

SENATE, No. 3922

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED JUNE 10, 2021

Sponsored by:

Senator FRED H. MADDEN, JR.

District 4 (Camden and Gloucester)

Senator JOSEPH A. LAGANA

District 38 (Bergen and Passaic)

Co-Sponsored by:

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)

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

45 k. Any health maintenance organization operating pursuant to

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 P.L.1973, c.337 (C.26:2J-1 et seq.).

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

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

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

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

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

26 "Statement" includes, but is not limited to, any application,
27 writing, notice, expression, statement, proof of loss, bill of lading,
28 receipt, invoice, account, estimate of property damage, bill for
29 services, diagnosis, prescription, hospital or physician record, X-
30 ray, test result or other evidence of loss, injury or expense.
31 (cf: P.L.2010, c.32, s.2)

32

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

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

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

43 (2) Prepares or makes any written or oral statement that is
44 intended to be presented to any insurance company, the Unsatisfied
45 Claim and Judgment Fund, or any claimant thereof in connection
46 with, or in support of or opposition to any claim for payment or
47 other benefit pursuant to an insurance policy or the "Unsatisfied
48 Claim and Judgment Fund Law," P.L.1952, c.174 (C.39:6-61 et

- 1 seq.), knowing that the statement contains any false or misleading
2 information concerning any fact or thing material to the claim; or
- 3 (3) Conceals or knowingly fails to disclose the occurrence of an
4 event which affects any person's initial or continued right or
5 entitlement to (a) any insurance benefit or payment or (b) the
6 amount of any benefit or payment to which the person is entitled;
- 7 (4) Prepares or makes any written or oral statement, intended to
8 be presented to any insurance company or producer for the purpose
9 of obtaining:
- 10 (a) a motor vehicle insurance policy, that the person to be
11 insured maintains a principal residence in this State when, in fact,
12 that person's principal residence is in a state other than this State; or
- 13 (b) an insurance policy, knowing that the statement contains any
14 false or misleading information concerning any fact or thing
15 material to an insurance application or contract;
- 16 (5) Conceals or knowingly fails to disclose any evidence,
17 written or oral, which may be relevant to a finding that a violation
18 of the provisions of paragraph (4) of this subsection a. has or has
19 not occurred; or
- 20 (6) Prepares, presents or causes to be presented to any insurer or
21 other person, or demands or requires the issuance of, a certificate of
22 insurance that contains any false or misleading information
23 concerning the policy of insurance to which the certificate makes
24 reference, or assists, abets, solicits or conspires with another to do
25 any of these acts. As used in this paragraph, "certificate of
26 insurance" means a document or instrument, regardless of how
27 titled or described, that is, or purports to be, prepared or issued by
28 an insurer or insurance producer as evidence of property or casualty
29 insurance coverage. The term shall not include a policy of
30 insurance, insurance binder, policy endorsement, or automobile
31 insurance identification or information card.
- 32 b. A person or practitioner violates this act if he knowingly
33 assists, conspires with, or urges any person or practitioner to violate
34 any of the provisions of this act.
- 35 c. A person or practitioner violates this act if, due to the
36 assistance, conspiracy or urging of any person or practitioner, he
37 knowingly benefits, directly or indirectly, from the proceeds
38 derived from a violation of this act.
- 39 d. A person or practitioner who is the owner, administrator or
40 employee of any hospital violates this act if he knowingly allows
41 the use of the facilities of the hospital by any person in furtherance
42 of a scheme or conspiracy to violate any of the provisions of this
43 act.
- 44 e. A person or practitioner violates this act if, for pecuniary
45 gain, for himself or another, he directly or indirectly solicits any
46 person or practitioner to engage, employ or retain either himself or
47 any other person to manage, adjust or prosecute any claim or cause
48 of action, against any person, for damages for negligence, or, for
49 pecuniary gain, for himself or another, directly or indirectly solicits

1 other persons to bring causes of action to recover damages for
2 personal injuries or death, or for pecuniary gain, for himself or
3 another, directly or indirectly solicits other persons to make a claim
4 for personal injury protection benefits pursuant to P.L.1972, c.70
5 (C.39:6A-1 et seq.); provided, however, that this subsection shall
6 not apply to any conduct otherwise permitted by law or by rule of
7 the Supreme Court.

