

# ASSEMBLY, No. 5892

## STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED JUNE 9, 2021

**Sponsored by:**

**Assemblywoman SHAVONDA E. SUMTER**

**District 35 (Bergen and Passaic)**

**Senator FRED H. MADDEN, JR.**

**District 4 (Camden and Gloucester)**

**Senator JOSEPH A. LAGANA**

**District 38 (Bergen and Passaic)**

**Co-Sponsored by:**

**Assemblyman Verrelli, Assemblywoman Murphy, Senators Singleton,  
Greenstein and Turner**

**SYNOPSIS**

Streamlines identification of employee misclassification.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 6/30/2021)**

1 AN ACT concerning employee misclassification and insurance fraud  
2 and amending various parts of the statutory law.

3

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

6

7 1. Section 3 of P.L.1983, c.320 (C.17:33A-3) is amended to  
8 read as follows:

9 3. As used in this act:

10 "Attorney General" means the Attorney General of New Jersey  
11 or his designated representatives.

12 "Bureau" means the Bureau of Fraud Deterrence established by  
13 section 8 of P.L.1983, c.320 (C.17:33A-8).

14 "Commissioner" means the Commissioner of Banking and  
15 Insurance.

16 "Hospital" means any general hospital, mental hospital,  
17 convalescent home, nursing home or any other institution, whether  
18 operated for profit or not, which maintains or operates facilities for  
19 health care.

20 "Insurance company" means:

21 a. Any corporation, association, partnership, reciprocal  
22 exchange, interinsurer, Lloyd's insurer, fraternal benefit society or  
23 other person engaged in the business of insurance pursuant to  
24 Subtitle 3 of Title 17 of the Revised Statutes (R.S.17:17-1 et seq.),  
25 or Subtitle 3 of Title 17B of the New Jersey Statutes (N.J.S.17B:17-  
26 1 et seq.);

27 b. Any medical service corporation operating pursuant to  
28 P.L.1940, c.74 (C.17:48A-1 et seq.);

29 c. Any hospital service corporation operating pursuant to  
30 P.L.1938, c.366 (C.17:48-1 et seq.);

31 d. Any health service corporation operating pursuant to  
32 P.L.1985, c.236 (C.17:48E-1 et seq.);

33 e. Any dental service corporation operating pursuant to  
34 P.L.1968, c.305 (C.17:48C-1 et seq.);

35 f. Any dental plan organization operating pursuant to  
36 P.L.1979, c.478 (C.17:48D-1 et seq.);

37 g. Any insurance plan operating pursuant to P.L.1970, c.215  
38 (C.17:29D-1);

39 h. The New Jersey Insurance Underwriting Association  
40 operating pursuant to P.L.1968, c.129 (C.17:37A-1 et seq.); **[and]**

41 i. (Deleted by amendment, P.L.2010, c.32)

**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 j. Any risk retention group or purchasing group operating  
2 pursuant to the "Liability Risk Retention Act of 1986," 15  
3 U.S.C.s.3901 et seq.; and

4 k. Any health maintenance organization operating pursuant to  
5 P.L.1973, c.337 (C.26:2J-1 et seq.).

6 "Pattern" means five or more related violations of P.L.1983,  
7 c.320 (C.17:33A-1 et seq.). Violations are related if they involve  
8 either the same victim, or same or similar actions on the part of the  
9 person or practitioner charged with violating P.L.1983, c.320  
10 (C.17:33A-1 et seq.).

11 "Person" means a person as defined in R.S.1:1-2, and shall  
12 include, unless the context otherwise requires, a practitioner.

13 "Principal residence" means that residence at which a person  
14 spends the majority of his time. Principal residence may be an  
15 abode separate and distinct from a person's domicile. Mere  
16 seasonal or weekend residence within this State does not constitute  
17 principal residence within this State.

18 "Practitioner" means a licensee of this State authorized to  
19 practice medicine and surgery, psychology, chiropractic, or law or  
20 any other licensee of this State whose services are compensated,  
21 directly or indirectly, by insurance proceeds, or a licensee similarly  
22 licensed in other states and nations or the practitioner of any  
23 nonmedical treatment rendered in accordance with a recognized  
24 religious method of healing.

