

SENATE, No. 152

STATE OF NEW JERSEY 219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Senator GERALD CARDINALE

District 39 (Bergen and Passaic)

SYNOPSIS

Prohibits labor organizations that represent public employees from paying or contributing money or thing of value for political purposes to enhance protections against corruption of election practices.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** concerning campaign contributions by labor organizations
2 that represent public employees and amending R.S.19:34-45.

3
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

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7 1. R.S.19:34-45 is amended to read as follows:

8 19:34-45. a. No corporation carrying on the business of a
9 bank, savings bank, co-operative bank, trust, trustee, savings
10 indemnity, safe deposit, insurance, railroad, street railway,
11 telephone, telegraph, gas, electric light, heat or power, canal or
12 aqueduct company, or having the right to condemn land, or to
13 exercise franchises in public ways granted by the state or any
14 county or municipality, and no corporation, person, trustee or
15 trustees, owning or holding the majority of stock in any such
16 corporation, shall pay or contribute money or thing of value in order
17 to aid or promote the nomination or election of any person, or in
18 order to aid or promote the interests, success or defeat of any
19 political party.

20 The provisions of this **[section]** subsection shall not apply to any
21 corporation carrying on the business of a co-generation facility, as
22 defined in subsection c. of section 1 of P.L.2000, c.156 (C.54:15B-
23 2.2), or to any corporation carrying on the business of a retail seller
24 that extends credit, pursuant to the provisions of the "Retail
25 Installment Sales Act of 1960" P.L.1960, c.40 (C.17:16C-1 et seq.),
26 or to any corporation, person, trustee or trustees, owning or holding
27 the majority of stock in either such corporation.

28 b. No local, county, or State labor organization, union, or
29 affiliate that represents public employees shall pay or contribute
30 any money or other thing of value in order to aid or promote the
31 nomination or election of any person, or in order to aid or promote
32 the interests, success, or defeat of any political party.

33 (cf: P.L.2001, c.384, s.1)

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35 2. This act shall take effect immediately.

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STATEMENT

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40 This bill amends N.J.S.A.19:34-45 to prohibit local, county, or
41 State labor organizations, unions, or affiliates that represent public
42 employees from paying or contributing any money or other thing of
43 value in order to aid or promote the nomination or election of any
44 person, or in order to aid or promote the interests, success, or defeat
45 of any political party.

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 Originally enacted as part of a comprehensive election corruption
2 practices act, N.J.S.A.19:34-45 currently prohibits direct
3 contributions of money or other thing of value by certain regulated
4 corporations for political purposes. The Attorney General has
5 issued two formal opinions evaluating N.J.S.A.19:34-45, which
6 outline the justifications for the provisions of the act that prohibit
7 political contributions by certain regulated corporations. The
8 justifications articulated in the Attorney General opinions apply
9 equally to political contributions by labor organizations, unions, or
10 affiliates that represent public employees.

11 Attorney General Formal Opinion No. 14-1979 suggested that in
12 enacting N.J.S.A.19:34-45, the Legislature sought to prevent
13 corporate officials from using corporate funds for contributions to
14 political parties without the consent of the shareholders. This
15 prohibition protects minority interests within the corporation.
16 Similarly, this bill would prevent union officials from using union
17 funds for contributions to political parties without the consent of its
18 members. Therefore, the bill protects minority interests within the
19 union.

20 Attorney General Formal Opinion No. 4-1983 suggested that
21 another objective of the current statute is to "insulate elective
22 officials from the influence of regulated industries." The opinion
23 further states,

24
25 Each business listed in the act may be
26 characterized as of a type strongly
27 affected with a public interest. Each
28 business has been made the subject of
29 extensive and pervasive government
30 regulation. Comprehensive regulatory
31 programs, vital to the protection of the
32 public, could become prime targets of
33 elected officials seeking to satisfy
34 perceived debts to corporate
35 benefactors affiliated with a regulated
36 industry.

37
38 This reasoning applies equally to unions as well: Unions that
39 represent public employees are strongly affected with a public
40 interest. This bill insulates elected officials from the influence of
41 such unions, which represent employees in occupations subject to
42 comprehensive laws and regulations that elected officials could
43 revise or repeal to satisfy perceived debts to union donors.