

Article VIII, Section II, Paragraph 8 New Jersey Constitution

LEGISLATIVE HISTORY CHECKLIST

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(Requires contributions collected from assessments on wages to be used for employee benefits only)

New Jersey Constitution: Article VIII, Section II, Paragraph 8

BILL NO: SCR60

SPONSOR: Sweeney, T. Kean, Thomas, Burzichelli, Albano, DeCroce, Biondi, Bucco, Haines, Lance, Oroho, O'Toole, S. Kean, Madden, Pennacchio, Buono, Bateman, Cunningham, Sarlo, Allen, Beck, Turner, E. Munoz, Vainieri Huttel, O'Scanlon, N. Munoz, Evans, Diegnan, Milam, McHose, Chiusano, Moriarty, Greenstein, Riley

DATE INTRODUCED: 1/28/2008

COMMITTEE:
Assembly: Labor, Appropriations
Senate: Labor, Budget and Appropriations

AMENDED DURING PASSAGE: Yes

DATE OF PASSAGE:
ASSEMBLY: 12/7/2009
SENATE: 12/15/2008

FILED WITH SECRETARY OF STATE: 12/8/2009

DATE OF ADOPTION: 11/2/2010

EFFECTIVE: 12/2/2010

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL (Introduced bill enacted)	Yes
SPONSOR'S STATEMENT:	Yes
COMMITTEE STATEMENT:	ASSEMBLY: Yes
	SENATE: Yes
FLOOR AMENDMENT STATEMENT:	No
LEGISLATIVE FISCAL ESTIMATE:	No
VETO MESSAGE:	No
GOVERNOR'S PRESS RELEASE ON SIGNING:	No

FOLLOWING WERE PRINTED:

To check for circulating copies, contact New Jersey State Government Publications at the State Library (609) 278-2640 ext. 103 or <mailto:refdesk@njstatelib.org>.

REPORTS: No

HEARINGS:

No

974.90 Public hearing before Senate Labor Committee : Senate concurrent resolution no. 60 (proposes P418 constitutional amendment requiring contributions collected from assessments on wages to be used for 2008 employee benefits and prohibiting use of the contributions for any other purpose) : [December 8, 2008, Trenton, New Jersey]

NEWSPAPER ARTICLES:

Yes

'Does Spitzer scandal cast a shadow? THE KEAN-BYRNE DIALOGUE', *Star-Ledger, The* (online), 16 Mar 2008 3

Dubravka Kolumbic, The Central Record staff, 'The state ballot question, deconstructed', *Central Record, The* (online), 28 Oct 2010

'Go vote!', *Clifton Journal* (online), 29 Oct 2010 14

Adam Greenberg, STAFF WRITER, 'Three races to be decided in Clifton', *Clifton Journal* (online), 29 Oct 2010 3

JOHN REITMEYER, The Record, 'Ballot question deals with safeguarding employee-benefits funds', *northjersey.com* (online), 29 Oct 2010

State House Bureau, 'About the public question', *northjersey.com* (online), 30 Oct 2010

Meir Rinde/The Times, The Times, Trenton, 'State question would protect employee funds', *Times of Trenton, The: Web Edition Articles* (online), 30 Oct 2010

Terry Hurlbut, 'Christie's pension amendment on ballot', *Newark Examiner* (online), 31 Oct 2010

JULIET FLETCHER Statehouse Bureau, 'Ballot question could keep state out of benefit funds', *Press of Atlantic City, The*(online), 31 Oct 2010 C8

Paul Mulshine/The Star Ledger, The Star-Ledger, 'Support ballot question 1: It ain't what a lot of people think it is', *Star-Ledger, The: Web Edition Articles* (online), 1 Nov 2010

Dubravka Kolumbic For the Progress, 'Election 2010: The state ballot question, deconstructed', *Central Record, The*(online), 2 Nov 2010

'ELECTION 2010', *Jersey Journal, The* (online), 2 Nov 2010 A4

Staff Writer, 'Election 2010: Republicans take all in an area sweep', *Central Record, The* (online), 3 Nov 2010

THE RECORD'S STAFF, 'JOBLESS PAY AMENDMENT APPROVED', *Herald News* (online), 3 Nov 2010 A06

Staff Writer, 'About that execution, senator ...', *Press of Atlantic City, The: Web Edition Articles* (online), 4 Nov 2010

**SENATE CONCURRENT
RESOLUTION No. 60**

STATE OF NEW JERSEY

213th LEGISLATURE

INTRODUCED JANUARY 28, 2008

Sponsored by:

Senator STEPHEN M. SWEENEY

District 3 (Salem, Cumberland and Gloucester)

Senator THOMAS H. KEAN, JR.