25 "Producer" means an insurance producer as defined in section 3  
26 of P.L.2001, c.210 (C.17:22A-28), licensed to transact the business  
27 of insurance in this State pursuant to the provisions of the "New  
28 Jersey Insurance Producer Licensing Act of 2001," P.L.2001, c.210  
29 (C.17:22A-26 et seq.).

30 "Statement" includes, but is not limited to, any application,  
31 writing, notice, expression, statement, proof of loss, bill of lading,  
32 receipt, invoice, account, estimate of property damage, bill for  
33 services, diagnosis, prescription, hospital or physician record, X-  
34 ray, test result or other evidence of loss, injury or expense.

35 (cf: P.L.2010, c.32, s.2)

36

37 2. Section 4 of P.L.1983, c.320 (C.17:33A-4) is amended to  
38 read as follows:

39 4. a. A person or a practitioner violates this act if he:

40 (1) Presents or causes to be presented any written or oral  
41 statement as part of, or in support of or opposition to, a claim for  
42 payment or other benefit pursuant to an insurance policy or the  
43 "Unsatisfied Claim and Judgment Fund Law," P.L.1952, c.174  
44 (C.39:6-61 et seq.), knowing that the statement contains any false or  
45 misleading information concerning any fact or thing material to the  
46 claim; or

1 (2) Prepares or makes any written or oral statement that is  
2 intended to be presented to any insurance company, the Unsatisfied  
3 Claim and Judgment Fund, or any claimant thereof in connection  
4 with, or in support of or opposition to any claim for payment or  
5 other benefit pursuant to an insurance policy or the "Unsatisfied  
6 Claim and Judgment Fund Law," P.L.1952, c.174 (C.39:6-61 et  
7 seq.), knowing that the statement contains any false or misleading  
8 information concerning any fact or thing material to the claim; or

9 (3) Conceals or knowingly fails to disclose the occurrence of an  
10 event which affects any person's initial or continued right or  
11 entitlement to (a) any insurance benefit or payment or (b) the  
12 amount of any benefit or payment to which the person is entitled;

13 (4) Prepares or makes any written or oral statement, intended to  
14 be presented to any insurance company or producer for the purpose  
15 of obtaining:

16 (a) a motor vehicle insurance policy, that the person to be  
17 insured maintains a principal residence in this State when, in fact,  
18 that person's principal residence is in a state other than this State; or

19 (b) an insurance policy, knowing that the statement contains any  
20 false or misleading information concerning any fact or thing  
21 material to an insurance application or contract;

22 (5) Conceals or knowingly fails to disclose any evidence,  
23 written or oral, which may be relevant to a finding that a violation  
24 of the provisions of paragraph (4) of this subsection a. has or has  
25 not occurred; or

26 (6) Prepares, presents or causes to be presented to any insurer or  
27 other person, or demands or requires the issuance of, a certificate of  
28 insurance that contains any false or misleading information  
29 concerning the policy of insurance to which the certificate makes  
30 reference, or assists, abets, solicits or conspires with another to do  
31 any of these acts. As used in this paragraph, "certificate of  
32 insurance" means a document or instrument, regardless of how  
33 titled or described, that is, or purports to be, prepared or issued by  
34 an insurer or insurance producer as evidence of property or casualty  
35 insurance coverage. The term shall not include a policy of  
36 insurance, insurance binder, policy endorsement, or automobile  
37 insurance identification or information card.

38 b. A person or practitioner violates this act if he knowingly  
39 assists, conspires with, or urges any person or practitioner to violate  
40 any of the provisions of this act.

41 c. A person or practitioner violates this act if, due to the  
42 assistance, conspiracy or urging of any person or practitioner, he  
43 knowingly benefits, directly or indirectly, from the proceeds  
44 derived from a violation of this act.

45 d. A person or practitioner who is the owner, administrator or  
46 employee of any hospital violates this act if he knowingly allows  
47 the use of the facilities of the hospital by any person in furtherance

1 of a scheme or conspiracy to violate any of the provisions of this  
2 act.

3 e. A person or practitioner violates this act if, for pecuniary  
4 gain, for himself or another, he directly or indirectly solicits any  
5 person or practitioner to engage, employ or retain either himself or  
6 any other person to manage, adjust or prosecute any claim or cause  
7 of action, against any person, for damages for negligence, or, for  
8 pecuniary gain, for himself or another, directly or indirectly solicits  
9 other persons to bring causes of action to recover damages for  
10 personal injuries or death, or for pecuniary gain, for himself or  
11 another, directly or indirectly solicits other persons to make a claim  
12 for personal injury protection benefits pursuant to P.L.1972, c.70  
13 (C.39:6A-1 et seq.); provided, however, that this subsection shall  
14 not apply to any conduct otherwise permitted by law or by rule of  
15 the Supreme Court.

