ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 5892

STATE OF NEW JERSEY

DATED: JUNE 16, 2021

The Assembly Appropriations Committee reports favorably Assembly Bill No. 5892.

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

FISCAL IMPACT:

This bill is not certified as requiring a fiscal note.