45:15-16 & 45:15-17 LEGISLATIVE HISTORY CHECKLIST

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LAWS OF: 2021 **CHAPTER:** 281

NJSA: 45:15-16 & 45:15-17 (Allows formation of limited liability companies by real estate salespersons and

broker-salespersons to receive commission income and requires certain disclosures on promotions.)

BILL NO: S3590 (Substituted for A5536)

SPONSOR(S) Diegnan, Patrick J. and others

DATE INTRODUCED: 3/25/2021

COMMITTEE: ASSEMBLY: Regulated Professions

SENATE: Community & Urban Affairs

AMENDED DURING PASSAGE: No

DATE OF PASSAGE: ASSEMBLY: 6/24/2021

SENATE: 6/3/2021

DATE OF APPROVAL: 11/8/2021

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL (Introduced bill enacted)

Yes

S3590

INTRODUCED BILL (INCLUDES SPONSOR'S STATEMENT): Yes

COMMITTEE STATEMENT: ASSEMBLY: Yes

SENATE: Yes

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL ESTIMATE: No

A5536

INTRODUCED BILL (INCLUDES SPONSOR'S STATEMENT): Yes

COMMITTEE STATEMENT: ASSEMBLY: Yes

SENATE: No

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL ESTIMATE:	No			
VETO MESSAGE:	No			
GOVERNOR'S PRESS RELEASE ON SIGNING:	Yes			
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			
NEWSPAPER ARTICLES:	No			

P.L. 2021, CHAPTER 281, *approved November 8*, 2021 Senate, No. 3590

AN ACT concerning real estate brokers, broker-salespersons and salespersons, and amending R.S.45:15-16 and R.S.45:15-17.

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

- 1. R.S.45:15-16 is amended to read as follows:
- 45:15-16. <u>a.</u> No real estate salesperson or broker-salesperson shall accept a commission or valuable consideration for the performance of any of the acts herein specified, from any person except his employer or contracting broker, who must be a licensed real estate broker.
- b. A real estate salesperson or broker-salesperson may form a limited liability company pursuant to the "Revised Uniform Limited Liability Company Act," P.L.2012, c.50 (C.42:2C-1 et seq.), or any other entity permitted by law, in order to receive a commission or other valuable consideration pursuant to subsection a. of this section, and the real estate salesperson or broker-salesperson may accept payment of the commission or other valuable consideration or any part thereof from the limited liability corporation or other entity. Notwithstanding the formation of such an entity, a salesperson or broker-salesperson who satisfies the requirements of subparagraph (K) of paragraph (7) of subsection (i) of R.S.43:21-19 shall not be considered an employee pursuant to that law.
- c. The New Jersey Real Estate Commission shall create a registration process for a limited liability company and other entity to receive a commission or other valuable consideration pursuant to subsection a. of this section.
- 29 (cf: P.L.2018, c.71, s.12)

- 2. R.S.45:15-17 is amended to read as follows:
- 45:15-17. The commission may, upon its own motion, and shall, upon the verified complaint in writing of any person, investigate the actions of any real estate broker, broker-salesperson, or salesperson, or any person who assumes, advertises or represents himself as being authorized to act as a real estate broker, broker-salesperson, or salesperson or engages in any of the activities described in R.S.45:15-3 without being licensed so to do. The lapse or suspension of a license by operation of law or the voluntary surrender of a license by a licensee shall not deprive the

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

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commission of jurisdiction to proceed with any investigation as herein provided or prevent the commission from taking any regulatory action against such licensee, provided, however, that the alleged charges arose while said licensee was duly licensed. Each transaction shall be construed as a separate offense.

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In conducting investigations, the commission may take testimony by deposition as provided in R.S.45:15-18, require or permit any person to file a statement in writing, under oath or otherwise as the commission determines, as to all the facts and circumstances concerning the matter under investigation, and, upon its own motion or upon the request of any party, subpoena witnesses, compel their attendance, take evidence, and require the production of any material which is relevant to the investigation, including any and all records of a licensee pertaining to his activities as a real estate broker, broker-salesperson, or salesperson. The commission may also require the provision of any information concerning the existence, description, nature, custody, condition and location of any books, documents, or other tangible material and the identity and location of persons having knowledge of relevant facts of any other matter reasonably calculated to lead to the discovery of material evidence. Upon failure to obey a subpoena or to answer questions posed by an investigator or legal representative of the commission and upon reasonable notice to all affected persons, the commission may commence an administrative action as provided below or apply to the Superior Court for an order compelling compliance.

The commission may place on probation, suspend for a period less than the unexpired portion of the license period, or may revoke any license issued under the provisions of R.S.45:15-1 et seq., or the right of licensure when such person is no longer the holder of a license at the time of hearing, or may impose, in addition or as an alternative to such probation, revocation or suspension, a penalty of not more than \$5,000 for the first violation, and a penalty of not more than \$10,000 for any subsequent violation, which penalty shall be sued for and recovered by and in the name of the commission and shall be collected and enforced by summary proceedings pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.), where the licensee or any person, in performing or attempting to perform any of the acts mentioned herein, is deemed to be guilty of:

- a. Making any false promises or any substantial misrepresentation; or
- b. Acting for more than one party in a transaction without the knowledge of all parties thereto; or
- c. Pursuing a flagrant and continued course of misrepresentation or making of false promises through agents, broker-salespersons, or salespersons, advertisements or otherwise; or

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d. Failure to account for or to pay over any moneys belonging to others, coming into the possession of the licensee; or