District 21 (Essex, Morris, Somerset and Union)

Co-Sponsored by:

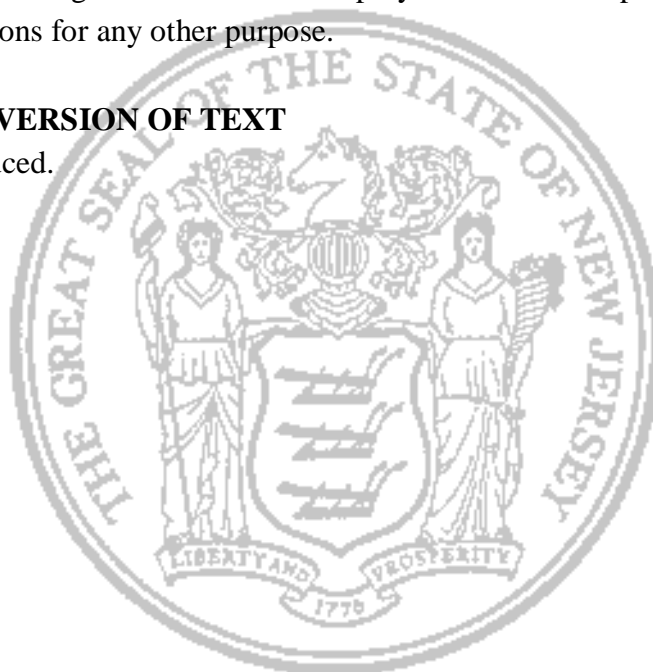
Senators Bucco, Haines, Lance, Oroho and O'Toole

SYNOPSIS

Proposes constitutional amendment requiring contributions collected from assessments on wages to be used for employee benefits and prohibiting use of the contributions for any other purpose.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 4/8/2008)

1 A **CONCURRENT RESOLUTION** proposing to amend Article VIII,
2 Section II of the Constitution of the State of New Jersey by
3 adding a new paragraph thereto.

4
5 **BE IT RESOLVED** by the General Assembly of the State of New
6 Jersey (the Senate concurring):

7
8 1. Amend Article VIII, Section II of the State Constitution by
9 adding thereto a new paragraph to read as follows:

10
11 **PROPOSED AMENDMENT**

12
13 8. No contributions from employers, other than the State, or
14 from employees of those employers, collected by the State entirely
15 by means of an assessment exclusively on, or exclusively measured
16 by, the wages or salaries of the employees, and no interest or
17 income derived from any investment of those contributions, shall be
18 used for any purpose other than providing benefits to employees
19 and their families or dependents. No contributions collected by the
20 State entirely by means of an assessment exclusively on, or
21 exclusively measured by, the wages or salaries of the employees of
22 the State, and no interest or income derived from any investment of
23 those contributions, shall be used for any purpose other than
24 providing benefits to employees and their families or dependents,
25 for payments to parties other than the State authorized by
26 employees or through collective bargaining agreements or required
27 by federal law, or for the collection of amounts owed by employees
28 made pursuant to law. All contributions collected by the State from
29 any employer or employee for the unemployment compensation
30 fund or any successor fund or program established to provide for
31 unemployment compensation benefits, and all interest and income
32 derived from any investment of those contributions, shall be
33 dedicated solely to the purpose of providing unemployment
34 compensation benefits. All contributions collected by the State
35 from any employer or employee for the State disability benefits
36 fund or any successor fund or program established to provide
37 temporary disability benefits, and all interest and income derived
38 from any investment of those contributions, shall be dedicated
39 solely to the purpose of providing temporary disability benefits. All
40 contributions collected by the State from any employer or insurer
41 for the Second Injury Fund or any successor fund or program
42 established to provide workers' compensation benefits, and all
43 interest and income derived from any investment of those
44 contributions, shall be dedicated solely to the purpose of providing
45 workers' compensation benefits. All contributions collected by the
46 State from any employer, employee or insurer for any other fund or
47 program established to provide any other benefits for employees,
48 including prospective employees in the case of training and

1 employment programs, and their families or dependents, and all
2 interest and income derived from any investment of those
3 contributions, shall be dedicated solely to the purpose of the
4 providing those benefits. No part of the contributions, interest or
5 income shall be directly or indirectly transferred, borrowed,
6 appropriated or used for any purpose other than providing benefits
7 pursuant to this paragraph. The requirements and limitations of this
8 paragraph shall not apply to any tax which is levied on personal
9 incomes of individuals, estates and trusts for which, pursuant to the
10 provisions of Article VIII, Section I, paragraph 7 of the
11 Constitution, the entire net receipts therefrom are annually
12 appropriated exclusively for the purpose of reducing or offsetting
13 property taxes.

14

15 2. When this proposed amendment to the Constitution is finally
16 agreed to pursuant to Article IX, paragraph 1 of the Constitution, it
17 shall be submitted to the people at the next general election
18 occurring more than three months after the final agreement and
19 shall be published at least once in at least one newspaper of each
20 county designated by the President of the Senate, the Speaker of the
21 General Assembly and the Secretary of State, not less than three
22 months prior to the general election.

23

24 3. This proposed amendment to the Constitution shall be
25 submitted to the people at that election in the following manner and
26 form:

27 There shall be printed on each official ballot to be used at the
28 general election, the following:

29 a. In every municipality in which voting machines are not used,
30 a legend which shall immediately precede the question, as follows:

31 If you favor the proposition printed below make a cross (X), plus
32 (+), or check (✓) in the square opposite the word "Yes." If you are
33 opposed thereto make a cross (X), plus (+) or check (✓) in the
34 square opposite the word "No."

