

[First Reprint]

SENATE COMMITTEE SUBSTITUTE FOR
SENATE, Nos. 2361, 2397, and 2471

STATE OF NEW JERSEY
216th LEGISLATURE

ADOPTED JANUARY 29, 2015

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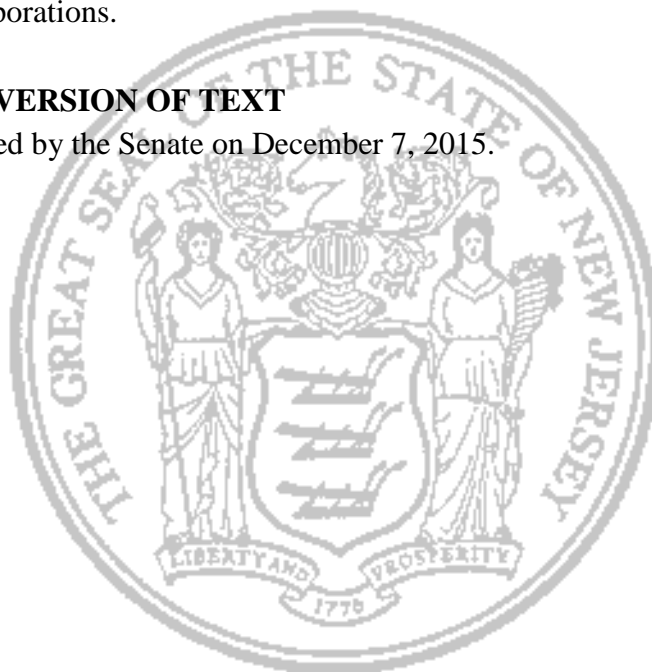
Senator Cruz-Perez

SYNOPSIS

Prohibits award of State contracts and development subsidies to inverted domestic corporations.

CURRENT VERSION OF TEXT

As amended by the Senate on December 7, 2015.



(Sponsorship Updated As Of: 3/17/2015)

1 AN ACT prohibiting the award of State contracts and development
2 subsidies to inverted domestic corporations, supplementing Title
3 52 of the Revised Statutes and amending P.L.2007, c.200.
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:
7

8 1. (New section) As used in this section, “inverted domestic
9 corporation” means a company that has been determined to be an
10 inverted ¹company by the U.S. Department of the Treasury or
11 corporation by¹ the Internal Revenue Service ¹pursuant to subsection
12 (b) of section 7874 of the federal Internal Revenue Code (26
13 U.S.C.s.7874)¹.

14 An inverted domestic corporation shall be ineligible to be awarded
15 any contract or subcontract for the purchase of goods or services, or
16 any contract or subcontract for the construction or renovation of any
17 public building or facility, that is paid, in whole or in part, with or out
18 of State funds or the funds of any independent State authority. Every
19 corporation seeking to be awarded any such contract or subcontract
20 shall certify in writing that it is not an inverted domestic corporation.

21 ¹company that has been barred from performing federal
22 contracts because it has been determined to be an inverted company
23 under federal law shall automatically be deemed to be an inverted
24 domestic corporation for the purposes of this section.¹

25 The provisions of this section shall not apply if application thereof
26 would violate any provision of federal law or prevent the receipt of
27 federal funds by the State or a State independent authority.

28 The State Treasurer shall promulgate, pursuant to the
29 “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.),
30 such rules and regulations as may be necessary to effectuate the
31 purposes of this section.
32

33 2. Section 4 of P.L.2007, c.200 (C.52:39-4) is amended to read as
34 follows:

35 4. a. Each applicant for a development subsidy shall submit to
36 the granting body an application for the development subsidy on a
37 form prepared by the State Treasurer. The information required on the
38 application, or in supplements accompanying the application, shall
39 include the following:

- 40 (1) An application tracking number provided by the granting body;
41 (2) The names, street and mailing addresses, and phone numbers
42 of the chief officer of the granting body, the chief officer of the
43 applicant's corporate parent and the applicant, and the street address

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

Matter enclosed in superscript numerals has been adopted as follows:

¹ Senate floor amendments adopted December 7, 2015.

- 1 and three-digit North American Industry Classification System number
2 of the project site;
- 3 (3) The start date and the end date, if any, of the development
4 subsidy;
- 5 (4) A list of all development subsidies that the applicant is
6 requesting or receiving, the name of any other granting body from
7 which development subsidies are sought or obtained, the value of each
8 development subsidy and the aggregate value of all development
9 subsidies requested or received from all sources;
- 10 (5) A signed certification by the chief officer of the recipient
11 corporation that the application is accurate and meets the requirements
12 of **[this act]** P.L.2007, c.200 (C.52:39-1 et seq.);
- 13 (6) The total number of individuals employed by the applicant at
14 the project site on the date of the application, the anticipated number
15 of jobs that will be retained as a result of the development subsidy and
16 the number of new jobs to be created by the applicant at the project
17 site if the development subsidy is granted, broken down by full-time,
18 part-time, and temporary jobs;
- 19 (7) The average annual wage and benefit rates of current
20 employees and the anticipated average annual wage and benefit rates
21 of new employees;
- 22 (8) The number of current employees provided health benefits, and
23 the number of new employees anticipated to be provided health
24 benefits;
- 25 (9) How many of the current employees and how many of the
26 anticipated new employees are represented by a collective bargaining
27 unit;
- 28 (10) The average total number of individuals employed in New
29 Jersey during the calendar year preceding the submission of the
30 application by the applicant's corporate parent and all subsidiaries
31 thereof, broken down by full-time, part-time, and temporary jobs;
- 32 (11) A statement as to whether the development subsidy may
33 reduce employment at any other site controlled by the applicant or its
34 corporate parent, inside the State, resulting from automation, merger,
35 acquisition, corporate restructuring, or other business activity;
- 36 (12) A statement as to whether or not the project involves the
37 relocation of work from another address and if so, the number of jobs
38 to be relocated and the address from which they are to be relocated;
39 **[and]**
- 40 (13) Any other information deemed useful or necessary by the
41 State Treasurer for the implementation of **[this act]** P.L.2007,
42 c.200 (C.52:39-1 et seq.); and
- 43 (14) A standing certificate attesting to the legal status of the
44 applicant.
- 45 b. Any granting body, other than the State Treasurer approving
46 the application, shall send a copy to the State Treasurer not more than

1 15 business days after approval. If the application is not approved, the
2 granting body shall retain the application.

3 c. A granting body shall not approve an application for a
4 development subsidy if the applicant or its corporate parent became an
5 inverted domestic corporation prior to its application.

6 d. A recipient corporation shall submit to the granting body a
7 standing certificate attesting to the legal status of the recipient
8 corporation one year after receiving a development subsidy and
9 annually throughout the term of the development subsidy.

10 e. If a recipient corporation of a development subsidy becomes an
11 inverted domestic corporation during the term of a development
12 subsidy, the recipient corporation shall pay back the total value of the
13 development subsidy.

14 f. As used in this section, “inverted domestic corporation” means
15 a company that has been determined to be an inverted ¹company by
16 the U.S. Department of the Treasury or ¹corporation by ¹the Internal
17 Revenue Service ¹pursuant to subsection (b) of section 7874 of the
18 federal Internal Revenue Code (26 U.S.C. s.7874)¹ .

19 (cf: P.L.2007, c.200, s.4)

20

21 3. This act shall take effect immediately, but section 2 shall
22 remain inoperative for 60 days following the date of enactment.