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- e. Any conduct which demonstrates unworthiness, incompetency, bad faith or dishonesty. The failure of any person to cooperate with the commission in the performance of its duties or to comply with a subpoena issued by the commission compelling the production of materials in the course of an investigation, or the failure to give a verbal or written statement concerning a matter under investigation may be construed as conduct demonstrating unworthiness; or
- f. Failure to provide his client with a fully executed copy of any sale or exclusive sales or rental listing contract at the time of execution thereof, or failure to specify therein a definite terminal date which terminal date shall not be subject to any qualifying terms or conditions; or
- g. Using any plan, scheme or method for the sale or promotion of the sale of real estate which involves a lottery, a contest, a game, a prize, a drawing, or the offering of a lot or parcel or lots or parcels for advertising purposes [, provided, however, that a promotion or offer of free, discounted or other services or products which does not require that the recipient of any free, discounted or other services or products enter into a sale, listing or other real estate contract as a condition of the promotion or offer shall not constitute a violation of this subsection if that promotion or offering does not involve a lottery, a contest, a game, a drawing or the offering of a lot or parcel or lots or parcels for advertising purposes]. If a broker participates in a promotion or offering of free, discounted, or other services or products which confers upon the recipient a monetary benefit of greater than \$1,000, the broker shall provide written disclosure of the benefit to the recipient and any information concerning the promotion or benefit as may be required by the <u>commission</u>. A broker shall disclose in writing any compensation received for such promotion or offer in the form and substance as required by the federal "Real Estate Settlement Procedures Act of 1974," 12 U.S.C. ss.2601 et seq., except that, notwithstanding the provisions of that federal act, written disclosure shall be provided no later than when the promotion or offer is extended by the broker to the consumer; or
- h. Being convicted of a crime, knowledge of which the commission did not have at the time of last issuing a real estate license to the licensee; or
- i. Collecting a commission as a real estate broker in a transaction, when at the same time representing either party in a transaction in a different capacity for a consideration; or
- j. Using any trade name or insignia of membership in any real estate organization of which the licensee is not a member; or
- 47 k. Paying any rebate, profit, compensation or commission to 48 anyone not possessed of a real estate license, except that: (1) free,

discounted or other services or products provided for in subsection g. of this section shall not constitute a violation of this subsection; and (2) a real estate broker may provide a purchaser of residential real property, but no other third party a rebate of a portion of the commission paid to the broker in a transaction, so long as: the broker and the purchaser contract for such a rebate at the onset of the broker relationship in a written document, electronic document or a buyer agency agreement; the broker complies with any State or federal requirements with respect to the disclosure of the payment of the rebate; and the broker recommends to the purchaser that the purchaser contact a tax professional concerning the tax implications of receiving that rebate. The rebate paid to the purchaser shall be in the form of a credit, reducing the amount of the commission payable to the broker, or a check paid by the closing agent and shall be made at the time of closing; or

1. Any other conduct, whether of the same or a different character than specified in this section, which constitutes fraud or dishonest dealing; or

- m. Accepting a commission or valuable consideration as a real estate broker-salesperson or salesperson for the performance of any of the acts specified in this act, from any person, except his employing or contracting broker, who must be a licensed broker; or
- n. Procuring a real estate license, for himself or anyone else, by fraud, misrepresentation or deceit; or
- o. Commingling the money or other property of his principals with his own or failure to maintain and deposit in a special account, separate and apart from personal or other business accounts, all moneys received by a real estate broker, acting in said capacity, or as escrow agent, or the temporary custodian of the funds of others, in a real estate transaction; or
- p. Selling property in the ownership of which he is interested in any manner whatsoever, unless he first discloses to the purchaser in the contract of sale his interest therein and his status as a real estate broker, broker-salesperson, or salesperson; or
- q. Purchasing any property unless he first discloses to the seller in the contract of sale his status as a real estate broker, brokersalesperson, or salesperson; or
- r. Charging or accepting any fee, commission or compensation in exchange for providing information on purportedly available rental housing, including lists of such units supplied verbally or in written form, before a lease has been executed or, where no lease is drawn, before the tenant has taken possession of the premises without complying with all applicable rules promulgated by the commission regulating these practices; or
- s. Failing to notify the commission within 30 days of having been convicted of any crime, including any sex offense that would qualify the licensee for registration pursuant to section 2 of P.L.1994, c.133 (C.2C:7-2) or under an equivalent statute of

another state or jurisdiction, misdemeanor or disorderly persons offense, or of having been indicted, or of the filing of any formal criminal charges, or of the suspension or revocation of any real estate license issued by another state, or of the initiation of formal disciplinary proceedings in another state affecting any real estate license held, or failing to supply any documentation available to the licensee that the commission may request in connection with such matter; or

t. The violation of any of the provisions of R.S.45:15-1 et seq. or of the administrative rules adopted by the commission pursuant to the provisions of R.S.45:15-1 et seq. The commission is expressly vested with the power and authority to make, prescribe and enforce any and all rules and regulations for the conduct of the real estate brokerage business consistent with the provisions of chapter 15 of Title 45 of the Revised Statutes.

If a licensee is deemed to be guilty of a third violation of any of the provisions of this section, whether of the same provision or of separate provisions, the commission may deem that person a repeat offender, in which event the commission may direct that no license as a real estate broker, broker-salesperson, or salesperson shall henceforth be issued to that person.

(cf: P.L.2018, c.71, s.16)

3. This act shall take effect on the first day of the sixth month next following the promulgation of regulations by the New Jersey Real Estate Commission to effectuate the purposes of this act.