16 f. A person who operates a motor vehicle on the public  
17 highways of this State, which motor vehicle is insured by a policy  
18 issued under the laws of another state, and who maintains a  
19 principal residence in this State or who has his motor vehicle  
20 principally garaged in this State violates the provisions of P.L.1983,  
21 c.320 (C.17:33A-1 et seq.) if he has knowingly prepared or made  
22 any written or oral statement, presented to any insurance company  
23 or producer licensed to transact the business of insurance under the  
24 laws of that other state, and which resulted in obtaining a motor  
25 vehicle insurance policy for his motor vehicle in that other state,  
26 that the person to be insured:

27 (1) Maintains a principal residence in the other state when, in  
28 fact, that person's principal residence is in this State; or

29 (2) Has his vehicle principally garaged in the other state, when,  
30 in fact, that person has his motor vehicle principally garaged in this  
31 State.

32 This subsection shall not apply to a person who insures a vehicle  
33 in another state, as permitted by and in accordance with the laws of  
34 that state, based on a second residence, or attendance at an  
35 educational institution, in that other state, if in obtaining the policy  
36 the person truthfully discloses to the insurance company or  
37 producer the state of the person's principal residence and the state  
38 where the vehicle is principally garaged.

39 g. A person, organization, or business violates the provisions of  
40 P.L.1983, c.320 (C.17:33A-1 et seq.) if such person, organization,  
41 or business purposely or knowingly:

42 (1) Makes a false or misleading statement, representation, or  
43 submission, including failing to properly classify employees in  
44 violation of state wage, benefit and tax laws as defined in section 1  
45 of P.L.2009, c.194 (C.34:1A-1.11), for the purpose of evading the  
46 full payment of insurance benefits or premiums; or

1       (2) Coerces, solicits, or encourages, or employs, contracts, or  
2 otherwise conspires with a person to coerce, solicit, or encourage,  
3 any individual to make a false or misleading statement,  
4 representation or submission concerning any fact that is material to  
5 a claim for insurance benefits, or the payment of insurance benefits  
6 or insurance premiums, for the purpose of wrongfully obtaining the  
7 benefits or of evading the full payment of the insurance benefits or  
8 insurance premiums.

9 (cf: P.L.2015, c.195, s.10)

10

11       3. Section 5 of P.L.1983, c.320 (C.17:33A-5) is amended to  
12 read as follows:

13       5. a. Whenever the commissioner determines that a person has  
14 violated any provision of P.L.1983, c.320 (C.17:33A-1 et seq.), the  
15 commissioner may either:

16       (1) bring a civil action in accordance with subsection b. of this  
17 section; or

18       (2) levy a civil administrative penalty and order restitution in  
19 accordance with subsection c. of this section.

20       In addition to or as an alternative to the remedies provided in this  
21 section, the commissioner may request the Attorney General to  
22 bring a criminal action under applicable criminal statutes.  
23 Additionally, nothing in this section shall be construed to preclude  
24 the commissioner from referring the matter to appropriate state  
25 licensing authorities, including the insurance producer licensing  
26 section in the Department of Banking and Insurance, for  
27 consideration of licensing actions, including license suspension or  
28 revocation.

29       b. Any person who violates any provision of P.L.1983, c.320  
30 (C.17:33A-1 et seq.) shall be liable, in a civil action brought by the  
31 commissioner in a court of competent jurisdiction, for a penalty of  
32 not more than \$5,000 for the first violation, \$10,000 for the second  
33 violation and \$15,000 for each subsequent violation, provided that  
34 if the person violates section 4 of P.L.1983, c.320 (C.17:33A-4) the  
35 penalty shall be \$5,000 for the first violation, \$10,000 for the  
36 second violation and \$15,000 for each subsequent violation. The  
37 penalty shall be paid to the commissioner to be used in accordance  
38 with subsection e. of this section. The court shall also award court  
39 costs and reasonable attorneys' fees to the commissioner.

