

ASSEMBLY STATE AND LOCAL GOVERNMENT
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1126

with committee amendments

STATE OF NEW JERSEY

DATED: FEBRUARY 3, 2020

The Assembly State and Local Government Committee reports favorably and with committee amendments Assembly Bill No. 1126.

This bill, as amended, authorizes certain State agencies to establish a three-year pilot program to sell Internet advertisements for display on their websites. Any agency, except for the New Jersey Lottery, with a “.com,” “.org,” or “.net” top-level domain in the domain name of their website would be permitted to establish a pilot program under the bill, as amended.

The bill, as amended, expresses the intention that accepting advertisements would not create a public forum, and that the website remain a non-public forum. The bill expressly prohibits advertisements for tobacco or alcohol products, for political advocacy, or that reduce the competitiveness or are otherwise antithetical to the mission of the agency. The bill also permits the head of an agency to disallow advertisements for products or services, or by sponsors, that the head deems inappropriate. The website must include a disclaimer stating that the advertisements do not imply endorsement by the State. “Internet advertisement” is defined to mean specific advertising methods on the Internet, including display or banner advertisements, sponsorships, and business listings where goods or services may be purchased online.

The bill, as amended, requires the Department of the Treasury to establish rules providing for the application and approval of an agency to establish a pilot program, and requires the department to approve at least one agency that applies, if any.

The bill, as amended, provides that each agency must develop policy, style, and content guidelines for website advertisements that ensure that the subject matter of the advertisement directly relates to the agency’s business mission and purpose, and must submit those guidelines to the department for approval. Revenue generated will be deposited into the State General Fund by agencies for which expenditures are authorized through the annual appropriations act. For agencies not provided for through the annual appropriations act, the agency will remit to the State Treasurer such revenue generated from

the sale of Internet advertisements as remains after deductions by the entity for the incremental cost of offering Internet advertisements and of an additional 10 percent of such revenue for the purpose of innovation in operations, programs or services.

The bill requires each agency, not later than three months after the conclusion of the pilot program, to submit a detailed report to the Governor and the Legislature evaluating the effectiveness of the program, including a summary of expenditures and revenues under the program, together with recommendations concerning whether to continue the program. The purpose of the bill is to provide new sources of revenue for the State, particularly for State agencies that maintain high-traffic web pages.

This bill was pre-filed for introduction in the 2020-2021 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

COMMITTEE AMENDMENTS:

The committee amended the bill to remove the ability of the New Jersey Lottery to establish a pilot program. The amendments permit other State agencies to establish a program, provided they have a “.com,” “.org,” or “.net” top-level domain in the domain name of their website. The agencies would have to first receive approval from the Department of the Treasury and would have to submit their policy, style, and content guidelines to the Department of the Treasury for approval.

The amendments prohibit advertisements for tobacco or alcohol products, for political advocacy, or that reduce the competitiveness or are otherwise antithetical to the mission of the agency. The bill also permits the head of an agency to disallow advertisements for products or services, or by sponsors, that the head deems inappropriate.

The amendments also provide an additional 90 days to begin implementation any pilot program.