STATEMENT

This bill allows real estate salespersons or broker-salespersons, to form a limited liability company, or any other entity permitted by law, to receive commission income from the licensed real estate broker with whom the salesperson is contracted or employed to provide his or her services. The specific permission for a salesperson or broker-salesperson to operate through a limited liability company or other entity is intended to eliminate any confusion as to whether they may take advantage of the pass-through business income deduction made available under section 199A of the Federal Internal Revenue Code as part of the federal tax reforms of the 2017 "Tax Cut and Jobs Act."

The bill provides that, notwithstanding the formation of limited liability company or other entity, a salesperson or broker-salesperson who is compensated wholly on a commission basis will not be considered an employee pursuant to the State unemployment compensation law, and certain other labor laws that determine eligibility based on that law.

S3590

The bill requires the New Jersey Real Estate Commission to create a registration process for limited liability companies and other entities to receive a commission or other valuable consideration.

The bill also provides that, if a broker participates in a promotion or offering of free, discounted or other services or products which confers upon the recipient a monetary benefit of greater than \$1,000, the broker is required to provide written disclosure of the benefit to the recipient and any information concerning the promotion or benefit as may be required by the commission.

Allows formation of limited liability companies by real estate salespersons and broker-salespersons to receive commission income and requires certain disclosures on promotions.

SENATE, No. 3590

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED MARCH 25, 2021

Sponsored by:

Senator PATRICK J. DIEGNAN, JR.

District 18 (Middlesex)

Senator SHIRLEY K. TURNER

District 15 (Hunterdon and Mercer)

Assemblyman JOHN J. BURZICHELLI

District 3 (Cumberland, Gloucester and Salem)

Assemblyman THOMAS P. GIBLIN

District 34 (Essex and Passaic)

Co-Sponsored by:

Assemblywoman Jimenez

SYNOPSIS

Allows formation of limited liability companies by real estate salespersons and broker-salespersons to receive commission income and requires certain disclosures on promotions.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/24/2021)

AN ACT concerning real estate brokers, broker-salespersons and salespersons, and amending R.S.45:15-16 and R.S.45:15-17.

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

- 1. R.S.45:15-16 is amended to read as follows:
- 45:15-16. <u>a.</u> No real estate salesperson or broker-salesperson shall accept a commission or valuable consideration for the performance of any of the acts herein specified, from any person except his employer or contracting broker, who must be a licensed real estate broker.
- b. A real estate salesperson or broker-salesperson may form a limited liability company pursuant to the "Revised Uniform Limited Liability Company Act," P.L.2012, c.50 (C.42:2C-1 et seq.), or any other entity permitted by law, in order to receive a commission or other valuable consideration pursuant to subsection a. of this section, and the real estate salesperson or broker-salesperson may accept payment of the commission or other valuable consideration or any part thereof from the limited liability corporation or other entity. Notwithstanding the formation of such an entity, a salesperson or broker-salesperson who satisfies the requirements of subparagraph (K) of paragraph (7) of subsection (i) of R.S.43:21-19 shall not be considered an employee pursuant to that law.
- c. The New Jersey Real Estate Commission shall create a registration process for a limited liability company and other entity to receive a commission or other valuable consideration pursuant to subsection a. of this section.
- (cf: P.L.2018, c.71, s.12)

- 2. R.S.45:15-17 is amended to read as follows:
- 45:15-17. The commission may, upon its own motion, and shall, upon the verified complaint in writing of any person, investigate the actions of any real estate broker, broker-salesperson, or salesperson, or any person who assumes, advertises or represents himself as being authorized to act as a real estate broker, broker-salesperson, or salesperson or engages in any of the activities described in R.S.45:15-3 without being licensed so to do. The lapse or suspension of a license by operation of law or the voluntary surrender of a license by a licensee shall not deprive the commission of jurisdiction to proceed with any investigation as herein provided or prevent the commission from taking any regulatory action against such licensee, provided, however, that the alleged charges arose while said licensee was duly licensed. Each transaction shall be construed as a separate offense.

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

1 In conducting investigations, the commission may take testimony 2 by deposition as provided in R.S.45:15-18, require or permit any 3 person to file a statement in writing, under oath or otherwise as the 4 commission determines, as to all the facts and circumstances 5 concerning the matter under investigation, and, upon its own motion 6 or upon the request of any party, subpoena witnesses, compel their 7 attendance, take evidence, and require the production of any 8 material which is relevant to the investigation, including any and all 9 records of a licensee pertaining to his activities as a real estate 10 broker, broker-salesperson, or salesperson. The commission may 11 also require the provision of any information concerning the 12 existence, description, nature, custody, condition and location of 13 any books, documents, or other tangible material and the identity 14 and location of persons having knowledge of relevant facts of any 15 other matter reasonably calculated to lead to the discovery of 16 material evidence. Upon failure to obey a subpoena or to answer 17 questions posed by an investigator or legal representative of the 18 commission and upon reasonable notice to all affected persons, the 19 commission may commence an administrative action as provided 20 below or apply to the Superior Court for an order compelling 21 compliance.