40       c. The commissioner is authorized to assess a civil and  
41 administrative penalty of not more than \$5,000 for the first  
42 violation, \$10,000 for the second violation and \$15,000 for each  
43 subsequent violation of any provision of P.L.1983, c.320  
44 (C.17:33A-1 et seq.) and to order restitution to any insurance  
45 company or other person who has suffered a loss as a result of a  
46 violation of P.L.1983, c.320 (C.17:33A-1 et seq.), provided that if  
47 the provision violated was subsection g. of section 4 of P.L.1983,

1 c.320 (C.17:33A-4), the commissioner shall assess a civil and  
2 administrative penalty of \$5,000 for the first violation, \$10,000 for  
3 the second violation and \$15,000 for each subsequent violation and  
4 shall order restitution to any insurance company or other person  
5 who has suffered a loss as a result of a violation of subsection g. of  
6 section 4 of P.L.1983, c.320 (C.17:33A-1 et seq.) . No assessment  
7 shall be levied pursuant to this subsection until the violator has been  
8 notified by certified mail or personal service. The notice shall  
9 contain a concise statement of facts providing the basis for the  
10 determination of a violation of P.L.1983, c.320 (C.17:33A-1 et  
11 seq.), the provisions of that act violated, a statement of the amount  
12 of civil penalties assessed and a statement of the party's right to a  
13 hearing in accordance with the "Administrative Procedure Act,"  
14 P.L.1968, c.410 (C.52:14B-1 et seq.). The noticed party shall have  
15 20 calendar days from receipt of the notice within which to deliver  
16 to the commissioner a written request for a hearing containing an  
17 answer to the statement of facts contained in the notice. After the  
18 hearing and upon a finding that a violation has occurred, the  
19 commissioner may issue a final order assessing up to the amount of  
20 the penalty in the notice, restitution, and costs of prosecution,  
21 including attorneys' fees. If no hearing is requested, the notice shall  
22 become a final order after the expiration of the 20-day period.  
23 Payment of the assessment is due when a final order is issued or the  
24 notice becomes a final order.

25 Any penalty imposed pursuant to this subsection may be  
26 collected with costs in a summary proceeding pursuant to "the  
27 penalty enforcement law," N.J.S.2A:58-1 et seq. The Superior  
28 Court shall have jurisdiction to enforce the provisions of the "the  
29 penalty enforcement law" in connection with P.L.1983, c.320  
30 (C.17:33A-1 et seq.). Any penalty collected pursuant to this  
31 subsection shall be used in accordance with subsection e. of this  
32 section.

33 d. Nothing in this section shall be construed to prohibit the  
34 commissioner and the person or practitioner alleged to be guilty of  
35 a violation of this act from entering into a written agreement in  
36 which the person or practitioner does not admit or deny the charges  
37 but consents to payment of the civil penalty. A consent agreement  
38 may contain a provision that it shall not be used in a subsequent  
39 civil or criminal proceeding relating to any violation of this act, but  
40 notification thereof shall be made to a licensing authority in the  
41 same manner as required pursuant to subsection c. of section 10 of  
42 P.L.1983, c.320 (C.17:33A-10). The existence of a consent  
43 agreement under this subsection shall not preclude any licensing  
44 authority from taking appropriate administrative action against a  
45 licensee over which it has regulatory authority, nor shall such a  
46 consent agreement preclude referral to law enforcement for  
47 consideration of criminal prosecution.

1 e. The New Jersey Automobile Full Insurance Underwriting  
2 Association and Market Transition Facility Auxiliary Fund  
3 (hereinafter referred to as the "fund") is established as a nonlapsing,  
4 revolving fund into which shall be deposited all revenues from the  
5 civil penalties imposed pursuant to this section. Interest received on  
6 moneys in the fund shall be credited to the fund. The fund shall be  
7 administered by the Commissioner of Banking and Insurance and  
8 shall be used to help defray the operating expenses of the New  
9 Jersey Automobile Full Insurance Underwriting Association created  
10 pursuant to P.L.1983, c.65 (C.17:30E-1 et seq.) or shall be used to  
11 help defray the operating expenses of the Market Transition Facility  
12 created pursuant to section 88 of P.L.1990, c.8 (C.17:33B-11).  
13 (cf: P.L.1997, c.151, s.4)

14

15 4. Section 9 of P.L.1983, c.320 (C.17:33A-9) is amended to  
16 read as follows:

17 9. a. (1) Any person who believes that a violation of this act  
18 has been or is being made shall notify the bureau and the Office of  
19 the Insurance Fraud Prosecutor immediately after discovery of the  
20 alleged violation of this act and shall send to the bureau and office,  
21 on a form and in a manner jointly prescribed by the commissioner  
22 and the Insurance Fraud Prosecutor, the information requested and  
23 such additional information relative to the alleged violation as the  
24 bureau or office may require. The bureau and the office shall  
25 jointly review the reports and select those alleged violations as may  
26 require further investigation by the office for possible criminal  
27 prosecution, and those that may warrant investigation and possible  
28 civil action or enforcement proceeding by the bureau in lieu of or in  
29 addition to criminal prosecution. The bureau and office may  
30 consult, as necessary, the Department of Labor and Workforce  
31 Development to assist with the investigation of the failure to  
32 properly classify employees in violation of any provision of State  
33 wage, benefit and tax laws as defined in section 1 of P.L.2009,  
34 c.194 (C.34:1A-1.11) for the purpose of wrongfully obtaining the  
35 benefits or of evading the full payment of the insurance benefits or  
36 insurance premiums. The Insurance Fraud Prosecutor and the  
37 assistant commissioner shall meet monthly to ensure that reports are  
38 handled in an expedited fashion.

39 (2) Whenever the Bureau of Fraud Deterrence or any employee  
40 of the bureau obtains information or evidence of a reasonable  
41 possibility of criminal wrongdoing not previously known or  
42 disclosed to the Office of the Insurance Fraud Prosecutor, the  
43 bureau shall immediately refer that information or evidence to that  
44 office. In determining whether a referral to the office is appropriate,  
45 the bureau shall utilize appropriate levels of internal review, which  
46 shall include but not be limited to approval at the assistant  
47 commissioner level. Upon referral, the bureau shall provide the



1 office with all documents related to the referral consistent with  
2 section 39 of P.L.1998, c.21 (C.17:33A-23).

3 b. No person shall be subject to civil liability for libel,  
4 violation of privacy or otherwise by virtue of the filing of reports or  
5 furnishing of other information, in good faith and without malice,  
6 required by this section or required by the bureau or the Office of  
7 the Insurance Fraud Prosecutor as a result of the authority conferred  
8 upon it by law.

9 c. The commissioner may, by regulation, require insurance  
10 companies licensed to do business in this State to keep such records  
11 and other information as he deems necessary for the effective  
12 enforcement of this act.

13 (cf: P.L.2010, c.32, s.4)

14

15 5. R.S.54:50-8 is amended to read as follows:

16 54:50-8. a. The records and files of the director respecting the  
17 administration of the State Uniform Tax Procedure Law or of any  
18 State tax law shall be considered confidential and privileged and  
19 neither the director nor any employee engaged in the administration  
20 thereof or charged with the custody of any such records or files, nor  
21 any former officer or employee, nor any person who may have  
22 secured information therefrom under subsection d., e., f., g., p., q.,  
23 **[or]** r., or s. of R.S.54:50-9 or any other provision of State law,  
24 shall divulge, disclose, use for their own personal advantage, or  
25 examine for any reason other than a reason necessitated by the  
26 performance of official duties any information obtained from the  
27 said records or files or from any examination or inspection of the  
28 premises or property of any person. Neither the director nor any  
29 employee engaged in such administration or charged with the  
30 custody of any such records or files shall be required to produce any  
31 of them for the inspection of any person or for use in any action or  
32 proceeding except when the records or files or the facts shown  
33 thereby are directly involved in an action or proceeding under the  
34 provisions of the State Uniform Tax Procedure Law or of the State  
35 tax law affected, or where the determination of the action or  
36 proceeding will affect the validity or amount of the claim of the  
37 State under some State tax law, or in any lawful proceeding for the  
38 investigation and prosecution of any violation of the criminal  
39 provisions of the State Uniform Tax Procedure Law or of any State  
40 tax law.

