



McCORMICK, ESTABROOK & COOPER, P.C.

Attorneys at Law

# Political Contribution

## Alert

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## For-Profit and Nonprofit Entities Must Make Political Contribution Disclosures

2006 Reporting Deadline is September 28

By Richard R. Width, Esq.

As you may already know, the New Jersey Election Law Enforcement Commission is now requiring that “business entities” that receive \$50,000 or more from state and local government contracts must report any political campaign contributions made. “Business entities” is a broadly defined term that includes nonprofits, and monies received from contracts may include grants, although this is somewhat unclear and will, most likely, be determined by the governmental body making the grant. In short, any “business entity” that receives \$50,000 or more, in the aggregate, from contracts with “public entities” is now required to report any “reportable” campaign contributions.

The ELEC regulations require that the “business entity” report not only “reportable” contributions made by the entity itself, but also any “reportable” contributions made by various persons or entities associated with the “business entity,” including its subsidiaries and its directors, trustees, officers, principals, and partners together with their spouses.

A “reportable” contribution is a contribution in an amount exceeding \$300 (in the aggregate in the given calendar year) made by the contributor (entity, subsidiaries, directors, trustees, officers, principals, partners, etc.) to any political candidate, candidate committee, joint candidates committee, political committee, political party committee, legislative leadership committee, or continuing political committee. This means that the only contributions that must be reported are those that, for the full calendar year at issue, exceed \$300 to any one candidate or committee. If you contributed thousands of dollars over the year but only \$299 to any one candidate or committee, you do not need to report anything.

Each “business entity” must report on all such contributions for the 2006 calendar year by **September 28, 2007**. Thereafter, reporting will be done annually in March for the prior calendar year. A business entity must file the disclosure statement with the Commission using the Commission’s electronic form available at [www.elec.state.nj.us](http://www.elec.state.nj.us) and must maintain as part of its records an exact copy of each “business entity” annual disclosure statement that has been filed electronically.

(cont'd ▶)

## What must be done:

If a subsidiary, director, trustee, officer, principal, or partner, etc. of a “business entity” has made contributions of more than \$300 to any political candidate or political or candidate committee in calendar year 2006, each contributor must provide the “business entity” with the required information in time for the “business entity” to file a report by September 28, 2007. For each “reportable” contribution, the contributor must provide the following information:

- Name of contributor;
- Contributor’s address with City, State, & Zip Code;
- Recipient Name (name of the candidate or committee receiving the political contribution )
- Political Office or Committee Type: Choose from one of the following for each reportable contribution:  
Governor; Senate; Assembly; Senate & Assembly; County Executive; County Freeholder; County Executive & Freeholder; County Sheriff; County Clerk; County Registrar of Deeds; County Surrogate; Mayor; Council or Municipal Office; Mayor & Council; School Board; Fire Commissioner; Charter Study Commission; Political Committee; Political Party Committee;

Legislative Leadership Committee;  
Continuing Political Committee

- Contribution Type: Choose from one of the following: Currency; Check; In-kind; Loan
- Contribution Date
- Contribution Amount

### **NOTE: each reportable contribution must be listed separately.**

All filings are considered by law to be public records.

In addition to the foregoing annual disclosure of contributions, the new ELEC regulations also require that certain disclosures be made prior to a “public entity” entering into certain contracts with a “business entity.”

Please note that additional requirements, along with definitions of many of the terms we have used, are set forth in the new regulations. If you would like a copy, please let us know, and we will mail or email a copy to you.



*The information provided here is necessarily general and is not intended as legal advice or a substitute for legal advice. If you have any questions regarding this Alert, please contact Richard R. Width of the Health Care Law Group [rwidth@lindabury.com](mailto:rwidth@lindabury.com).*