The commission may place on probation, suspend for a period less than the unexpired portion of the license period, or may revoke any license issued under the provisions of R.S.45:15-1 et seq., or the right of licensure when such person is no longer the holder of a license at the time of hearing, or may impose, in addition or as an alternative to such probation, revocation or suspension, a penalty of not more than \$5,000 for the first violation, and a penalty of not more than \$10,000 for any subsequent violation, which penalty shall be sued for and recovered by and in the name of the commission and shall be collected and enforced by summary proceedings pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.), where the licensee or any person, in performing or attempting to perform any of the acts mentioned herein, is deemed to be guilty of:

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- a. Making any false promises or any substantial misrepresentation; or
- b. Acting for more than one party in a transaction without the knowledge of all parties thereto; or
- 40 c. Pursuing a flagrant and continued course of 41 misrepresentation or making of false promises through agents, 42 broker-salespersons, or salespersons, advertisements or otherwise; 43 or
- d. Failure to account for or to pay over any moneys belonging to others, coming into the possession of the licensee; or
- e. Any conduct which demonstrates unworthiness,
 incompetency, bad faith or dishonesty. The failure of any person to
 cooperate with the commission in the performance of its duties or to

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comply with a subpoena issued by the commission compelling the production of materials in the course of an investigation, or the failure to give a verbal or written statement concerning a matter under investigation may be construed as conduct demonstrating unworthiness; or

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- f. Failure to provide his client with a fully executed copy of any sale or exclusive sales or rental listing contract at the time of execution thereof, or failure to specify therein a definite terminal date which terminal date shall not be subject to any qualifying terms or conditions; or
- 11 g. Using any plan, scheme or method for the sale or promotion 12 of the sale of real estate which involves a lottery, a contest, a game, 13 a prize, a drawing, or the offering of a lot or parcel or lots or parcels for advertising purposes [, provided, however, that a promotion or 14 15 offer of free, discounted or other services or products which does 16 not require that the recipient of any free, discounted or other 17 services or products enter into a sale, listing or other real estate 18 contract as a condition of the promotion or offer shall not constitute 19 a violation of this subsection if that promotion or offering does not 20 involve a lottery, a contest, a game, a drawing or the offering of a 21 lot or parcel or lots or parcels for advertising purposes]. If a broker 22 participates in a promotion or offering of free, discounted, or other 23 services or products which confers upon the recipient a monetary 24 benefit of greater than \$1,000, the broker shall provide written 25 disclosure of the benefit to the recipient and any information 26 concerning the promotion or benefit as may be required by the 27 commission. A broker shall disclose in writing any compensation received for such promotion or offer in the form and substance as 28 29 required by the federal "Real Estate Settlement Procedures Act of 30 1974," 12 U.S.C. ss.2601 et seq., except that, notwithstanding the 31 provisions of that federal act, written disclosure shall be provided 32 no later than when the promotion or offer is extended by the broker 33 to the consumer; or
 - h. Being convicted of a crime, knowledge of which the commission did not have at the time of last issuing a real estate license to the licensee; or
 - i. Collecting a commission as a real estate broker in a transaction, when at the same time representing either party in a transaction in a different capacity for a consideration; or
 - j. Using any trade name or insignia of membership in any real estate organization of which the licensee is not a member; or
 - k. Paying any rebate, profit, compensation or commission to anyone not possessed of a real estate license, except that: (1) free, discounted or other services or products provided for in subsection g. of this section shall not constitute a violation of this subsection; and (2) a real estate broker may provide a purchaser of residential real property, but no other third party a rebate of a portion of the commission paid to the broker in a transaction, so long as: the

1 broker and the purchaser contract for such a rebate at the onset of 2 the broker relationship in a written document, electronic document 3 or a buyer agency agreement; the broker complies with any State or 4 federal requirements with respect to the disclosure of the payment 5 of the rebate; and the broker recommends to the purchaser that the 6 purchaser contact a tax professional concerning the tax implications 7 of receiving that rebate. The rebate paid to the purchaser shall be in 8 the form of a credit, reducing the amount of the commission 9 payable to the broker, or a check paid by the closing agent and shall

be made at the time of closing; or

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- l. Any other conduct, whether of the same or a different character than specified in this section, which constitutes fraud or dishonest dealing; or
- m. Accepting a commission or valuable consideration as a real estate broker-salesperson or salesperson for the performance of any of the acts specified in this act, from any person, except his employing or contracting broker, who must be a licensed broker; or
- n. Procuring a real estate license, for himself or anyone else, by fraud, misrepresentation or deceit; or
- o. Commingling the money or other property of his principals with his own or failure to maintain and deposit in a special account, separate and apart from personal or other business accounts, all moneys received by a real estate broker, acting in said capacity, or as escrow agent, or the temporary custodian of the funds of others, in a real estate transaction; or
- p. Selling property in the ownership of which he is interested in any manner whatsoever, unless he first discloses to the purchaser in the contract of sale his interest therein and his status as a real estate broker, broker-salesperson, or salesperson; or
- q. Purchasing any property unless he first discloses to the seller in the contract of sale his status as a real estate broker, brokersalesperson, or salesperson; or
- r. Charging or accepting any fee, commission or compensation in exchange for providing information on purportedly available rental housing, including lists of such units supplied verbally or in written form, before a lease has been executed or, where no lease is drawn, before the tenant has taken possession of the premises without complying with all applicable rules promulgated by the commission regulating these practices; or
- 40 Failing to notify the commission within 30 days of having 41 been convicted of any crime, including any sex offense that would 42 qualify the licensee for registration pursuant to section 2 of 43 P.L.1994, c.133 (C.2C:7-2) or under an equivalent statute of 44 another state or jurisdiction, misdemeanor or disorderly persons 45 offense, or of having been indicted, or of the filing of any formal 46 criminal charges, or of the suspension or revocation of any real 47 estate license issued by another state, or of the initiation of formal 48 disciplinary proceedings in another state affecting any real estate

S3590 DIEGNAN, TURNER

license held, or failing to supply any documentation available to the licensee that the commission may request in connection with such matter; or

t. The violation of any of the provisions of R.S.45:15-1 et seq. or of the administrative rules adopted by the commission pursuant to the provisions of R.S.45:15-1 et seq. The commission is expressly vested with the power and authority to make, prescribe and enforce any and all rules and regulations for the conduct of the real estate brokerage business consistent with the provisions of chapter 15 of Title 45 of the Revised Statutes.

