

ASSEMBLY, No. 776

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblyman BRIAN E. RUMPF

District 9 (Atlantic, Burlington and Ocean)

Assemblywoman DIANNE C. GOVE

District 9 (Atlantic, Burlington and Ocean)

SYNOPSIS

Makes public officers or employees convicted of certain crimes or found at fault in certain civil actions liable and subject to pension garnishment for public legal expenses and illegally obtained funds.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** concerning reimbursement of public legal expenses and
2 restitution of public funds by public officers or employees
3 convicted of certain crimes or found at fault in certain civil
4 actions, and supplementing chapter 1 of Title 43 of the Revised
5 Statutes.

6

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

9

10 1. a. Notwithstanding the provisions of any other law to the
11 contrary, any person who serves or has served as a public officer or
12 employee under the government of this State, or any political
13 subdivision thereof:

14 (1) who is convicted of a crime that involves or touches that
15 office or employment shall be liable to the Attorney General,
16 county prosecutor, or United States Attorney, as appropriate, for the
17 cost of prosecution and, if that person receives legal representation
18 at public expense, shall be liable to the public entity that paid for
19 the representation for the cost thereof, except for the cost of
20 representation by the Office of the Public Defender pursuant to
21 P.L.1967, c.43 (C.2A:158A-1 et seq.) unless the cost of services is
22 recoverable under that act; or

23 (2) who is determined by a court of competent jurisdiction to
24 have been at fault in any civil matter that involves or touches that
25 office or employment and who has received legal representation in
26 connection with that matter at public expense, shall be liable to the
27 public entity that paid for the representation for the cost thereof.

28 b. Notwithstanding the provisions of any other law to the
29 contrary, the retirement benefit or pension contributions in a State-
30 administered retirement system or fund, as appropriate, of any
31 person liable to a public entity (1) pursuant to subsection a. of this
32 section or (2) pursuant to a money judgment obtained by the State
33 or other public employer and rendered against that person if
34 convicted of an offense under the provisions of chapter 27 of Title
35 2C of the New Jersey Statutes, or any other offense involving a
36 theft or misuse of public funds, or any attempt or conspiracy to
37 commit any such offense, shall be subject to garnishment,
38 attachment or other process in order to satisfy the liability.

39

40 2. a. On the effective date of this act, P.L. , c. (C.)
41 (pending before the Legislature as this bill), the Division of
42 Pensions and Benefits in the Department of the Treasury shall seek
43 a determination letter from the Internal Revenue Service confirming
44 the status of the State-administered retirement systems and funds,
45 under the provisions of this act, as qualified plans under federal
46 law.

47 b. In the event the division receives a determination letter from
48 the Internal Revenue Service stating that this act, P.L. ,

1 c. (C.) (pending before the Legislature as this bill), changes the
2 status of the State-administered retirement systems and funds so
3 that they are no longer qualified plans under federal law, subsection
4 b. of section 1 of this act shall be void and shall expire immediately.

5
6 3. This act shall take effect immediately.

7
8
9 STATEMENT

10
11 This bill provides that any person who serves or has served as a
12 public officer or employee under the government of this State, or
13 any political subdivision thereof, who is convicted of a crime that
14 involves or touches that office or employment will be liable to the
15 Attorney General, county prosecutor, or United States Attorney, as
16 appropriate, for the cost of prosecution and, if that person receives
17 legal representation at public expense, will be liable to the public
18 entity that paid for the representation for the cost thereof, except
19 representation by the Office of the Public Defender pursuant to
20 N.J.S.A.2A:158A-1 et seq. unless the cost of services is recoverable
21 under that act. It also provides that any such person who is
22 determined by a court of competent jurisdiction to have been at
23 fault in any civil matter that involves or touches that office or
24 employment and who has received legal representation in
25 connection with that matter at public expense, will be liable for the
26 cost of that representation.

27 The bill provides that the retirement benefit or pension
28 contributions, as appropriate, of any person liable to a public entity
29 for legal expenses or for a money judgment obtained by the State or
30 other public employer and rendered against that person if convicted
31 of an offense under the provisions of chapter 27 of Title 2C of the
32 New Jersey Statutes, or any other offense involving a theft or
33 misuse of public funds, or any attempt or conspiracy to commit any
34 such offense, will be subject to garnishment, attachment or other
35 process in order to satisfy the liability.

36 In addition, the bill requires that on its effective date, the
37 Division of Pensions and Benefits in the Department of the
38 Treasury seek a determination letter from the Internal Revenue
39 Service confirming the status of the State-administered retirement
40 systems and funds, under its provisions, as qualified plans under
41 federal law. If the determination letter states that the bill changes
42 the status of the State-administered retirement systems and funds so
43 that they are no longer qualified plans under federal law, subsection
44 b. of section 1 of the bill will be void and will expire immediately.