

ASSEMBLY RESOLUTION No. 192

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED OCTOBER 19, 2020

Sponsored by:

Assemblyman RONALD S. DANCER

District 12 (Burlington, Middlesex, Monmouth and Ocean)

SYNOPSIS

Expresses sentiment that New Jersey should remain hub for server farms operated by financial services firms.

CURRENT VERSION OF TEXT

As introduced.



1 **AN ASSEMBLY RESOLUTION** expressing sentiment that New Jersey
2 should remain a hub for server farms operated by financial
3 services firms.

4
5 **WHEREAS**, Although many people believe that stock trading primarily
6 occurs in New York, New Jersey is the physical location of several
7 stock exchange server farms, also called data centers, where billions
8 of securities transactions are processed each day; and

9 **WHEREAS**, These server farms are operated by a number of important
10 companies, including the New York Stock Exchange (NYSE),
11 Nasdaq OMX, and the Chicago Board Options Exchange (CBOE);
12 and

13 **WHEREAS**, Server farms located in towns such as Mahwah, Carteret
14 and Secaucus now process the vast majority of all stock trading of
15 these companies, and almost all the stock trading in the country
16 every single day happens within the borders of New Jersey; and

17 **WHEREAS**, The State derives significant economic benefits from these
18 data centers being located within its borders, including revenue
19 from income taxes, property taxes, and business development; and

20 **WHEREAS**, The data centers not only support the financial industry in
21 the State, but also local businesses such as janitorial, security, and
22 food and restaurant services; and

23 **WHEREAS**, There has been discussion amongst policymakers to
24 institute a transaction tax on all financial transactions occurring at
25 these data centers, and this kind of tax may cause the companies
26 operating these server farms to relocate to states that do not impose
27 a transaction tax; and

28 **WHEREAS**, The purported revenue benefit of imposing the transaction
29 tax may be overestimated, and the potential loss of revenue and
30 benefits from the relocation of these server farms must be
31 adequately considered; and

32 **WHEREAS**, The stock exchanges are engaging in testing in centers
33 located outside of the State to prepare for a relocation of the data
34 centers should these taxes be enacted; and

35 **WHEREAS**, The data server farms provide too many benefits to the
36 State and its residents to risk losing this business by imposing yet
37 another tax in the State that is regularly ranked last in the nation for
38 its business climate; and

39 **WHEREAS**, It is fitting and proper for this House to express its
40 sentiment that the server farms operated by financial services firms
41 should remain in New Jersey, and the State should not impose a
42 financial transaction tax on financial services firms; now, therefore,

43
44 **BE IT RESOLVED** *by the General Assembly of the State of New*
45 *Jersey:*

46
47 1. This House hereby expresses its sentiment to the Governor
48 and the Legislature that for the benefit of the State and its residents,

1 the State should encourage financial services firms to maintain
2 operations of their data server farms in the State, and that the State
3 should not impose a financial transaction tax on financial services
4 firms.

5
6 2. Copies of this resolution, as filed with the Secretary of State,
7 shall be transmitted by the Clerk of the General Assembly to the
8 Governor, the Senate President, the Speaker of the General
9 Assembly, and the majority and minority leaders of each house of
10 the State Legislature.

11
12
13 STATEMENT
14

15 This Assembly Resolution expresses the sentiment that the State
16 should encourage financial services firms to maintain operations of
17 the data server in the State, and that the State should not impose a
18 financial transaction tax on the financial services firms.

19 Although New York is commonly viewed as the center of the
20 financial industry, the New York Stock Exchange (NYSE) and its
21 competitor Nasdaq OMX, process billions of securities transactions
22 each day in New Jersey. Moreover, the vast majority of stock
23 trading by these companies is now processed in server farms located
24 in towns such as Mahwah, Carteret and Secaucus, and almost all the
25 stock trading in the country every single day happens within the
26 borders of New Jersey.

27 The State derives significant benefits from these data centers
28 being located within its borders, including revenue from income
29 taxes, property taxes, and business development, and the centers
30 support local businesses such as janitorial, security, and food and
31 restaurant services.

32 There have been ongoing policy discussions about instituting a
33 transaction tax on all stock exchanges occurring at these data
34 centers, which may cause the companies operating these server
35 farms to relocate to states that do not impose a transaction tax. The
36 NYSE and other stock exchanges are engaging in testing in centers
37 located outside of the State to prepare for a relocation of the data
38 centers should a financial transaction tax be imposed.

39 The server farms provide too many benefits to the State and its
40 residents to risk losing this business from the imposition of a
41 financial transaction tax, so the resolution expresses the sentiment
42 that the State should encourage the server farms operated by
43 financial services firms to remain in New Jersey, and a financial
44 transaction tax should not be imposed on financial services firms.