35 b. In every municipality the following question:

SCR60 SWEENEY, T. KEAN

1

		<p>CONSTITUTIONAL AMENDMENT TO DEDICATE ASSESSMENTS ON WAGES BY THE STATE TO THE PAYMENT OF EMPLOYEE BENEFITS</p>
	<p>YES</p>	<p>Shall the amendment to Article VIII, Section II of the State Constitution, agreed to by the Legislature, which: prohibits collection by the State of assessments based solely on employee wages and salaries for any purpose other than providing employee benefits; dedicates all employer and employee contributions collected for any employee benefit fund, and all returns on investments of those contributions, to the purpose of that fund; and prohibits any transferring, borrowing, appropriating or using of those contributions or returns for any other purpose, be approved?</p>
		<p>INTERPRETIVE STATEMENT</p>
	<p>NO</p>	<p>This proposed constitutional amendment prohibits the collection by the State of assessments based on employee wages and salaries for any purpose except paying employee benefits (or making other employee-authorized or federally required payments, in the case of the State's own employees), dedicates all contributions made to the unemployment compensation fund, the State disability benefits fund, or any other employee benefit fund, and all returns on investments of those contributions, to the purpose of that fund, and prohibits the use of those contributions or returns for any other purpose. The requirements of this proposed amendment do not apply to the gross income tax, which is exclusively dedicated by the Constitution to the purpose of reducing or offsetting local property taxes.</p>

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SCHEDULE

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This constitutional amendment shall take effect on January 1 of

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the first calendar year following its adoption by the voters.

STATEMENT

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This proposed constitutional amendment prohibits the State from collecting contributions from employers or employees by means of assessments on the wages or salaries of the employees for any purpose other than to provide employee benefits, and, if the State is the employer, also to make employee-authorized or federally-required payments to parties other than the State or to collect employee debts pursuant to law.

The proposed amendment dedicates all contributions collected by the State from any employee, employer or insurer for any fund or program established to provide employee benefits, including, but not limited to, the unemployment compensation fund, the State disability benefits fund, and the Second Injury Fund, solely to the purpose providing the benefits for which the program or fund is established. The proposed amendment prohibits the direct or indirect transferring, borrowing, appropriating or using of the contributions for any other purpose.

The proposed amendment also dedicates to the purpose of providing employee benefits all income or interest derived from any investment of contributions to employee benefit funds. It specifies that the contributions may be applied to benefits for any employee or employee families or dependents, not just the specific employee on whose behalf the contributions are made, and that, in the case of training and employment programs, benefits may be provided not only to current or laid off employees, but to prospective employees as well.

The requirements of the proposed amendment would not apply to the gross income tax, which is dedicated by the Constitution to the purpose of reducing or offsetting local property taxes.

[First Reprint]

**SENATE CONCURRENT
RESOLUTION No. 60**

**STATE OF NEW JERSEY
213th LEGISLATURE**

INTRODUCED JANUARY 28, 2008

Sponsored by:

Senator STEPHEN M. SWEENEY

District 3 (Salem, Cumberland and Gloucester)

Senator THOMAS H. KEAN, JR.

District 21 (Essex, Morris, Somerset and Union)

Assemblyman JOHN J. BURZICHELLI

District 3 (Salem, Cumberland and Gloucester)

Assemblyman NELSON T. ALBANO

District 1 (Cape May, Atlantic and Cumberland)

Assemblyman ALEX DECROCE

District 26 (Morris and Passaic)

Assemblyman PETER J. BIONDI

District 16 (Morris and Somerset)

Co-Sponsored by:

Senators Bucco, Haines, Lance, Oroho, O'Toole, S.Kean, Madden, Pennacchio, Buono, Bateman, Cunningham, Sarlo, Allen, Beck, Turner, Assemblyman E.Munoz, Assemblywoman Vainieri Huttle, Assemblyman O'Scanlon, Assemblywomen N.Munoz, Evans, Assemblymen Diegnan, Milam, Assemblywoman McHose, Assemblymen Chiusano, Moriarty, Assemblywomen Greenstein and Riley

SYNOPSIS

Proposes constitutional amendment requiring contributions collected from assessments on wages to be used for employee benefits and prohibiting use of the contributions for any other purpose.

CURRENT VERSION OF TEXT

As reported by the Senate Labor Committee on May 15, 2008, with amendments.

(Sponsorship Updated As Of: 12/8/2009)

1 A **CONCURRENT RESOLUTION** proposing to amend Article VIII,
 2 Section II of the Constitution of the State of New Jersey by
 3 adding a new paragraph thereto.

4
 5 **BE IT RESOLVED** *by the Senate of the State of New Jersey (the*
 6 *General Assembly concurring):*

7
 8 1. Amend Article VIII, Section II of the State Constitution by
 9 adding thereto a new paragraph to read as follows:

10
 11 PROPOSED AMENDMENT

12
 13 8. No contributions from employers, other than the State, or
 14 from employees of those employers, collected by the State entirely
 15 by means of an assessment exclusively on, or exclusively measured
 16 by, the wages or salaries ¹**[of]** paid by the employers to¹ the
 17 employees, and no interest or income derived from any investment
 18 of those contributions, shall be used for any purpose other than
 19 providing ¹and administering¹ benefits to employees and their
 20 families or dependents. No contributions collected by the State
 21 entirely by means of an assessment exclusively on, or exclusively
 22 measured by, the wages or salaries ¹**[of]** paid by the State to¹ the
 23 employees of the State, and no interest or income derived from any
 24 investment of those contributions, shall be used for any purpose
 25 other than providing ¹and administering¹ benefits to employees and
 26 their families or dependents, for payments to parties other than the
 27 State authorized by employees or through collective bargaining
 28 agreements or required by federal law, or for the collection of
 29 amounts owed by employees made pursuant to law. All
 30 contributions collected by the State from any employer or employee
 31 for the unemployment compensation fund or any successor fund or
 32 program established to provide for unemployment compensation
 33 benefits, and all interest and income derived from any investment of
 34 those contributions, shall be dedicated solely to the purpose of
 35 providing ¹and administering¹ unemployment compensation
 36 benefits. All contributions collected by the State from any
 37 employer or employee for the State disability benefits fund or any
 38 successor fund or program established to provide temporary
 39 disability benefits, and all interest and income derived from any
 40 investment of those contributions, shall be dedicated solely to the
 41 purpose of providing ¹and administering¹ temporary disability
 42 benefits. All contributions collected by the State from any
 43 employer or insurer for the Second Injury Fund or any successor
 44 fund or program established to provide workers' compensation

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:

¹Senate SLA committee amendments adopted May 15, 2008.

