

SENATE, No. 394

STATE OF NEW JERSEY 220th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2022 SESSION

Sponsored by:

Senator GORDON M. JOHNSON

District 37 (Bergen)

SYNOPSIS

Prohibits business receiving State development subsidies from making certain campaign contributions.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 AN ACT prohibiting businesses receiving State development
2 subsidies from making certain campaign contributions and
3 supplementing P.L.1973, c.83 (C.19:44A-1 et seq.).
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:
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8 1. As used in P.L. , c. (C.) (pending before the
9 Legislature as this bill):

10 "Development subsidy" means the authorizing of or providing to
11 a recipient business an amount of funds by or from a State agency
12 with a value of not less than \$25,000 for the purpose of stimulating
13 economic development in New Jersey, including, but not limited to,
14 any bond, grant, loan, loan guarantee, matching fund, or any tax
15 expenditure. "Development subsidy" shall not mean: a. any
16 contract under which a State agency purchases or otherwise
17 procures goods, services, or construction on an unsubsidized basis,
18 including any contract solely for the construction or renovation of a
19 facility owned by a State agency; b. any authorizing or providing of
20 funds by or from a State agency to a recipient business, including
21 by means of a tax expenditure, for the exclusive purpose of the
22 development or production of affordable housing, for the exclusive
23 purpose of subsidizing site remediation, recycling, commuter
24 transportation assistance, pollution reduction, energy conservation,
25 or other programs to improve the environment, or for the exclusive
26 purpose of providing benefits to employees of the recipient
27 business; or c. any authorizing or providing of funds by or from a
28 State agency to a non-profit organization, including by means of a
29 tax expenditure, for the exclusive purpose of subsidizing the
30 development of facilities used to provide recreational, educational,
31 arts, or cultural programs, or childcare or healthcare services.

32 "Person" shall have the same meaning as provided in section 37
33 of P.L.1977, c.110 (C.5:12-37).

34 "State agency" means the State of New Jersey or any agency,
35 instrumentality, or authority of the State that provides a
36 development subsidy to a recipient business and, in the case of a tax
37 expenditure related to any tax paid to the State, "State agency"
38 means the State Treasurer or the New Jersey Economic
39 Development Authority, as applicable. "State agency" shall not
40 mean a political subdivision of the State.

41 "Recipient business" means any non-governmental person,
42 business, corporation, association, operation, firm, partnership,
43 trust, or other form of business association or other business entity
44 during one or more calendar years in which the business receives a
45 development subsidy, or any benefit thereof, from a State agency.

46 "Tax expenditure" means the amount of foregone tax collections
47 due to any abatement, reduction, exemption, or credit against any

1 State tax, including, but not limited to, taxes on raw materials,
2 inventories or other assets, taxes on gross receipts, income, or sales,
3 and any use, excise, or utility tax. "Tax expenditure" shall not
4 mean any credit against any tax liability of an employee or any
5 personal exemption, homestead rebate, credit, or deduction for the
6 expenses of a household or individual, or other reduction of the tax
7 liability of an individual or household.

8
9 2. A recipient business, or any holding, affiliate, or subsidiary
10 company thereof, or any officer, director, key employee, or
11 principal employee of a recipient business or of any holding,
12 affiliate, or subsidiary company thereof, or any person or agent on
13 behalf of a recipient business, holding, affiliate, or subsidiary
14 company thereof, shall not directly or indirectly, pay or contribute
15 any money or thing of value to any candidate for nomination or
16 election to any public office in this State, or to any political party
17 committee or legislative leadership committee in this State, or to
18 any group, committee, or association organized in support of that
19 candidate or political party, except that the provisions of this
20 section shall not be construed to prohibit any individual who is a
21 candidate for public office in this State from contributing to the
22 individual's own campaign.

23
24 3. a. Any person who is determined by the Election Law
25 Enforcement Commission to have made, or caused to be made, a
26 political contribution prohibited by the provisions of P.L. ,
27 c. (C.) (pending before the Legislature as this bill) is guilty
28 of a crime of the fourth degree and subject to the penalties therefor,
29 except that the amount of a fine may be up to \$200,000, and in the
30 case of a person other than a natural person, the amount of a fine
31 may be up to \$500,000.

32 b. A recipient business which is determined by the Election
33 Law Enforcement Commission to have willfully and intentionally
34 made a contribution or failed to reveal a contribution in violation of
35 P.L. , c. (C.) (pending before the Legislature as this bill)
36 may be liable to a penalty of up to the value of its development
37 subsidy with the State agency, may be ineligible for any remaining
38 amount of the development subsidy, and may be debarred by the
39 State Treasurer from contracting with a State agency or receiving a
40 development subsidy for up to five years from the date of the
41 violation.

42
43 4. Any candidate for nomination or election to any public
44 office in this State, who is determined by the Election Law
45 Enforcement Commission to have willfully and intentionally
46 solicited or accepted a contribution in violation of the provisions of
47 P.L. , c. (C.) (pending before the Legislature as this bill)

1 shall be liable to a penalty for each violation equal to the penalties
2 set forth in subsection e. of section 22 of P.L.1973, c.83 (C.19:44A-
3 22).

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5 5. The Election Law Enforcement Commission shall
6 promulgate rules and regulations pursuant to the "Administrative
7 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to effectuate
8 the purposes of this act.

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10 6. This act shall take effect immediately.

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STATEMENT

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15 This bill prohibits a business, or any holding company or
16 affiliate of the business, or an officer, director, or key or principal
17 employee of the business, from making campaign contributions to
18 candidates for nomination or election to any public office in the
19 State during a period when the business is receiving a development
20 subsidy totaling \$25,000 or more from a State agency or authority.
21 The prohibition does not prohibit any individual who is a candidate
22 for public office in this State from contributing to the individual's
23 own campaign.

24 A violation of this prohibition would be a crime of the fourth
25 degree, except that the amount of a fine may be up to \$200,000, and
26 in the case of a person other than a natural person, the amount of a
27 fine may be up to \$500,000. Further, a recipient business found to
28 have willfully and intentionally made a contribution or failed to
29 reveal a contribution may be liable to a penalty of up to the value of
30 its development subsidy with the State agency, may be ineligible for
31 any remaining amount of the development subsidy, and may be
32 debarred by the State Treasurer from contracting with any State
33 agency or receiving a development subsidy for up to five years.

34 The bill provides that a candidate for nomination or election to
35 any public office in this State who solicits or accepts a political
36 contribution prohibited by the bill is liable to a penalty for each
37 violation as set forth in current law in N.J.S.A.19:44A-22.