

ASSEMBLY, No. 817

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblyman ANTHONY S. VERRELLI

District 15 (Hunterdon and Mercer)

Assemblywoman ANNETTE CHAPARRO

District 33 (Hudson)

SYNOPSIS

Prohibits State-chartered financial institutions from investing in private correctional facilities.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 11/5/2020)

1 **AN ACT** concerning certain financial institutions and private
2 correctional facilities and supplementing Title 17 of the Revised
3 Statutes.

4
5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
6 *of New Jersey:*

7
8 1. a. As used in this act:

9 “Financial institution” means any bank, savings bank, savings
10 and loan association, building and loan association, or credit union
11 organized or doing business under the laws of this State and
12 supervised by the Commissioner of Banking and Insurance.

13 “Private correctional facility” means any for-profit private
14 facility that detains inmates pursuant to an intergovernmental
15 service agreement or other contract with a federal, State, or county
16 agency.

17 b. A financial institution operating in this State shall not invest
18 in the stocks, securities, or other obligations of, or provide
19 financing to, any institution, company, or subsidiary thereof that
20 operates a private correctional facility.

21 c. A financial institution which violates this act shall be subject
22 to a \$5,000 fine for each violation. The fine shall be collected by
23 the Commissioner of Banking and Insurance in a summary manner
24 pursuant to the “Penalty Enforcement Law of 1999,” P.L.1999,
25 c.274 (C.2A:58-10 et seq.).

26 d. The Commissioner of Banking and Insurance may adopt
27 rules and regulations to implement the provisions of this act
28 pursuant to the “Administrative Procedure Act,” P.L.1968, c.410
29 (C.52:14B-1 et seq.).

30 e. Failure to fulfill any obligation pursuant to this section shall
31 not be considered to be the exercise of a power, right, benefit, or
32 privilege under the parity provisions of section 1 of P.L.1981, c.163
33 (C.17:9A-24b1), section 48 of P.L.1963, c.144 (C.17:12B-48), or
34 section 12 of P.L.1984, c.171 (C.17:13-90), and it shall not be a
35 defense to a violation of this act that the failure to fulfill any
36 provision of this section is an exercise of such power, right, benefit,
37 or privilege.

38 f. The provisions of this section shall not apply to non-profit
39 residential community release programs contracted by the
40 Department of Corrections to provide for the care, custody,
41 subsistence, treatment, education, training, or welfare of inmates
42 pursuant to P.L.1999, c.243 (C.30:4-91.9 et seq.).

43
44 2. This act shall take effect on the first day of the seventh month
45 following the date of enactment.

1 STATEMENT

2

3 This bill prohibits State-chartered financial institutions from
4 providing financing for or investing in any institution, company, or
5 subsidiary thereof that operates a for-profit private correctional
6 facility.

7 A financial institution that violates the bill’s provisions would be
8 subject to a \$5,000 fine. The bill allows the Commissioner of
9 Banking and Insurance to adopt rules and regulations to implement
10 the bill’s provisions.

11 The bill provides that failure to fulfill the obligations established
12 in the bill would not be considered an exercise of a power, right,
13 benefit, or privilege under the parity provisions of various State
14 banking laws.

15 The bill would not apply to non-profit residential community
16 release programs that contract with the Department of Corrections
17 to provide for the care, custody, subsistence, treatment, education,
18 training, or welfare of inmates.