1 benefits, and all interest and income derived from any investment of
2 those contributions, shall be dedicated solely to the purpose of
3 providing 'and administering' workers' compensation benefits. All
4 contributions collected by the State from any employer, employee
5 or insurer for any other fund or program established to provide any
6 other benefits for employees 'and their families or dependents',
7 including 'training and employment-related services for employees
8 and' prospective employees '[in the case of training and
9 employment programs, and their families or dependents]', and all
10 interest and income derived from any investment of those
11 contributions, shall be dedicated solely to the purpose of '[the]'
12 providing 'and administering' those benefits. No part of the
13 contributions, interest or income shall be directly or indirectly
14 transferred, borrowed, appropriated or used for any purpose other
15 than providing 'and administering' benefits pursuant to this
16 paragraph. The requirements and limitations of this paragraph shall
17 not apply to 'any tax collected by the United States or by the State
18 on the behalf of the United States; any fees, fines, penalties or
19 assessments levied by the State in the enforcement of any State law;
20 or' any tax which is levied 'by the State' on personal incomes of
21 individuals, estates and trusts for which, pursuant to the provisions
22 of Article VIII, Section I, paragraph 7 of the Constitution, the entire
23 net receipts therefrom are annually appropriated exclusively for the
24 purpose of reducing or offsetting property taxes.

25

26 2. When this proposed amendment to the Constitution is finally
27 agreed to pursuant to Article IX, paragraph 1 of the Constitution, it
28 shall be submitted to the people at the next general election
29 occurring more than three months after the final agreement and
30 shall be published at least once in at least one newspaper of each
31 county designated by the President of the Senate, the Speaker of the
32 General Assembly and the Secretary of State, not less than three
33 months prior to the general election.

34

35 3. This proposed amendment to the Constitution shall be
36 submitted to the people at that election in the following manner and
37 form:

38 There shall be printed on each official ballot to be used at the
39 general election, the following:

40 a. In every municipality in which voting machines are not used,
41 a legend which shall immediately precede the question, as follows:

42 If you favor the proposition printed below make a cross (X), plus
43 (+), or check (✓) in the square opposite the word "Yes." If you are
44 opposed thereto make a cross (X), plus (+) or check (✓) in the
45 square opposite the word "No."

46 b. In every municipality the following question:

1

		<p>CONSTITUTIONAL AMENDMENT TO DEDICATE ASSESSMENTS ON WAGES BY THE STATE TO THE PAYMENT OF EMPLOYEE BENEFITS</p>
	<p>YES</p>	<p>Shall the amendment to Article VIII, Section II of the State Constitution, agreed to by the Legislature, which: prohibits collection by the State of assessments based solely on employee wages and salaries for any purpose other than providing employee benefits; dedicates all employer and employee contributions collected for any employee benefit fund, and all returns on investments of those contributions, to the purpose of that fund; and prohibits any transferring, borrowing, appropriating or using of those contributions or returns for any other purpose, be approved?</p>
		<p>INTERPRETIVE STATEMENT</p>
	<p>NO</p>	<p>This proposed constitutional amendment prohibits the collection by the State of assessments based on employee wages and salaries for any purpose except paying employee benefits (or making other employee-authorized or federally required payments, in the case of the State's own employees), dedicates all contributions made to the unemployment compensation fund, the State disability benefits fund, or any other employee benefit fund, and all returns on investments of those contributions, to the purpose of that fund, and prohibits the use of those contributions or returns for any other purpose. The requirements of this proposed amendment do not apply to the gross income tax, which is exclusively dedicated by the Constitution to the purpose of reducing or offsetting local property taxes.</p>

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SCHEDULE

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This constitutional amendment shall take effect on January 1 of

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the first calendar year following its adoption by the voters.

**ASSEMBLY CONCURRENT
RESOLUTION No. 134**

**STATE OF NEW JERSEY
213th LEGISLATURE**

INTRODUCED FEBRUARY 7, 2008

Sponsored by:

Assemblyman JOHN J. BURZICHELLI

District 3 (Salem, Cumberland and Gloucester)

Assemblyman NELSON T. ALBANO

District 1 (Cape May, Atlantic and Cumberland)

Assemblyman ALEX DECROCE

District 26 (Morris and Passaic)

Assemblyman PETER J. BIONDI

District 16 (Morris and Somerset)

Co-Sponsored by:

**Assemblyman E.Munoz, Assemblywoman Vainieri Huttle, Assemblyman
O'Scanlon, Assemblywomen N.Munoz and Evans**

SYNOPSIS

Proposes constitutional amendment requiring contributions collected from assessments on wages to be used for employee benefits and prohibiting use of the contributions for any other purpose.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 12/1/2009)

1 A **CONCURRENT RESOLUTION** proposing to amend Article VIII,
2 Section II of the Constitution of the State of New Jersey by
3 adding a new paragraph thereto.