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

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

21 (2) Has his vehicle principally garaged in the other state, when,
22 in fact, that person has his motor vehicle principally garaged in this
23 State.

24 This subsection shall not apply to a person who insures a vehicle
25 in another state, as permitted by and in accordance with the laws of
26 that state, based on a second residence, or attendance at an
27 educational institution, in that other state, if in obtaining the policy
28 the person truthfully discloses to the insurance company or
29 producer the state of the person's principal residence and the state
30 where the vehicle is principally garaged.

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

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

39 (2) Coerces, solicits, or encourages, or employs, contracts, or
40 otherwise conspires with a person to coerce, solicit, or encourage,
41 any individual to make a false or misleading statement,
42 representation or submission concerning any fact that is material to
43 a claim for insurance benefits, or the payment of insurance benefits
44 or insurance premiums, for the purpose of wrongfully obtaining the
45 benefits or of evading the full payment of the insurance benefits or
46 insurance premiums.

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

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

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

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

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

8 In addition to or as an alternative to the remedies provided in this
9 section, the commissioner may request the Attorney General to
10 bring a criminal action under applicable criminal statutes.
11 Additionally, nothing in this section shall be construed to preclude
12 the commissioner from referring the matter to appropriate state
13 licensing authorities, including the insurance producer licensing
14 section in the Department of Banking and Insurance, for
15 consideration of licensing actions, including license suspension or
16 revocation.

17 b. Any person who violates any provision of P.L.1983, c.320
18 (C.17:33A-1 et seq.) shall be liable, in a civil action brought by the
19 commissioner in a court of competent jurisdiction, for a penalty of
20 not more than \$5,000 for the first violation, \$10,000 for the second
21 violation and \$15,000 for each subsequent violation, provided that
22 if the person violates section 4 of P.L.1983, c.320 (C.17:33A-4) the
23 penalty shall be \$5,000 for the first violation, \$10,000 for the
24 second violation and \$15,000 for each subsequent violation. The
25 penalty shall be paid to the commissioner to be used in accordance
26 with subsection e. of this section. The court shall also award court
27 costs and reasonable attorneys' fees to the commissioner.

28 c. The commissioner is authorized to assess a civil and
29 administrative penalty of not more than \$5,000 for the first
30 violation, \$10,000 for the second violation and \$15,000 for each
31 subsequent violation of any provision of P.L.1983, c.320
32 (C.17:33A-1 et seq.) and to order restitution to any insurance
33 company or other person who has suffered a loss as a result of a
34 violation of P.L.1983, c.320 (C.17:33A-1 et seq.), provided that if
35 the provision violated was subsection g. of section 4 of P.L.1983,
36 c.320 (C.17:33A-4), the commissioner shall assess a civil and
37 administrative penalty of \$5,000 for the first violation, \$10,000 for
38 the second violation and \$15,000 for each subsequent violation and
39 shall order restitution to any insurance company or other person
40 who has suffered a loss as a result of a violation of subsection g. of
41 section 4 of P.L.1983, c.320 (C.17:33A-1 et seq.) . No assessment
42 shall be levied pursuant to this subsection until the violator has been
43 notified by certified mail or personal service. The notice shall
44 contain a concise statement of facts providing the basis for the
45 determination of a violation of P.L.1983, c.320 (C.17:33A-1 et
46 seq.), the provisions of that act violated, a statement of the amount
47 of civil penalties assessed and a statement of the party's right to a
48 hearing in accordance with the "Administrative Procedure Act,"
49 P.L.1968, c.410 (C.52:14B-1 et seq.). The noticed party shall have

1 20 calendar days from receipt of the notice within which to deliver
2 to the commissioner a written request for a hearing containing an
3 answer to the statement of facts contained in the notice. After the
4 hearing and upon a finding that a violation has occurred, the
5 commissioner may issue a final order assessing up to the amount of
6 the penalty in the notice, restitution, and costs of prosecution,
7 including attorneys' fees. If no hearing is requested, the notice shall
8 become a final order after the expiration of the 20-day period.
9 Payment of the assessment is due when a final order is issued or the
10 notice becomes a final order.

