

ASSEMBLY, No. 2588

STATE OF NEW JERSEY 217th LEGISLATURE

INTRODUCED FEBRUARY 8, 2016

Sponsored by:

Assemblyman REED GUSCIORA
District 15 (Hunterdon and Mercer)

SYNOPSIS

Requires shareholder approval of campaign contributions and certain independent expenditures made by New Jersey corporations.

CURRENT VERSION OF TEXT

As introduced.



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1 AN ACT concerning certain campaign contributions and
2 expenditures made by New Jersey corporations, supplementing
3 Title 14A of the New Jersey Statutes and amending N.J.S.14A:3-
4 4.

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

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9 1. (New section) a. (1) A corporation shall include in its
10 bylaws adequate procedures to ascertain the will of the majority of
11 the shareholders of the corporation regarding contributions to
12 campaign finance entities and independent expenditures for any
13 federal, State or local election that the corporation proposes to
14 make.

15 (2) If the majority of the shareholders of a corporation is unable,
16 by law, contract or corporate bylaw, or for any other reason, to
17 participate in a vote to ascertain the will of the majority of the
18 shareholders of the corporation regarding a campaign contribution
19 or such an independent expenditure the corporation proposes to
20 make, the corporation shall not make the campaign contribution or
21 independent expenditure.

22 b. The distribution of a news story, commentary, editorial,
23 book, or documentary in the ordinary course of business by a press
24 organization owned or controlled by a corporation shall not be
25 considered a contribution to a campaign finance entity or an
26 independent expenditure for the purposes of subsection a. of this
27 section.

28 c. As used in this section, "campaign finance entity" means an
29 entity established to support or oppose, directly or indirectly:

30 (1) the candidacy of a person for nomination for election, or for
31 election, to elective public office in this State, any other state, the
32 District of Columbia, any United States territory, or any political
33 subdivision thereof;

34 (2) the candidacy of a person for nomination for election, or for
35 election, to any federal public office; or

36 (3) a public question in this State or any other state, the District
37 of Columbia, any United States territory, or any political
38 subdivision thereof.

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40 2. N.J.S.14A:3-4 is amended to read as follows:

41 14A:3-4. Contributions by corporations.

42 (1) Any corporation organized for any purpose under any
43 general or special law of this State, unless otherwise provided in its
44 certificate of incorporation or by-laws, shall have power,
45 irrespective of corporate benefit, to aid, singly or in cooperation

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 with other corporations and with natural persons, in the creation or
2 maintenance of institutions or organizations engaged in community
3 fund, hospital, charitable, philanthropic, educational, scientific or
4 benevolent activities or patriotic or civic activities conducive to the
5 betterment of social and economic conditions, and, subject to the
6 provisions of section 1 of P.L. , c. (C.) (pending before the
7 Legislature as this bill), the board may authorize the making of
8 contributions for those purposes in money, securities, including
9 shares of the corporation, or other property, in such reasonable
10 amounts as the board may determine; provided, that a contribution
11 shall not be authorized hereunder if at the time of the contribution
12 or immediately thereafter the donee institution shall own more than
13 10% of the voting stock of the donor corporation or one of its
14 subsidiaries.

15 (2) The provisions of this section shall not be construed as
16 directly or indirectly minimizing or interpreting the rights and
17 powers of corporations, as heretofore existing, with reference to
18 appropriations, expenditures or contributions of the nature above
19 specified.

20 (cf. P.L.1988, c.94, s.12)

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22 3. This act shall take effect on the 180th day next following
23 enactment.

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STATEMENT

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28 This bill concerns campaign contributions and independent
29 expenditures made by New Jersey corporations.

30 Specifically, the bill requires a New Jersey corporation to
31 include in its bylaws procedures for ascertaining the will of the
32 majority of the shareholders of the corporation regarding
33 contributions to campaign finance entities and independent
34 expenditures for any federal, State or local election that the
35 corporation proposes to make and prohibits the corporation from
36 making such a contribution if a majority of the shareholders cannot
37 by law, contract or corporate bylaw, or for any other reason,
38 participate in such a vote.

39 The bill also provides that the distribution of a news story,
40 commentary, editorial, book, or documentary in the ordinary course
41 of business by a press organization owned or controlled by a New
42 Jersey corporation shall not be considered a contribution to a
43 campaign finance entity or an independent expenditure for the
44 purposes of the bill.

45 The bill defines "campaign finance entity" as an entity
46 established to support or oppose, directly or indirectly:

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1 (1) the candidacy of a person for public office in this State, any
2 other state, the District of Columbia, any United States territory, or
3 a political subdivision thereof;

4 (2) the candidacy of a person for election to any federal public
5 office;

6 (3) a public question in this State or any other state, the District
7 of Columbia, any United States territory, or any political
8 subdivision thereof.