4
5 **BE IT RESOLVED** *by the General Assembly of the State of New*
6 *Jersey (the Senate concurring):*

7
8 1. Amend Article VIII, Section II of the State Constitution by
9 adding thereto a new paragraph to read as follows:

10
11 **PROPOSED AMENDMENT**

12
13 8. No contributions from employers, other than the State, or
14 from employees of those employers, collected by the State entirely
15 by means of an assessment exclusively on, or exclusively measured
16 by, the wages or salaries of the employees, and no interest or
17 income derived from any investment of those contributions, shall be
18 used for any purpose other than providing benefits to employees
19 and their families or dependents. No contributions collected by the
20 State entirely by means of an assessment exclusively on, or
21 exclusively measured by, the wages or salaries of the employees of
22 the State, and no interest or income derived from any investment of
23 those contributions, shall be used for any purpose other than
24 providing benefits to employees and their families or dependents,
25 for payments to parties other than the State authorized by
26 employees or through collective bargaining agreements or required
27 by federal law, or for the collection of amounts owed by employees
28 made pursuant to law. All contributions collected by the State from
29 any employer or employee for the unemployment compensation
30 fund or any successor fund or program established to provide for
31 unemployment compensation benefits, and all interest and income
32 derived from any investment of those contributions, shall be
33 dedicated solely to the purpose of providing unemployment
34 compensation benefits. All contributions collected by the State
35 from any employer or employee for the State disability benefits
36 fund or any successor fund or program established to provide
37 temporary disability benefits, and all interest and income derived
38 from any investment of those contributions, shall be dedicated
39 solely to the purpose of providing temporary disability benefits. All
40 contributions collected by the State from any employer or insurer
41 for the Second Injury Fund or any successor fund or program
42 established to provide workers' compensation benefits, and all
43 interest and income derived from any investment of those
44 contributions, shall be dedicated solely to the purpose of providing
45 workers' compensation benefits. All contributions collected by the
46 State from any employer, employee or insurer for any other fund or
47 program established to provide any other benefits for employees,
48 including prospective employees in the case of training and

1 employment programs, and their families or dependents, and all
2 interest and income derived from any investment of those
3 contributions, shall be dedicated solely to the purpose of the
4 providing those benefits. No part of the contributions, interest or
5 income shall be directly or indirectly transferred, borrowed,
6 appropriated or used for any purpose other than providing benefits
7 pursuant to this paragraph. The requirements and limitations of this
8 paragraph shall not apply to any tax which is levied on personal
9 incomes of individuals, estates and trusts for which, pursuant to the
10 provisions of Article VIII, Section I, paragraph 7 of the
11 Constitution, the entire net receipts therefrom are annually
12 appropriated exclusively for the purpose of reducing or offsetting
13 property taxes.

14

15 2. When this proposed amendment to the Constitution is finally
16 agreed to pursuant to Article IX, paragraph 1 of the Constitution, it
17 shall be submitted to the people at the next general election
18 occurring more than three months after the final agreement and
19 shall be published at least once in at least one newspaper of each
20 county designated by the President of the Senate, the Speaker of the
21 General Assembly and the Secretary of State, not less than three
22 months prior to the general election.

23

24 3. This proposed amendment to the Constitution shall be
25 submitted to the people at that election in the following manner and
26 form:

27 There shall be printed on each official ballot to be used at the
28 general election, the following:

29 a. In every municipality in which voting machines are not used,
30 a legend which shall immediately precede the question, as follows:

31 If you favor the proposition printed below make a cross (X), plus
32 (+), or check (✓) in the square opposite the word "Yes." If you are
33 opposed thereto make a cross (X), plus (+) or check (✓) in the
34 square opposite the word "No."

35 b. In every municipality the following question:

ACR134 BURZICHELLI, ALBANO

1

		<p>CONSTITUTIONAL AMENDMENT TO DEDICATE ASSESSMENTS ON WAGES BY THE STATE TO THE PAYMENT OF EMPLOYEE BENEFITS</p>
	<p>YES</p>	<p>Shall the amendment to Article VIII, Section II of the State Constitution, agreed to by the Legislature, which: prohibits collection by the State of assessments based solely on employee wages and salaries for any purpose other than providing employee benefits; dedicates all employer and employee contributions collected for any employee benefit fund, and all returns on investments of those contributions, to the purpose of that fund; and prohibits any transferring, borrowing, appropriating or using of those contributions or returns for any other purpose, be approved?</p>
		<p>INTERPRETIVE STATEMENT</p>
	<p>NO</p>	<p>This proposed constitutional amendment prohibits the collection by the State of assessments based on employee wages and salaries for any purpose except paying employee benefits (or making other employee-authorized or federally required payments, in the case of the State's own employees), dedicates all contributions made to the unemployment compensation fund, the State disability benefits fund, or any other employee benefit fund, and all returns on investments of those contributions, to the purpose of that fund, and prohibits the use of those contributions or returns for any other purpose. The requirements of this proposed amendment do not apply to the gross income tax, which is exclusively dedicated by the Constitution to the purpose of reducing or offsetting local property taxes.</p>

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SCHEDULE

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This constitutional amendment shall take effect on January 1 of the first calendar year following its adoption by the voters.