If a licensee is deemed to be guilty of a third violation of any of the provisions of this section, whether of the same provision or of separate provisions, the commission may deem that person a repeat offender, in which event the commission may direct that no license as a real estate broker, broker-salesperson, or salesperson shall henceforth be issued to that person.

(cf: P.L.2018, c.71, s.16)

3. This act shall take effect on the first day of the sixth month next following the promulgation of regulations by the New Jersey Real Estate Commission to effectuate the purposes of this act.

STATEMENT

This bill allows real estate salespersons or broker-salespersons, to form a limited liability company, or any other entity permitted by law, to receive commission income from the licensed real estate broker with whom the salesperson is contracted or employed to provide his or her services. The specific permission for a salesperson or broker-salesperson to operate through a limited liability company or other entity is intended to eliminate any confusion as to whether they may take advantage of the pass-through business income deduction made available under section 199A of the Federal Internal Revenue Code as part of the federal tax reforms of the 2017 "Tax Cut and Jobs Act."

The bill provides that, notwithstanding the formation of limited liability company or other entity, a salesperson or broker-salesperson who is compensated wholly on a commission basis will not be considered an employee pursuant to the State unemployment compensation law, and certain other labor laws that determine eligibility based on that law.

The bill requires the New Jersey Real Estate Commission to create a registration process for limited liability companies and other entities to receive a commission or other valuable consideration.

S3590 DIEGNAN, TURNER

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The bill also provides that, if a broker participates in a promotion or offering of free, discounted or other services or products which confers upon the recipient a monetary benefit of greater than \$1,000, the broker is required to provide written disclosure of the benefit to the recipient and any information concerning the

promotion or benefit as may be required by the commission.

ASSEMBLY REGULATED PROFESSIONS COMMITTEE

STATEMENT TO

SENATE, No. 3590

STATE OF NEW JERSEY

DATED: JUNE 14, 2021

The Assembly Regulated Professions Committee reports favorably Senate Bill No. 3590.

This bill allows real estate salespersons or broker-salespersons, to form a limited liability company, or any other entity permitted by law, to receive commission income from the licensed real estate broker with whom the salesperson is contracted or employed to provide his or her services. The specific permission for a salesperson or broker-salesperson to operate through a limited liability company or other entity is intended to eliminate any confusion as to whether they may take advantage of the pass-through business income deduction made available under section 199A of the Federal Internal Revenue Code as part of the federal tax reforms of the 2017 "Tax Cut and Jobs Act."

The bill provides that, notwithstanding the formation of a limited liability company or other entity, a salesperson or broker-salesperson who is compensated wholly on a commission basis will not be considered an employee pursuant to the State unemployment compensation law, and certain other labor laws that determine eligibility based on that law.

The bill requires the New Jersey Real Estate Commission to create a registration process for limited liability companies and other entities to receive a commission or other valuable consideration. The bill also provides that, if a broker participates in a promotion or offering of free, discounted or other services or products which confers upon the recipient a monetary benefit of greater than \$1,000, the broker is required to provide written disclosure of the benefit to the recipient and any information concerning the promotion or benefit as may be required by the commission.

SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

STATEMENT TO

SENATE, No. 3590

STATE OF NEW JERSEY

DATED: MAY 6, 2021

The Senate Community and Urban Affairs Committee reports favorably Senate Bill No. 3590.

This bill allows real estate salespersons or broker-salespersons, to form a limited liability company, or any other entity permitted by law, to receive commission income from the licensed real estate broker with whom the salesperson is contracted or employed to provide his or her services. The specific permission for a salesperson or broker-salesperson to operate through a limited liability company or other entity is intended to eliminate any confusion as to whether they may take advantage of the pass-through business income deduction made available under section 199A of the Federal Internal Revenue Code as part of the federal tax reforms of the 2017 "Tax Cut and Jobs Act."

The bill provides that, notwithstanding the formation of limited liability company or other entity, a salesperson or broker-salesperson who is compensated wholly on a commission basis will not be considered an employee pursuant to the State unemployment compensation law, and certain other labor laws that determine eligibility based on that law.

The bill requires the New Jersey Real Estate Commission to create a registration process for limited liability companies and other entities to receive a commission or other valuable consideration. The bill also provides that, if a broker participates in a promotion or offering of free, discounted or other services or products which confers upon the recipient a monetary benefit of greater than \$1,000, the broker is required to provide written disclosure of the benefit to the recipient and any information concerning the promotion or benefit as may be required by the commission.

ASSEMBLY, No. 5536

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED MAY 5, 2021

Sponsored by:

Assemblyman JOHN J. BURZICHELLI District 3 (Cumberland, Gloucester and Salem) Assemblyman THOMAS P. GIBLIN District 34 (Essex and Passaic)

Co-Sponsored by: Assemblywoman Jimenez

SYNOPSIS

Allows formation of limited liability companies by real estate salespersons and broker-salespersons to receive commission income and requires certain disclosures on promotions.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/14/2021)

AN ACT concerning real estate brokers, broker-salespersons and salespersons, and amending R.S.45:15-16 and R.S.45:15-17.

