

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

### SENATE, No. 142

# STATE OF NEW JERSEY

DATED: JUNE 6, 2022

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 142.

This bill modifies applicable business filing statutes contained in the “New Jersey Business Corporation Act” by adding domestication and conversion provisions across all business entity types. Conversion is the process of converting from one type of business entity to another type. Domestication is the process of an out-of-state business entity converting to a domestic corporation. New Jersey law currently does not permit these actions. This bill will make New Jersey a more attractive State for the incorporation of businesses, by bringing it in line with many other states that allow domestication and conversion.

#### FISCAL IMPACT:

The Office of Legislative Services (OLS) estimates that this bill will result in an indeterminate annual State revenue increase due to the collection of the \$75 filing fee for a certificate of conversion. The OLS does not have sufficient information to accurately forecast the number of corporations that would be domesticated.

The OLS notes that this bill may result in a potential, likely insignificant, increase in annual State expenditures tied to the requirement for the Department of the Treasury to issue foreign corporations a certificate of authority to transact business in New Jersey.