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STATEMENT

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This proposed constitutional amendment prohibits the State from collecting contributions from employers or employees by means of assessments on the wages or salaries of the employees for any purpose other than to provide employee benefits, and, if the State is the employer, also to make employee-authorized or federally-required payments to parties other than the State or to collect employee debts pursuant to law.

The proposed amendment dedicates all contributions collected by the State from any employee, employer or insurer for any fund or program established to provide employee benefits, including, but not limited to, the unemployment compensation fund, the State disability benefits fund, and the Second Injury Fund, solely to the purpose providing the benefits for which the program or fund is established. The proposed amendment prohibits the direct or indirect transferring, borrowing, appropriating or using of the contributions for any other purpose.

The proposed amendment also dedicates to the purpose of providing employee benefits all income or interest derived from any investment of contributions to employee benefit funds. It specifies that the contributions may be applied to benefits for any employee or employee families or dependents, not just the specific employee on whose behalf the contributions are made, and that, in the case of training and employment programs, benefits may be provided not only to current or laid off employees, but to prospective employees as well.

The requirements of the proposed amendment would not apply to the gross income tax, which is dedicated by the Constitution to the purpose of reducing or offsetting local property taxes.

[First Reprint]

**ASSEMBLY CONCURRENT
RESOLUTION No. 134**

**STATE OF NEW JERSEY
213th LEGISLATURE**

INTRODUCED FEBRUARY 7, 2008

Sponsored by:

Assemblyman JOHN J. BURZICHELLI

District 3 (Salem, Cumberland and Gloucester)

Assemblyman NELSON T. ALBANO

District 1 (Cape May, Atlantic and Cumberland)

Assemblyman ALEX DECROCE

District 26 (Morris and Passaic)

Assemblyman PETER J. BIONDI

District 16 (Morris and Somerset)

Co-Sponsored by:

Assemblyman E.Munoz, Assemblywoman Vainieri Huttle, Assemblyman O'Scanlon, Assemblywomen N.Munoz, Evans, Assemblymen Diegnan, Milam, Assemblywoman McHose, Assemblymen Chiusano, Moriarty, Assemblywomen Greenstein and Riley

SYNOPSIS

Proposes constitutional amendment requiring contributions collected from assessments on wages to be used for employee benefits and prohibiting use of the contributions for any other purpose.

CURRENT VERSION OF TEXT

As reported by the Assembly Labor Committee on November 30, 2009, with amendments.

(Sponsorship Updated As Of: 12/8/2009)

1 A **CONCURRENT RESOLUTION** proposing to amend Article VIII,
2 Section II of the Constitution of the State of New Jersey by
3 adding a new paragraph thereto.

4
5 **BE IT RESOLVED** by the General Assembly of the State of New
6 Jersey (the Senate concurring):

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8 1. Amend Article VIII, Section II of the State Constitution by
9 adding thereto a new paragraph to read as follows:

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11 PROPOSED AMENDMENT

12
13 8. No contributions from employers, other than the State, or
14 from employees of those employers, collected by the State entirely
15 by means of an assessment exclusively on, or exclusively measured
16 by, the wages or salaries ¹~~of~~ paid by the employers to¹ the
17 employees, and no interest or income derived from any investment
18 of those contributions, shall be used for any purpose other than
19 providing ¹and administering¹ benefits to employees and their
20 families or dependents. No contributions collected by the State
21 entirely by means of an assessment exclusively on, or exclusively
22 measured by, the wages or salaries ¹~~of~~ paid by the State to¹ the
23 employees of the State, and no interest or income derived from any
24 investment of those contributions, shall be used for any purpose
25 other than providing ¹and administering¹ benefits to employees and
26 their families or dependents, for payments to parties other than the
27 State authorized by employees or through collective bargaining
28 agreements or required by federal law, or for the collection of
29 amounts owed by employees made pursuant to law. All
30 contributions collected by the State from any employer or employee
31 for the unemployment compensation fund or any successor fund or
32 program established to provide for unemployment compensation
33 benefits, and all interest and income derived from any investment of
34 those contributions, shall be dedicated solely to the purpose of
35 providing ¹and administering¹ unemployment compensation
36 benefits. All contributions collected by the State from any
37 employer or employee for the State disability benefits fund or any
38 successor fund or program established to provide temporary
39 disability benefits, and all interest and income derived from any
40 investment of those contributions, shall be dedicated solely to the
41 purpose of providing ¹and administering¹ temporary disability
42 benefits. All contributions collected by the State from any
43 employer or insurer for the Second Injury Fund or any successor
44 fund or program established to provide workers' compensation

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:

¹Assembly ALA committee amendments adopted November 30, 2009.

1 benefits, and all interest and income derived from any investment of
2 those contributions, shall be dedicated solely to the purpose of
3 providing 'and administering' workers' compensation benefits. All
4 contributions collected by the State from any employer, employee
5 or insurer for any other fund or program established to provide any
6 other benefits for employees 'and their families or dependents',
7 including 'training and employment-related services for employees
8 and' prospective employees '[in the case of training and
9 employment programs, and their families or dependents]', and all
10 interest and income derived from any investment of those
11 contributions, shall be dedicated solely to the purpose of '[the]'
12 providing 'and administering' those benefits. No part of the
13 contributions, interest or income shall be directly or indirectly
14 transferred, borrowed, appropriated or used for any purpose other
15 than providing 'and administering' benefits pursuant to this
16 paragraph. The requirements and limitations of this paragraph shall
17 not apply to 'any tax collected by the United States or by the State
18 on the behalf of the United States; any fees, fines, penalties or
19 assessments levied by the State in the enforcement of any State law;
20 or' any tax which is levied 'by the State' on personal incomes of
21 individuals, estates and trusts for which, pursuant to the provisions
22 of Article VIII, Section I, paragraph 7 of the Constitution, the entire
23 net receipts therefrom are annually appropriated exclusively for the
24 purpose of reducing or offsetting property taxes.