11 Any penalty imposed pursuant to this subsection may be
12 collected with costs in a summary proceeding pursuant to "the
13 penalty enforcement law," N.J.S.2A:58-1 et seq. The Superior
14 Court shall have jurisdiction to enforce the provisions of the "the
15 penalty enforcement law" in connection with P.L.1983, c.320
16 (C.17:33A-1 et seq.). Any penalty collected pursuant to this
17 subsection shall be used in accordance with subsection e. of this
18 section.

19 d. Nothing in this section shall be construed to prohibit the
20 commissioner and the person or practitioner alleged to be guilty of
21 a violation of this act from entering into a written agreement in
22 which the person or practitioner does not admit or deny the charges
23 but consents to payment of the civil penalty. A consent agreement
24 may contain a provision that it shall not be used in a subsequent
25 civil or criminal proceeding relating to any violation of this act, but
26 notification thereof shall be made to a licensing authority in the
27 same manner as required pursuant to subsection c. of section 10 of
28 P.L.1983, c.320 (C.17:33A-10). The existence of a consent
29 agreement under this subsection shall not preclude any licensing
30 authority from taking appropriate administrative action against a
31 licensee over which it has regulatory authority, nor shall such a
32 consent agreement preclude referral to law enforcement for
33 consideration of criminal prosecution.

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

47

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

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

23 (2) Whenever the Bureau of Fraud Deterrence or any employee
24 of the bureau obtains information or evidence of a reasonable
25 possibility of criminal wrongdoing not previously known or
26 disclosed to the Office of the Insurance Fraud Prosecutor, the
27 bureau shall immediately refer that information or evidence to that
28 office. In determining whether a referral to the office is appropriate,
29 the bureau shall utilize appropriate levels of internal review, which
30 shall include but not be limited to approval at the assistant
31 commissioner level. Upon referral, the bureau shall provide the
32 office with all documents related to the referral consistent with
33 section 39 of P.L.1998, c.21 (C.17:33A-23).

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

40 c. The commissioner may, by regulation, require insurance
41 companies licensed to do business in this State to keep such records
42 and other information as he deems necessary for the effective
43 enforcement of this act.
44 (cf: P.L.2010, c.32, s.4)

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

46 54:50-8. a. The records and files of the director respecting the
47 administration of the State Uniform Tax Procedure Law or of any
48 State tax law shall be considered confidential and privileged and
49 neither the director nor any employee engaged in the administration

1 thereof or charged with the custody of any such records or files, nor
2 any former officer or employee, nor any person who may have
3 secured information therefrom under subsection d., e., f., g., p., q.,
4 **【or】** r., or s. of R.S.54:50-9 or any other provision of State law,
5 shall divulge, disclose, use for their own personal advantage, or
6 examine for any reason other than a reason necessitated by the
7 performance of official duties any information obtained from the
8 said records or files or from any examination or inspection of the
9 premises or property of any person. Neither the director nor any
10 employee engaged in such administration or charged with the
11 custody of any such records or files shall be required to produce any
12 of them for the inspection of any person or for use in any action or
13 proceeding except when the records or files or the facts shown
14 thereby are directly involved in an action or proceeding under the
15 provisions of the State Uniform Tax Procedure Law or of the State
16 tax law affected, or where the determination of the action or
17 proceeding will affect the validity or amount of the claim of the
18 State under some State tax law, or in any lawful proceeding for the
19 investigation and prosecution of any violation of the criminal
20 provisions of the State Uniform Tax Procedure Law or of any State
21 tax law.

22 b. The prohibitions of this section, against unauthorized
23 disclosure, use or examination by any present or former officer or
24 employee of this State or any other individual having custody of
25 such information obtained pursuant to the explicit authority of State
26 law, shall specifically include, without limitation, violations
27 involving the divulgence or examination of any information from or
28 any copy of a federal return or federal return information required
29 by New Jersey law to be attached to or included in any New Jersey
30 return. Any person violating this section by divulging, disclosing or
31 using information shall be guilty of a crime of the fourth degree.
32 Any person violating this section by examining records or files for
33 any reason other than a reason necessitated by the performance of
34 official duties shall be guilty of a disorderly persons offense.

