facts provided in your request state that you have not yet established your 2027 city council committee. You are advised that you may make an expenditure on behalf of this committee (provided that it is within the applicable contribution limit and reported in compliance with the Act and Commission Regulations) prior to its actual designation. However, you would be required to establish your 2027 committee and file a certificate of organization and designation of campaign depository (Form D-1) no later than 10 days after the in-kind contribution is received. N.J.S.A. 19:44A-9, N.J.A.C. 19:25-4.1A.

When a candidate establishes a separate committee for a different election, can the candidate transfer to that committee the funds already raised by an existing committee? If so, what is the maximum amount that may be transferred?

You are advised that where a candidate has an existing campaign committee and establishes an additional committee for a different office in a different election, the candidate may transfer funds from the existing committee to the new committee up to the maximum amount allowed by N.J.A.C. 19:25-11.2. N.J.A.C. 19:25-8.2B provides specific circumstances under which a candidate may transfer the entirety of an account to an account designated for a future election:

- (a) A candidate maintaining a depository account for an election that intends to seek election to any office subject to the Act in a future election may transfer the funds remaining in the depository account, and any outstanding obligations and liabilities, to a depository account for the future election, provided that the candidate is not a candidate for both elections simultaneously.
 - 1. Upon transferring the balance to the future election, the candidate shall finalize reporting for the prior election pursuant to N.J.A.C. 19:25-8.7;
 - 2. The transferred funds shall be reported as the opening balance for the future election; and
 - 3. The candidate must file a new designation of depository for the future election pursuant to N.J.A.C. 19:25-4.1A or 4.2, which may be the same depository account used for the prior election.
- (b) A candidate shall be considered a candidate for two elections simultaneously if the candidate receives a contribution or makes or incurs an expenditure for the future election before reporting is finalized for the prior election.
- (c) A candidate for two elections simultaneously shall not transfer funds from one depository account to another depository account in excess of the contribution limit from a candidate committee to a candidate committee as provided at N.J.A.C. 19:25-11.2.

The facts provided in this request do not indicate that you intend to close your existing 2025 mayoral campaign account prior to designating your council committee and depository. Pursuant to N.J.A.C. 19:25-8.2B, as a simultaneous candidate for two different offices in two different elections, any transfer between the two committees is restricted by the contribution limits of N.J.A.C. 19:25-11.2.

If a candidate wishes to use funds from one account for the benefit of a different election, is the candidate required to first transfer funds between the accounts?

No, the candidate may make an expenditure for the benefit of one committee using the funds from the separate committee's account. As discussed above, candidate committees are permitted to make in-kind contributions to another candidate committee, provided they do not exceed the applicable contribution limits. N.J.S.A. 19:44A-11.2a(3), N.J.A.C. 19:25-6.5(a)(3), 19:25-11.2.

Do contribution amounts and donor limits transfer between separate committees, or do limits reset with each new committee? Can a donor contribute the maximum allowable amount to multiple candidate committees of the same candidate, and if so, can all contributions be used for the benefit of only one election? Would this practice allow a candidate to bypass contribution limits? Upon forming a new candidate committee, may a candidate solicit contributions from donors who have already contributed to committees for a different election? Would such a practice constitute a circumvention of contribution limits under N.J.S.A. 19:44A-11.3?

Questions 4, 5, and 7 will be addressed jointly, as the answers are substantially similar.

<u>N.J.A.C.</u> 19:25-11.2 provides that contribution limits apply to candidate committees on a per election basis. Donors may contribute the maximum amount to each committee held by a candidate, provided that separate committees are established for the different offices in the different elections. <u>N.J.S.A.</u> 19:44A-9g, <u>N.J.A.C.</u> 19:25-4.3. The requirement for candidates for multiple offices different elections to establish separate committees was added to the Act in 1993 as a safeguard against candidates using one depository for multiple offices as a means to circumvent contribution limits. As contributions between the committees are subject to the limits of <u>N.J.A.C.</u> 19:25-11.2, candidates are prohibited from making unrestricted transfers between accounts for different offices.

As <u>N.J.A.C.</u> 19:25-11.2 allows for maximum contributions to be made for each election, you are advised that your council committee may solicit contributions from donors who have contributed to your mayoral committee without aggregating all of the donor's contributions. The limitations imposed on in-kind contributions (i.e. expenditures made by one committee for the benefit of another) ensure that a candidate cannot establish multiple committees as a means to bypass contribution limits.

Would it be an improper expenditure or reporting violation if assets purchased by one candidate committee are used by a separate committee for a different election?

You are advised that assets purchased by one of your mayoral committee may be used by your council committee, provided that they are reported as in-kind contributions by both committees and fall within the contribution limits of N.J.A.C. 19:25-11.2. N.J.S.A. 19:44A-11.2a(3), 19:44A-16, N.J.A.C. 19:25-6.5(a)(3), 19:25-10.4(a), 19:25-10.10(a) and 19:25-10.11(a)-(b).

Conclusion

If you choose to establish a candidate committee for candidacy in the 2027 election for city council, transfers and in-kind contributions between that and your 2025 mayoral candidate committee are permitted. All transfers and in-kind contributions must be within the applicable limit for contributions from one candidate committee to another candidate committee and all transactions must be reported in accordance with the Act and Commission Regulations.

Very truly yours, Election Law Enforcement Commission

By: /s/ Theresa J. Lelinski
Theresa J. Lelinski, Esq.