25

26 2. When this proposed amendment to the Constitution is finally
27 agreed to pursuant to Article IX, paragraph 1 of the Constitution, it
28 shall be submitted to the people at the next general election
29 occurring more than three months after the final agreement and
30 shall be published at least once in at least one newspaper of each
31 county designated by the President of the Senate, the Speaker of the
32 General Assembly and the Secretary of State, not less than three
33 months prior to the general election.

34

35 3. This proposed amendment to the Constitution shall be
36 submitted to the people at that election in the following manner and
37 form:

38 There shall be printed on each official ballot to be used at the
39 general election, the following:

40 a. In every municipality in which voting machines are not used,
41 a legend which shall immediately precede the question, as follows:

42 If you favor the proposition printed below make a cross (X), plus
43 (+), or check (✓) in the square opposite the word "Yes." If you are
44 opposed thereto make a cross (X), plus (+) or check (✓) in the
45 square opposite the word "No."

46 b. In every municipality the following question:

1

		<p>CONSTITUTIONAL AMENDMENT TO DEDICATE ASSESSMENTS ON WAGES BY THE STATE TO THE PAYMENT OF EMPLOYEE BENEFITS</p>
	<p>YES</p>	<p>Shall the amendment to Article VIII, Section II of the State Constitution, agreed to by the Legislature, which: prohibits collection by the State of assessments based solely on employee wages and salaries for any purpose other than providing employee benefits; dedicates all employer and employee contributions collected for any employee benefit fund, and all returns on investments of those contributions, to the purpose of that fund; and prohibits any transferring, borrowing, appropriating or using of those contributions or returns for any other purpose, be approved?</p>
		<p>INTERPRETIVE STATEMENT</p>
	<p>NO</p>	<p>This proposed constitutional amendment prohibits the collection by the State of assessments based on employee wages and salaries for any purpose except paying employee benefits (or making other employee-authorized or federally required payments, in the case of the State's own employees), dedicates all contributions made to the unemployment compensation fund, the State disability benefits fund, or any other employee benefit fund, and all returns on investments of those contributions, to the purpose of that fund, and prohibits the use of those contributions or returns for any other purpose. The requirements of this proposed amendment do not apply to the gross income tax, which is exclusively dedicated by the Constitution to the purpose of reducing or offsetting local property taxes.</p>

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SCHEDULE

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This constitutional amendment shall take effect on January 1 of the first calendar year following its adoption by the voters.

7

SENATE LABOR COMMITTEE

STATEMENT TO

SENATE CONCURRENT RESOLUTION No. 60

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 15, 2008

The Senate Labor Committee reports favorably, and with committee amendments, Senate Concurrent Resolution, No. 60.

This proposed constitutional amendment prohibits the State from collecting contributions from employers or employees by means of assessments on the wages or salaries paid by employers to employees, unless the contributions are used exclusively to provide employee benefits, and, if the State is the employer, also to make employee-authorized or federally-required payments to parties other than the State or to collect employee debts pursuant to law.

The proposed amendment dedicates all contributions collected by the State from any employee, employer or insurer for any fund or program established to provide employee benefits, including, but not limited to, the unemployment compensation fund, the State disability benefits fund, and the Second Injury Fund, solely to the purpose providing the benefits for which the program or fund is established. The proposed amendment prohibits the direct or indirect transferring, borrowing, appropriating or using of the contributions for any other purpose.

The proposed amendment also dedicates to the purpose of providing employee benefits all income or interest derived from any investment of contributions to employee benefit funds. It specifies that the contributions may be applied to benefits for any employee or employee families or dependents, not just the specific employee on whose behalf the contributions are made, and that, in the case of training and employment programs, benefits may be provided not only to current or laid off employees, but to prospective employees as well.

The requirements of the proposed amendment would not apply to the gross income tax, which is dedicated by the Constitution to the purpose of reducing or offsetting local property taxes.

The committee amendments clarify that the provisions of the bill: do not apply to taxes collected by, on the behalf of, the federal government; do not limit the ability of the State to collect fees, fines, penalties or assessments levied by the State in the enforcement of any State law; and do permit the use contributions for the administrative

costs of providing benefits, including the administration of training and employment-related services.

ASSEMBLY LABOR COMMITTEE

STATEMENT TO

[First Reprint]

SENATE CONCURRENT RESOLUTION No. 60

STATE OF NEW JERSEY

DATED: NOVEMBER 30, 2009

The Assembly Labor Committee reports favorably Senate Concurrent Resolution No. 60 (1R).

This proposed constitutional amendment prohibits the State from collecting contributions from employers or employees by means of assessments on the wages or salaries paid by employers to employees, unless the contributions are used exclusively to provide and administer employee benefits, and, if the State is the employer, also to make employee-authorized or federally-required payments or to collect employee debts pursuant to law.

The proposed amendment dedicates all contributions collected by the State from any employee, employer or insurer for any fund or program established to provide employee benefits, including, but not limited to, the unemployment compensation fund, the State disability benefits fund, and the Second Injury Fund, solely toward the purpose of providing and administering the benefits for which the program or fund is established. The proposed amendment prohibits the direct or indirect transferring, borrowing, appropriating or using of such contributions for any other purpose.