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

- 1. R.S.45:15-16 is amended to read as follows:
- 45:15-16. <u>a.</u> No real estate salesperson or broker-salesperson shall accept a commission or valuable consideration for the performance of any of the acts herein specified, from any person except his employer or contracting broker, who must be a licensed real estate broker.
- b. A real estate salesperson or broker-salesperson may form a limited liability company pursuant to the "Revised Uniform Limited Liability Company Act," P.L.2012, c.50 (C.42:2C-1 et seq.), or any other entity permitted by law, in order to receive a commission or other valuable consideration pursuant to subsection a. of this section, and the real estate salesperson or broker-salesperson may accept payment of the commission or other valuable consideration or any part thereof from the limited liability corporation or other entity. Notwithstanding the formation of such an entity, a salesperson or broker-salesperson who satisfies the requirements of subparagraph (K) of paragraph (7) of subsection (i) of R.S.43:21-19 shall not be considered an employee pursuant to that law.
- c. The New Jersey Real Estate Commission shall create a registration process for a limited liability company and other entity to receive a commission or other valuable consideration pursuant to subsection a. of this section.
- (cf: P.L.2018, c.71, s.12)

- 2. R.S.45:15-17 is amended to read as follows:
- 45:15-17. The commission may, upon its own motion, and shall, upon the verified complaint in writing of any person, investigate the actions of any real estate broker, broker-salesperson, or salesperson, or any person who assumes, advertises or represents himself as being authorized to act as a real estate broker, broker-salesperson, or salesperson or engages in any of the activities described in R.S.45:15-3 without being licensed so to do. The lapse or suspension of a license by operation of law or the voluntary surrender of a license by a licensee shall not deprive the commission of jurisdiction to proceed with any investigation as herein provided or prevent the commission from taking any regulatory action against such licensee, provided, however, that the alleged charges arose while said licensee was duly licensed. Each transaction shall be construed as a separate offense.

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

1 In conducting investigations, the commission may take testimony 2 by deposition as provided in R.S.45:15-18, require or permit any 3 person to file a statement in writing, under oath or otherwise as the 4 commission determines, as to all the facts and circumstances 5 concerning the matter under investigation, and, upon its own motion 6 or upon the request of any party, subpoena witnesses, compel their 7 attendance, take evidence, and require the production of any 8 material which is relevant to the investigation, including any and all 9 records of a licensee pertaining to his activities as a real estate 10 broker, broker-salesperson, or salesperson. The commission may 11 also require the provision of any information concerning the 12 existence, description, nature, custody, condition and location of 13 any books, documents, or other tangible material and the identity 14 and location of persons having knowledge of relevant facts of any 15 other matter reasonably calculated to lead to the discovery of 16 material evidence. Upon failure to obey a subpoena or to answer 17 questions posed by an investigator or legal representative of the 18 commission and upon reasonable notice to all affected persons, the 19 commission may commence an administrative action as provided 20 below or apply to the Superior Court for an order compelling 21 compliance.

The commission may place on probation, suspend for a period less than the unexpired portion of the license period, or may revoke any license issued under the provisions of R.S.45:15-1 et seq., or the right of licensure when such person is no longer the holder of a license at the time of hearing, or may impose, in addition or as an alternative to such probation, revocation or suspension, a penalty of not more than \$5,000 for the first violation, and a penalty of not more than \$10,000 for any subsequent violation, which penalty shall be sued for and recovered by and in the name of the commission and shall be collected and enforced by summary proceedings pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.), where the licensee or any person, in performing or attempting to perform any of the acts mentioned herein, is deemed to be guilty of:

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- a. Making any false promises or any substantial misrepresentation; or
- b. Acting for more than one party in a transaction without the knowledge of all parties thereto; or
- 40 c. Pursuing a flagrant and continued course of 41 misrepresentation or making of false promises through agents, 42 broker-salespersons, or salespersons, advertisements or otherwise; 43 or
- d. Failure to account for or to pay over any moneys belonging to others, coming into the possession of the licensee; or
- e. Any conduct which demonstrates unworthiness,
 incompetency, bad faith or dishonesty. The failure of any person to
 cooperate with the commission in the performance of its duties or to

comply with a subpoena issued by the commission compelling the production of materials in the course of an investigation, or the failure to give a verbal or written statement concerning a matter under investigation may be construed as conduct demonstrating unworthiness; or

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- f. Failure to provide his client with a fully executed copy of any sale or exclusive sales or rental listing contract at the time of execution thereof, or failure to specify therein a definite terminal date which terminal date shall not be subject to any qualifying terms or conditions; or
- 11 g. Using any plan, scheme or method for the sale or promotion 12 of the sale of real estate which involves a lottery, a contest, a game, a prize, a drawing, or the offering of a lot or parcel or lots or parcels 13 for advertising purposes [, provided, however, that a promotion or 14 15 offer of free, discounted or other services or products which does 16 not require that the recipient of any free, discounted or other 17 services or products enter into a sale, listing or other real estate 18 contract as a condition of the promotion or offer shall not constitute 19 a violation of this subsection if that promotion or offering does not 20 involve a lottery, a contest, a game, a drawing or the offering of a 21 lot or parcel or lots or parcels for advertising purposes]. If a broker 22 participates in a promotion or offering of free, discounted, or other 23 services or products which confers upon the recipient a monetary 24 benefit of greater than \$1,000, the broker shall provide written 25 disclosure of the benefit to the recipient and any information 26 concerning the promotion or benefit as may be required by the 27 commission. A broker shall disclose in writing any compensation received for such promotion or offer in the form and substance as 28 29 required by the federal "Real Estate Settlement Procedures Act of 30 1974," 12 U.S.C. ss.2601 et seq., except that, notwithstanding the 31 provisions of that federal act, written disclosure shall be provided 32 no later than when the promotion or offer is extended by the broker 33 to the consumer; or
 - h. Being convicted of a crime, knowledge of which the commission did not have at the time of last issuing a real estate license to the licensee; or
 - i. Collecting a commission as a real estate broker in a transaction, when at the same time representing either party in a transaction in a different capacity for a consideration; or
- j. Using any trade name or insignia of membership in any real
 estate organization of which the licensee is not a member; or
 - k. Paying any rebate, profit, compensation or commission to anyone not possessed of a real estate license, except that: (1) free, discounted or other services or products provided for in subsection g. of this section shall not constitute a violation of this subsection; and (2) a real estate broker may provide a purchaser of residential real property, but no other third party a rebate of a portion of the commission paid to the broker in a transaction, so long as: the