35 c. Whenever records and files are used in connection with the
36 prosecution of any person for violating the provisions of this section
37 by divulging, disclosing or using records or files or examining
38 records and files for any reason other than a reason necessitated by
39 the performance of official duties, the defendant shall be given
40 access to those records and files. The court shall review such
41 records and files in camera, and that portion of the court record
42 containing the records and files shall be sealed by the court.

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

44

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

46 54:50-9. Nothing herein contained shall be construed to prevent:

47 a. The delivery to a taxpayer or the taxpayer's duly authorized
48 representative of a copy of any report or any other paper filed by

- 1 the taxpayer pursuant to the provisions of this subtitle or of any
2 such State tax law;
- 3 b. The publication of statistics so classified as to prevent the
4 identification of a particular report and the items thereof;
- 5 c. The director, in the director's discretion and subject to
6 reasonable conditions imposed by the director, from disclosing the
7 name and address of any licensee under any State tax law, unless
8 expressly prohibited by such State tax law;
- 9 d. The inspection by the Attorney General or other legal
10 representative of this State of the reports or files relating to the
11 claim of any taxpayer who shall bring an action to review or set
12 aside any tax imposed under any State tax law or against whom an
13 action or proceeding has been instituted in accordance with the
14 provisions thereof;
- 15 e. The examination of said records and files by the
16 Comptroller, State Auditor or State Commissioner of Finance, or by
17 their respective duly authorized agents;
- 18 f. The furnishing, at the discretion of the director, of any
19 information contained in tax reports or returns or any audit thereof
20 or the report of any investigation made with respect thereto, filed
21 pursuant to the tax laws, to the taxing officials of any other state,
22 the District of Columbia, the United States and the territories
23 thereof, providing said jurisdictions grant like privileges to this
24 State and providing such information is to be used for tax purposes
25 only;
- 26 g. The furnishing, at the discretion of the director, of any
27 material information disclosed by the records or files to any law
28 enforcing authority of this State who shall be charged with the
29 investigation or prosecution of any violation of the criminal
30 provisions of this subtitle or of any State tax law;
- 31 h. The furnishing by the director to the State agency
32 responsible for administering the Child Support Enforcement
33 program pursuant to Title IV-D of the federal Social Security Act,
34 Pub.L.93-647 (42 U.S.C. s.651 et seq.), with the names, home
35 addresses, social security numbers and sources of income and assets
36 of all absent parents who are certified by that agency as being
37 required to pay child support, upon request by the State agency and
38 pursuant to procedures and in a form prescribed by the director;
- 39 i. The furnishing by the director to the Board of Public
40 Utilities any information contained in tax information statements,
41 reports or returns or any audit thereof or a report of any
42 investigation made with respect thereto, as may be necessary for the
43 administration of P.L.1991, c.184 (C.54:30A-18.6 et al.) and
44 P.L.1997, c.162 (C.54:10A-5.25 et al.);
- 45 j. The furnishing by the director to the Director of the Division
46 of Alcoholic Beverage Control in the Department of Law and
47 Public Safety any information contained in tax information
48 statements, reports or returns or any audit thereof or a report of any
49 investigation made with respect thereto, as may be relevant, in the