41 b. The prohibitions of this section, against unauthorized  
42 disclosure, use or examination by any present or former officer or  
43 employee of this State or any other individual having custody of  
44 such information obtained pursuant to the explicit authority of State  
45 law, shall specifically include, without limitation, violations  
46 involving the divulgence or examination of any information from or

1 any copy of a federal return or federal return information required  
2 by New Jersey law to be attached to or included in any New Jersey  
3 return. Any person violating this section by divulging, disclosing or  
4 using information shall be guilty of a crime of the fourth degree.  
5 Any person violating this section by examining records or files for  
6 any reason other than a reason necessitated by the performance of  
7 official duties shall be guilty of a disorderly persons offense.

8 c. Whenever records and files are used in connection with the  
9 prosecution of any person for violating the provisions of this section  
10 by divulging, disclosing or using records or files or examining  
11 records and files for any reason other than a reason necessitated by  
12 the performance of official duties, the defendant shall be given  
13 access to those records and files. The court shall review such  
14 records and files in camera, and that portion of the court record  
15 containing the records and files shall be sealed by the court.

16 (cf: P.L.2020, c.156, s.125)

17

18 6. R.S.54:50-9 is amended to read as follows:

19 54:50-9. Nothing herein contained shall be construed to prevent:

20 a. The delivery to a taxpayer or the taxpayer's duly authorized  
21 representative of a copy of any report or any other paper filed by  
22 the taxpayer pursuant to the provisions of this subtitle or of any  
23 such State tax law;

24 b. The publication of statistics so classified as to prevent the  
25 identification of a particular report and the items thereof;

26 c. The director, in the director's discretion and subject to  
27 reasonable conditions imposed by the director, from disclosing the  
28 name and address of any licensee under any State tax law, unless  
29 expressly prohibited by such State tax law;

30 d. The inspection by the Attorney General or other legal  
31 representative of this State of the reports or files relating to the  
32 claim of any taxpayer who shall bring an action to review or set  
33 aside any tax imposed under any State tax law or against whom an  
34 action or proceeding has been instituted in accordance with the  
35 provisions thereof;

36 e. The examination of said records and files by the  
37 Comptroller, State Auditor or State Commissioner of Finance, or by  
38 their respective duly authorized agents;

39 f. The furnishing, at the discretion of the director, of any  
40 information contained in tax reports or returns or any audit thereof  
41 or the report of any investigation made with respect thereto, filed  
42 pursuant to the tax laws, to the taxing officials of any other state,  
43 the District of Columbia, the United States and the territories  
44 thereof, providing said jurisdictions grant like privileges to this  
45 State and providing such information is to be used for tax purposes  
46 only;

- 1 g. The furnishing, at the discretion of the director, of any  
2 material information disclosed by the records or files to any law  
3 enforcing authority of this State who shall be charged with the  
4 investigation or prosecution of any violation of the criminal  
5 provisions of this subtitle or of any State tax law;
- 6 h. The furnishing by the director to the State agency  
7 responsible for administering the Child Support Enforcement  
8 program pursuant to Title IV-D of the federal Social Security Act,  
9 Pub.L.93-647 (42 U.S.C. s.651 et seq.), with the names, home  
10 addresses, social security numbers and sources of income and assets  
11 of all absent parents who are certified by that agency as being  
12 required to pay child support, upon request by the State agency and  
13 pursuant to procedures and in a form prescribed by the director;
- 14 i. The furnishing by the director to the Board of Public  
15 Utilities any information contained in tax information statements,  
16 reports or returns or any audit thereof or a report of any  
17 investigation made with respect thereto, as may be necessary for the  
18 administration of P.L.1991, c.184 (C.54:30A-18.6 et al.) and  
19 P.L.1997, c.162 (C.54:10A-5.25 et al.);
- 20 j. The furnishing by the director to the Director of the Division  
21 of Alcoholic Beverage Control in the Department of Law and  
22 Public Safety any information contained in tax information  
23 statements, reports or returns or any audit thereof or a report of any  
24 investigation made with respect thereto, as may be relevant, in the  
25 discretion of the director, in any proceeding conducted for the  
26 issuance, suspension or revocation of any license authorized  
27 pursuant to Title 33 of the Revised Statutes;
- 28 k. The inspection by the Attorney General or other legal  
29 representative of this State of the reports or files of any tobacco  
30 product manufacturer, as defined in section 2 of P.L.1999, c.148  
31 (C.52:4D-2), for any period in which that tobacco product  
32 manufacturer was not or is not in compliance with subsection a. of  
33 section 3 of P.L.1999, c.148 (C.52:4D-3), or of any licensed  
34 distributor as defined in section 102 of P.L.1948, c.65 (C.54:40A-  
35 2), for the purpose of facilitating the administration of the  
36 provisions of P.L.1999, c.148 (C.52:4D-1 et seq.);
- 37 l. The furnishing, at the discretion of the director, of  
38 information as to whether a contractor or subcontractor holds a  
39 valid business registration as defined in section 1 of P.L.2001, c.134  
40 (C.52:32-44);
- 41 m. The furnishing by the director to a State agency as defined in  
42 section 1 of P.L.1995, c.158 (C.54:50-24) the names of licensees  
43 subject to suspension for non-payment of State tax indebtedness  
44 pursuant to P.L.2004, c.58 (C.54:50-26.1 et al.);
- 45 n. The release to the United States Department of the Treasury,  
46 Bureau of Financial Management Service, or its successor of  
47 relevant taxpayer information for purposes of implementing a

