ASSEMBLY, No. 2588

STATE OF NEW JERSEY
217th LEGISLATURE

INTRODUCED FEBRUARY 8, 2016

Sponsored by:
Assemblyman REED GUSCIORA
District 15 (Hunterdon and Mercer)

SYNOPSIS
Requires shareholder approval of campaign contributions and certain independent expenditures made by New Jersey corporations.

CURRENT VERSION OF TEXT
As introduced.
AN ACT concerning certain campaign contributions and expenditures made by New Jersey corporations, supplementing Title 14A of the New Jersey Statutes and amending N.J.S.14A:3-4.

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

1. (New section) a. (1) A corporation shall include in its bylaws adequate procedures to ascertain the will of the majority of the shareholders of the corporation regarding contributions to campaign finance entities and independent expenditures for any federal, State or local election that the corporation proposes to make.
   (2) If the majority of the shareholders of a corporation is unable, by law, contract or corporate bylaw, or for any other reason, to participate in a vote to ascertain the will of the majority of the shareholders of the corporation regarding a campaign contribution or such an independent expenditure the corporation proposes to make, the corporation shall not make the campaign contribution or independent expenditure.
   b. The distribution of a news story, commentary, editorial, book, or documentary in the ordinary course of business by a press organization owned or controlled by a corporation shall not be considered a contribution to a campaign finance entity or an independent expenditure for the purposes of subsection a. of this section.
   c. As used in this section, “campaign finance entity” means an entity established to support or oppose, directly or indirectly:
      (1) the candidacy of a person for nomination for election, or for election, to elective public office in this State, any other state, the District of Columbia, any United States territory, or any political subdivision thereof;
      (2) the candidacy of a person for nomination for election, or for election, to any federal public office; or
      (3) a public question in this State or any other state, the District of Columbia, any United States territory, or any political subdivision thereof.

2. N.J.S.14A:3-4 is amended to read as follows:
   14A:3-4. Contributions by corporations.
   (1) Any corporation organized for any purpose under any general or special law of this State, unless otherwise provided in its certificate of incorporation or by-laws, shall have power, irrespective of corporate benefit, to aid, singly or in cooperation

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.
with other corporations and with natural persons, in the creation or
maintenance of institutions or organizations engaged in community
fund, hospital, charitable, philanthropic, educational, scientific or
benevolent activities or patriotic or civic activities conducive to the
betterment of social and economic conditions, and, subject to the
provisions of section 1 of P.L. , c. (C. ) (pending before the
Legislature as this bill), the board may authorize the making of
contributions for those purposes in money, securities, including
shares of the corporation, or other property, in such reasonable
amounts as the board may determine; provided, that a contribution
shall not be authorized hereunder if at the time of the contribution
or immediately thereafter the donee institution shall own more than
10% of the voting stock of the donor corporation or one of its
subsidiaries.

(2) The provisions of this section shall not be construed as
directly or indirectly minimizing or interpreting the rights and
powers of corporations, as heretofore existing, with reference to
appropriations, expenditures or contributions of the nature above
specified.
(cf. P.L.1988, c.94, s.12)

3. This act shall take effect on the 180th day next following
enactment.

STATEMENT

This bill concerns campaign contributions and independent
expenditures made by New Jersey corporations.
Specifically, the bill requires a New Jersey corporation to
include in its bylaws procedures for ascertaining the will of the
majority of the shareholders of the corporation regarding
contributions to campaign finance entities and independent
expenditures for any federal, State or local election that the
corporation proposes to make and prohibits the corporation from
making such a contribution if a majority of the shareholders cannot
by law, contract or corporate bylaw, or for any other reason,
participate in such a vote.

The bill also provides that the distribution of a news story,
commentary, editorial, book, or documentary in the ordinary course
of business by a press organization owned or controlled by a New
Jersey corporation shall not be considered a contribution to a
campaign finance entity or an independent expenditure for the
purposes of the bill.

The bill defines “campaign finance entity” as an entity
established to support or oppose, directly or indirectly:
(1) the candidacy of a person for public office in this State, any other state, the District of Columbia, any United States territory, or a political subdivision thereof;

(2) the candidacy of a person for election to any federal public office;

(3) a public question in this State or any other state, the District of Columbia, any United States territory, or any political subdivision thereof.