1 broker and the purchaser contract for such a rebate at the onset of 2 the broker relationship in a written document, electronic document 3 or a buyer agency agreement; the broker complies with any State or 4 federal requirements with respect to the disclosure of the payment 5 of the rebate; and the broker recommends to the purchaser that the 6 purchaser contact a tax professional concerning the tax implications 7 of receiving that rebate. The rebate paid to the purchaser shall be in 8 the form of a credit, reducing the amount of the commission 9 payable to the broker, or a check paid by the closing agent and shall

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l. Any other conduct, whether of the same or a different character than specified in this section, which constitutes fraud or dishonest dealing; or

be made at the time of closing; or

- m. Accepting a commission or valuable consideration as a real estate broker-salesperson or salesperson for the performance of any of the acts specified in this act, from any person, except his employing or contracting broker, who must be a licensed broker; or
- n. Procuring a real estate license, for himself or anyone else, by fraud, misrepresentation or deceit; or
- o. Commingling the money or other property of his principals with his own or failure to maintain and deposit in a special account, separate and apart from personal or other business accounts, all moneys received by a real estate broker, acting in said capacity, or as escrow agent, or the temporary custodian of the funds of others, in a real estate transaction; or
- p. Selling property in the ownership of which he is interested in any manner whatsoever, unless he first discloses to the purchaser in the contract of sale his interest therein and his status as a real estate broker, broker-salesperson, or salesperson; or
- q. Purchasing any property unless he first discloses to the seller in the contract of sale his status as a real estate broker, brokersalesperson, or salesperson; or
- r. Charging or accepting any fee, commission or compensation in exchange for providing information on purportedly available rental housing, including lists of such units supplied verbally or in written form, before a lease has been executed or, where no lease is drawn, before the tenant has taken possession of the premises without complying with all applicable rules promulgated by the commission regulating these practices; or
- 40 Failing to notify the commission within 30 days of having 41 been convicted of any crime, including any sex offense that would 42 qualify the licensee for registration pursuant to section 2 of 43 P.L.1994, c.133 (C.2C:7-2) or under an equivalent statute of 44 another state or jurisdiction, misdemeanor or disorderly persons 45 offense, or of having been indicted, or of the filing of any formal 46 criminal charges, or of the suspension or revocation of any real 47 estate license issued by another state, or of the initiation of formal 48 disciplinary proceedings in another state affecting any real estate

license held, or failing to supply any documentation available to the licensee that the commission may request in connection with such matter; or

t. The violation of any of the provisions of R.S.45:15-1 et seq. or of the administrative rules adopted by the commission pursuant to the provisions of R.S.45:15-1 et seq. The commission is expressly vested with the power and authority to make, prescribe and enforce any and all rules and regulations for the conduct of the real estate brokerage business consistent with the provisions of chapter 15 of Title 45 of the Revised Statutes.

If a licensee is deemed to be guilty of a third violation of any of the provisions of this section, whether of the same provision or of separate provisions, the commission may deem that person a repeat offender, in which event the commission may direct that no license as a real estate broker, broker-salesperson, or salesperson shall henceforth be issued to that person.

(cf: P.L.2018, c.71, s.16)

3. This act shall take effect on the first day of the sixth month next following the promulgation of regulations by the New Jersey Real Estate Commission to effectuate the purposes of this act.

STATEMENT

This bill allows real estate salespersons or broker-salespersons, to form a limited liability company, or any other entity permitted by law, to receive commission income from the licensed real estate broker with whom the salesperson is contracted or employed to provide his or her services. The specific permission for a salesperson or broker-salesperson to operate through a limited liability company or other entity is intended to eliminate any confusion as to whether they may take advantage of the pass-through business income deduction made available under section 199A of the Federal Internal Revenue Code as part of the federal tax reforms of the 2017 "Tax Cut and Jobs Act."

The bill provides that, notwithstanding the formation of limited liability company or other entity, a salesperson or broker-salesperson who is compensated wholly on a commission basis will not be considered an employee pursuant to the State unemployment compensation law, and certain other labor laws that determine eligibility based on that law.

The bill requires the New Jersey Real Estate Commission to create a registration process for limited liability companies and other entities to receive a commission or other valuable consideration.

The bill also provides that, if a broker participates in a promotion or offering of free, discounted or other services or products which

A5536 BURZICHELLI, GIBLIN

- 1 confers upon the recipient a monetary benefit of greater than
- 2 \$1,000, the broker is required to provide written disclosure of the
- 3 benefit to the recipient and any information concerning the
- 4 promotion or benefit as may be required by the commission.

ASSEMBLY REGULATED PROFESSIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 5536

STATE OF NEW JERSEY

DATED: JUNE 14, 2021

The Assembly Regulated Professions Committee reports favorably Assembly Bill No. 5536.