1 reciprocal collection and offset of indebtedness agreement entered  
2 into between the State of New Jersey and the federal government  
3 pursuant to section 1 of P.L.2006, c.32 (C.54:49-12.7);

4 o. The examination of said records and files by the  
5 Commissioner of Health and Senior Services, the Commissioner of  
6 Human Services, the Medicaid Inspector General, or their  
7 respective duly authorized agents, pursuant to section 5 of  
8 P.L.2007, c.217 (C.26:2H-18.60e), section 3 of P.L.1968, c.413  
9 (C.30:4D-3), or section 5 of P.L.2005, c.156 (C.30:4J-12);

10 p. The furnishing at the discretion of the director of employer  
11 provided wage and tax withholding information contained in tax  
12 reports or returns filed pursuant to N.J.S.54A:7-2, 54A:7-4 and  
13 54A:7-7, to the designated municipal officer of a municipality  
14 authorized to impose an employer payroll tax pursuant to the  
15 provisions of Article 5 (Employer Payroll Tax) of the "Local Tax  
16 Authorization Act," P.L.1970, c.326 (C.40:48C-14 et seq.), for the  
17 limited purpose of verifying the payroll information reported by  
18 employers subject to the employer payroll tax;

19 q. The furnishing by the director to the Commissioner of Labor  
20 and Workforce Development of any information, including, but not  
21 limited to, tax information statements, reports, audit files, returns,  
22 or reports of any investigation for the purpose of labor market  
23 research or assisting in investigations pursuant to any State wage,  
24 benefit or tax law as enumerated in section 1 of P.L.2009, c.194  
25 (C.34:1A-1.11); or pursuant to P.L.1940, c.153 (C.34:2-21.1 et  
26 seq.).

27 r. The furnishing by the director to the New Jersey Economic  
28 Development Authority any information contained in tax  
29 information statements, reports or returns, or any audit thereof or a  
30 report of any investigation made with respect thereto, as may be  
31 relevant to assist the authority in the implementation of programs  
32 through which grants, loans, tax credits, or other forms of financial  
33 assistance are provided. The director shall provide to the New  
34 Jersey Economic Development Authority, upon request, such  
35 information.

36 s. The furnishing by the director to the Commissioner of  
37 Banking and Insurance of any information, including, but not  
38 limited to, tax information statements, reports, audit files, returns,  
39 or reports of any investigation for the purpose of assisting in  
40 investigations pursuant to any insurance fraud investigation as  
41 enumerated in P.L.1983, c.320 (C.17:33A-1 et seq.).

42 (cf: P.L.2020, c.156, s.126)

43

44 7. This bill shall take effect on the first day of the sixth month  
45 next following the date of enactment.

1 STATEMENT

2  
3 This bill streamlines the identification of employee  
4 misclassification. Specifically, the bill makes misclassifying  
5 employees for the purpose of evading payment of insurance  
6 premiums a violation of the New Jersey Insurance Fraud Prevention  
7 Act. Additionally, the bill specifies penalties for fraud when a  
8 misclassification occurs. The bill provides additional resources to  
9 DOBI to investigate misclassification as a violation of the New  
10 Jersey Insurance Fraud Prevention Act, including consultation by  
11 the Bureau of Fraud Deterrence with the Department of Labor and  
12 Workforce Development and the authorization of the release of tax  
13 information to the Commissioner of Banking and Insurance for the  
14 purpose of insurance fraud investigations.