

# ASSEMBLY, No. 532

## STATE OF NEW JERSEY 214th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2010 SESSION

**Sponsored by:**

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**SYNOPSIS**

Prohibits campaign contributions by certain individuals, businesses or other organizations that purchase or acquire property involved in eminent domain proceedings.

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel



1 AN ACT concerning certain campaign contributions by certain  
2 individuals, businesses and other organizations and  
3 supplementing P.L.1973, c.83 (C.19:44A-1 et seq.).  
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State  
6 of New Jersey:  
7

8 1. Notwithstanding the provisions of any other law to the  
9 contrary, no individual, business or other organization shall:

10 a. be permitted to purchase, or otherwise acquire title or a right  
11 to develop or redevelop, property immediately following or as a  
12 result of proceedings under the "Eminent Domain Act of 1971,"  
13 P.L.1971, c.361 (C.20:3-1 et seq.) including for the purposes of the  
14 "Local Redevelopment and Housing Law," P.L.1992, c.79  
15 (C.40A:12A-1) if, during the preceding one-year period, that  
16 individual, business or other organization made a contribution:

17 (1) subject to the reporting requirements of the "New Jersey  
18 Campaign Contributions and Expenditures Reporting Act,"  
19 P.L.1973, c.83 (C.19:44A-1 et seq.); or

20 (2) (a) to an issue advocacy organization organized under section  
21 527 of the federal Internal Revenue Code (26 U.S.C. s.527),

22 (b) to an organization organized under paragraph (4) of  
23 subsection c. of section 501 of the federal Internal Revenue Code  
24 (26 U.S.C. s.501),

25 (c) to an organization under any other current or future section of  
26 the federal Internal Revenue Code that the Election Law  
27 Enforcement Commission determines is similar to any of the  
28 organizations described in subparagraphs (a) or (b) of this  
29 paragraph; or

30 (d) to a candidate committee, joint candidates committee,  
31 political party committee, legislative leadership committee, political  
32 committee, or continuing political committee, other than a political  
33 committee or continuing political committee organized solely for  
34 the purpose of advocating the passage or defeat of a public  
35 question; or

36 b. make such a contribution described in paragraph a. of this  
37 section for a period of three years after such purchase or acquisition  
38 by that individual, business or other organization.

39 No committee or organization shall accept such a contribution  
40 from an individual, business or other organization for a period of  
41 three years after such purchase or acquisition by that individual,  
42 business or other organization.

43 The prohibition in this section shall be in addition to the  
44 prohibition in R.S.19:34-45 against the making of contributions by  
45 certain corporations having the right to condemn land, in P.L.2004,  
46 c.19 (C.19:44A-20.2 et seq.), in P.L.2005, c.51 (C.19:44A-20.13 et  
47 seq.), or in an ordinance, resolution or regulation established by a

1 local government unit pursuant to section 1 of P.L.2005, c.271  
2 (C.40A:11-51).

3

4 2. As used in this act:

5 "business" means any business corporation, professional services  
6 corporation, limited liability company, partnership, or limited  
7 partnership, or other commercial entity organized under the laws of  
8 this State or of any other state or foreign jurisdiction.

9 "interest" means the ownership or control of more than 10% of  
10 the profits or assets of a business entity or 10% of the stock in the  
11 case of a business entity that is a corporation for profit, as  
12 appropriate;

13 When a business is a natural person, a contribution by that  
14 person's spouse or child, residing therewith, shall be deemed to be a  
15 contribution by the business. When a business is other than a  
16 natural person, a contribution by any person or other business  
17 having an interest therein shall be deemed to be a contribution by  
18 the business.

19

20 3. An individual who, or a business or other organization that, is  
21 determined by the Election Law Enforcement Commission to have  
22 willfully and knowingly made a contribution in violation of the  
23 provisions of section 1 of this act shall be liable to a penalty of up  
24 to \$50,000 for each violation and may be debarred from such  
25 purchases or acquisitions in the State for up to five years. A  
26 monetary penalty imposed pursuant to this section may be  
27 recovered by a summary proceeding pursuant to the "Penalty  
28 Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).

29

30 4. Any committee or organization that is determined by the  
31 Election Law Enforcement Commission to have willfully and  
32 knowingly accepted a contribution in violation of the provisions  
33 section 1 of this act shall be liable to a penalty of up to twice the  
34 amount of the contribution for each violation, in accordance with  
35 the procedures and jurisdiction of the commission.

36

37 5. Nothing contained in this act shall be construed as affecting  
38 the eligibility of any individual, business or other organization to  
39 purchase, or otherwise acquire title or a right to develop or  
40 redevelop, property because that individual, business or other  
41 organization made a contribution during the one-year period  
42 immediately preceding the effective date of this act.

43

44 6. This act shall take effect immediately.

## STATEMENT

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3 The purpose of this bill is to eliminate the actuality or  
4 appearance of corruption which may result when property is  
5 purchased or acquired for development or redevelopment  
6 immediately following or as a result of proceedings under the  
7 "Eminent Domain Act of 1971," (N.J.S.A.20:3-1 et seq.) including  
8 for the purposes of the "Local Redevelopment and Housing Law,"  
9 (N.J.S.A.40A:12A-1) by individuals, businesses or other  
10 organizations that contribute to campaigns for public office.

11 Specifically, it provides that an individual who, or a business or  
12 other organization that, has made a campaign contribution would be  
13 prohibited for one year from purchasing, or otherwise acquiring title  
14 or a right to develop or redevelop, property immediately following  
15 or as a result of proceedings under the "Eminent Domain Act of  
16 1971," P.L.1971, c.361 (C.20:3-1 et seq.) including for the purposes  
17 of the "Local Redevelopment and Housing Law," P.L.1992, c.79  
18 (C.40A:12A-1). A contribution is one (1) subject to the reporting  
19 requirements of the "New Jersey Campaign Contributions and  
20 Expenditures Reporting Act;" or (2) made to an issue advocacy  
21 organization organized under section 527 of the federal Internal  
22 Revenue Code, an organization organized under paragraph (4) of  
23 subsection c. of section 501 of the federal Internal Revenue Code,  
24 or an organization under any other current or future section of the  
25 federal Internal Revenue Code that the Election Law Enforcement  
26 commission determines is similar to any of these organizations; or  
27 (3) made to a candidate committee, joint candidates committee,  
28 political party committee, legislative leadership committee, political  
29 committee, or continuing political committee, other than a political  
30 committee or continuing political committee organized solely for  
31 the purpose of advocating the passage or defeat of a public  
32 question.

33 The bill also prohibits an individual who or a business or other  
34 organization that has made a purchase or acquisition from making a  
35 campaign contribution for a period of three years thereafter.  
36 Contributions made prior to the bill's effective date would not affect  
37 an individual's, business' or other organization's eligibility.

38 An individual who or business or other organization that  
39 willfully and knowingly violates the bill's provisions would be  
40 subject to a penalty of up to \$50,000 and debarment from such  
41 purchases or acquisitions in the State for up to five years. A  
42 committee or organization that willfully and knowingly accepts a  
43 contribution in violation of the bill's provisions would be subject to  
44 a penalty of up to twice the amount of the contribution for each  
45 violation.