The proposed amendment also dedicates to the purpose of providing and administering employee benefits all income or interest derived from any investment of contributions to employee benefit funds. It specifies that the contributions may be applied to benefits for employees or employee families or dependents, not just the specific employee on whose behalf the contributions are made, and that, in the case of training and employment programs, benefits may be provided not only to current or laid off employees, but to prospective employees as well.

The requirements of the proposed amendment would not apply to the gross income tax, which is dedicated by the Constitution to the purpose of reducing or offsetting local property taxes.

As reported, this concurrent resolution is identical to ACR134 (1R), also reported by the committee today.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE CONCURRENT RESOLUTION No. 60

STATE OF NEW JERSEY

DATED: OCTOBER 6, 2008

The Senate Budget and Appropriations Committee reports favorably Senate Concurrent Resolution No. 60 (1R).

Senate Concurrent Resolution No. 60 (1R) prohibits the State from collecting contributions from employers or employees by means of assessments on the wages or salaries paid by employers to employees, unless the contributions are used exclusively to provide employee benefits, and, if the State is the employer, also to make employee-authorized or federally-required payments or to collect employee debts pursuant to law.

The proposed amendment dedicates all contributions collected by the State from any employee, employer or insurer for any fund or program established to provide employee benefits, including, but not limited to, the unemployment compensation fund, the State disability benefits fund, and the Second Injury Fund, solely toward the purpose of providing the benefits for which the program or fund is established. The proposed amendment prohibits the direct or indirect transferring, borrowing, appropriating or using of such contributions for any other purpose.

The proposed amendment also dedicates to the purpose of providing employee benefits all income or interest derived from any investment of contributions to employee benefit funds.

It specifies that the contributions may be applied to benefits for employees or employee families or dependents, not just the specific employee on whose behalf the contributions are made, and that, in the case of training and employment programs, benefits may be provided not only to current or laid off employees, but to prospective employees as well.

The requirements of the proposed amendment would not apply to the gross income tax, which is dedicated by the Constitution to the purpose of reducing or offsetting local property taxes.

FISCAL IMPACT:

This concurrent resolution has not been certified for a Fiscal Note. To project a fiscal impact would require speculative analyses as to what future enactments authorizing transfers would be prevented by this constitutional amendment.

From a historical perspective, according to an Office of Legislative Services analysis of the Governor's proposed budget for the Department of Labor and Workforce Development in Fiscal Year 2008-2009, from 1992 to 2007 approximately \$5.4 billion was diverted from various funds dedicated to benefits for workers. Of that amount, \$4.7 billion was diverted from the Unemployment Insurance trust fund to the Health Care Subsidy Fund; \$598 million was transferred from the Temporary Disability Insurance trust fund to the General Fund; and \$95 million was diverted from several funds related to workers' compensation to the General Fund.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE CONCURRENT RESOLUTION No. 60

STATE OF NEW JERSEY

DATED: DECEMBER 3, 2009

The Assembly Appropriations Committee reports favorably Senate Concurrent Resolution No. 60 (1R).

This resolution proposes an amendment to the State Constitution to require contributions collected from certain assessments on wages or salaries to be used for employee benefits, and to prohibit the use of contributions from those assessments for any other purpose.

Specifically, the proposed amendment prohibits the State from collecting contributions from employers or employees by means of assessments on wages or salaries paid by employers to employees for any purpose other than to provide and administer employee benefits, and, if the State is the employer, also to make employee-authorized or federally-required payments to parties other than the State or to collect employee debts pursuant to law.

The proposed amendment dedicates all contributions collected by the State from any employee, employer, or insurer for any fund or program established to provide employee benefits (including, but not limited to, the unemployment compensation fund, the State disability benefits fund, and the Second Injury Fund) solely toward the purpose of providing and administering benefits for which the program or fund is established. The proposed amendment prohibits the direct or indirect transferring, borrowing, appropriating, or using of such dedicated contributions for any other purpose.

The proposed amendment also dedicates to the purpose of providing and administering employee benefits all income or interest derived from any investment of contributions to employee benefit funds. It specifies that the contributions may be applied to benefits for any employee or employee families or dependents, not just the employee on whose behalf the contributions are made, and that, in the case of training and employment-related services for employees, benefits may be provided to prospective as well as current or laid-off employees.

The requirements of the proposed amendment do not apply to the gross income tax, or taxes collected by, or on behalf of, the federal government. The requirements do not limit the ability of the State to

collect fees, fines, penalties, or assessments levied by the State in the enforcement of State law.

The proposed amendment is intended to prevent future diversions of moneys from funds collected for worker benefits. From 1992 to 2007, 22 laws have been enacted which have diverted \$5.4 billion in resources away from various funds dedicated to benefits for workers. Of that amount, the Office of Legislative Services has estimated: \$4.7 billion was diverted away from the Unemployment Insurance trust fund to the Health Care Subsidy Fund; \$598 million was transferred away from the Temporary Disability Insurance trust fund to the State's general fund; and \$95 million was diverted away from several funds related to workers' compensation to the State's general fund.

As reported, this concurrent resolution is identical to Assembly Concurrent Resolution No. 134 (1R), as also reported by the committee.

FISCAL IMPACT:

This concurrent resolution is not certified as requiring a fiscal note.