- 1 discretion of the director, in any proceeding conducted for the
2 issuance, suspension or revocation of any license authorized
3 pursuant to Title 33 of the Revised Statutes;
- 4 k. The inspection by the Attorney General or other legal
5 representative of this State of the reports or files of any tobacco
6 product manufacturer, as defined in section 2 of P.L.1999, c.148
7 (C.52:4D-2), for any period in which that tobacco product
8 manufacturer was not or is not in compliance with subsection a. of
9 section 3 of P.L.1999, c.148 (C.52:4D-3), or of any licensed
10 distributor as defined in section 102 of P.L.1948, c.65 (C.54:40A-
11 2), for the purpose of facilitating the administration of the
12 provisions of P.L.1999, c.148 (C.52:4D-1 et seq.);
- 13 l. The furnishing, at the discretion of the director, of
14 information as to whether a contractor or subcontractor holds a
15 valid business registration as defined in section 1 of P.L.2001, c.134
16 (C.52:32-44);
- 17 m. The furnishing by the director to a State agency as defined in
18 section 1 of P.L.1995, c.158 (C.54:50-24) the names of licensees
19 subject to suspension for non-payment of State tax indebtedness
20 pursuant to P.L.2004, c.58 (C.54:50-26.1 et al.);
- 21 n. The release to the United States Department of the Treasury,
22 Bureau of Financial Management Service, or its successor of
23 relevant taxpayer information for purposes of implementing a
24 reciprocal collection and offset of indebtedness agreement entered
25 into between the State of New Jersey and the federal government
26 pursuant to section 1 of P.L.2006, c.32 (C.54:49-12.7);
- 27 o. The examination of said records and files by the
28 Commissioner of Health and Senior Services, the Commissioner of
29 Human Services, the Medicaid Inspector General, or their
30 respective duly authorized agents, pursuant to section 5 of
31 P.L.2007, c.217 (C.26:2H-18.60e), section 3 of P.L.1968, c.413
32 (C.30:4D-3), or section 5 of P.L.2005, c.156 (C.30:4J-12);
- 33 p. The furnishing at the discretion of the director of employer
34 provided wage and tax withholding information contained in tax
35 reports or returns filed pursuant to N.J.S.54A:7-2, 54A:7-4 and
36 54A:7-7, to the designated municipal officer of a municipality
37 authorized to impose an employer payroll tax pursuant to the
38 provisions of Article 5 (Employer Payroll Tax) of the "Local Tax
39 Authorization Act," P.L.1970, c.326 (C.40:48C-14 et seq.), for the
40 limited purpose of verifying the payroll information reported by
41 employers subject to the employer payroll tax;
- 42 q. The furnishing by the director to the Commissioner of Labor
43 and Workforce Development of any information, including, but not
44 limited to, tax information statements, reports, audit files, returns,
45 or reports of any investigation for the purpose of labor market
46 research or assisting in investigations pursuant to any State wage,
47 benefit or tax law as enumerated in section 1 of P.L.2009, c.194
48 (C.34:1A-1.11); or pursuant to P.L.1940, c.153 (C.34:2-21.1 et
49 seq.).

1 r. The furnishing by the director to the New Jersey Economic
2 Development Authority any information contained in tax
3 information statements, reports or returns, or any audit thereof or a
4 report of any investigation made with respect thereto, as may be
5 relevant to assist the authority in the implementation of programs
6 through which grants, loans, tax credits, or other forms of financial
7 assistance are provided. The director shall provide to the New
8 Jersey Economic Development Authority, upon request, such
9 information.

10 s. The furnishing by the director to the Commissioner of
11 Banking and Insurance of any information, including, but not
12 limited to, tax information statements, reports, audit files, returns,
13 or reports of any investigation for the purpose of assisting in
14 investigations pursuant to any insurance fraud investigation as
15 enumerated in P.L.1983, c.320 (C.17:33A-1 et seq.).
16 (cf: P.L.2020, c.156, s.126)

17

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

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21

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STATEMENT

23

24 This bill streamlines the identification of employee
25 misclassification. Specifically, the bill makes misclassifying
26 employees for the purpose of evading payment of insurance
27 premiums a violation of the New Jersey Insurance Fraud Prevention
28 Act. Additionally, the bill specifies penalties for fraud when a
29 misclassification occurs. The bill provides additional resources to
30 DOBI to investigate misclassification as a violation of the New
31 Jersey Insurance Fraud Prevention Act, including consultation by
32 the Bureau of Fraud Deterrence with the Department of Labor and
33 Workforce Development and the authorization of the release of tax
34 information to the Commissioner of Banking and Insurance for the
35 purpose of insurance fraud investigations.