This bill allows real estate salespersons or broker-salespersons, to form a limited liability company, or any other entity permitted by law, to receive commission income from the licensed real estate broker with whom the salesperson is contracted or employed to provide his or her services. The specific permission for a salesperson or broker-salesperson to operate through a limited liability company or other entity is intended to eliminate any confusion as to whether they may take advantage of the pass-through business income deduction made available under section 199A of the Federal Internal Revenue Code as part of the federal tax reforms of the 2017 "Tax Cut and Jobs Act."

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The bill requires the New Jersey Real Estate Commission to create a registration process for limited liability companies and other entities to receive a commission or other valuable consideration.

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Governor Murphy Takes Action on Legislation

11/8/2021

TRENTON – Today, Governor Murphy signed the following bills into law:

S-249/A-1259 (Singleton, Turner/Schaer, DeCroce, Vainieri Huttle) – Requires pharmacy benefits manager providing services within Medicaid program to disclose certain information to DHS

S-324/A-3533 (Diegnan, A.M. Bucco/Benson, Freiman, DeCroce) – Authorizes operators of motor vehicles to display electronic proof of registration; requires MVC to send application for registration renewal to lessee of leased vehicle

SCS for S-399 and 1645/ACS for A-869 and 1380 (Lagana, Weinberg, Stack, Turner, Cunningham/Chiaravalloti, Holley) – Requires residential landlords to install covers on steam radiators upon request of tenant

S-537/A-3110 (Codey/McKeon, Verrelli, Vainieri Huttle) – Establishes certain minimum and maximum temperatures in rooming and boarding houses, dementia care homes, and certain nursing homes and residential health care facilities

S-550/A-1616 (Codey, Pennacchio/Lampitt, Conaway, Vainieri Huttle) – Requires certain student identification cards to contain telephone number for suicide prevention hotline

SCS for S-647/A-4825 (Greenstein, Singleton/McKeon, Karabinchak, Stanley) – Revises cybersecurity, asset management, and related reporting requirements in "Water Quality Accountability Act"

S-828/A-2101 (Lagana, Greenstein/Swain, Tully, Verrelli) – Requires public utilities and local units to provide notice prior to initiating certain infrastructure projects

S-829/A-2135 (Lagana, Singleton/Tully, Swain, Murphy) – Requires property condition disclosure statement to indicate presence of lead plumbing in residential property

S-830/A-2134 (Lagana, Greenstein/Tully, Swain, Conaway) – Requires public water systems to offer drinking water tests to customers in certain circumstances

S-894/A-3874 (Pou, Greenstein/Lopez, Vainieri Huttle) – Prohibits sale of paint or coating removal products that contain methylene chloride unless purchaser meets certain safety standards for use

S-1010/A-2103 (Lagana, Turner/Swain, Tully, Johnson) – Permits counties and municipalities to bond for alternative fuel vehicles

S-1047/A-1712 (Cryan, Pou/Burzichelli, Karabinchak, Giblin) – Concerns disclosure of certain information prior to sale of real estate

S-1148/A-1221 (Ruiz, Pou/Chaparro, Speight, Wimberly) – Requires emergency contact information and access instructions for social services hotline to be provided to tenants of multiple dwellings

S-1239/A-5131 (Codey/McKeon, Danielsen, Jasey) – Authorizes imposition of fee for connection to municipal electric distribution system

S-1259/A-2628 (Singleton/Murphy) – Concerns labor contractors

S-1726/A-795 (Lagana, Pou/Verrelli, Swain, Zwicker) – Prohibits sale of cosmetic products that have been tested on animals

- **S-2727/A-4775 (Pennacchio, Pou/Vainieri Huttle, Jasey, McKnight)** Establishes Multigenerational Family Housing Continuity Commission; provides municipal guidance to periodically analyze local advancement of commission's senior citizen housing recommendations
- **S-2861/A-5390 (Singleton, Addiego/Quijano, McKnight, Speight)** Concerns certain restrictive covenants on real property
- **S-2996/A-5019 (Testa, Sweeney/McClellan, Taliaferro, Johnson)** Allows Board of Cosmetology and Hairstyling licensees to operate mobile facilities when providing services
- S-3000/A-4688 (Weinberg, Greenstein/Benson, Verrelli, Vainieri Huttle) Codifies and establishes certain network adequacy standards for pediatric primary and specialty care in Medicaid program
- **S-3032/A-4855 (Sweeney, Vitale/Benson, Vainieri Huttle, Chiaravalloti)** Requires DOH to develop Statewide plan for infection control and prevention infrastructure improvements in nursing homes
- **S-3091/A-4933 (Addiego, Bateman/Burzichelli, Benson, Mukherji)** Requires builders to offer unit concrete products that utilize carbon footprint-reducing technology as option in new construction; establishes tax incentives, and State and local purchasing requirements, for unit concrete products that utilize carbon footprint-reducing technology
- S-3253/A-2619 (Singleton, Ruiz/Murphy, Speight, Mukherji) Establishes alternate route to expedite certification of teachers at early college high school programs
- S-3318/A-5893 (Sweeney, Pou/Vainieri Huttle, Caputo, Karabinchak) Provides for voluntary contributions by taxpayers on gross income tax returns for Special Olympics New Jersey
- **S-3590/A-5536 (Diegnan, Turner/Burzichelli, Giblin)** Allows formation of limited liability companies by real estate salespersons and broker-salespersons to receive commission income and requires certain disclosures on promotions
- S-3811/A-5769 (Sweeney, Scutari/Reynolds-Jackson, Quijano, Carter) Establishes Kean University as public urban research university
- **S-3948/A-5896 (Addiego, Gopal/Houghtaling, Downey)** Authorizes supplemental State aid to school districts receiving certain federal Impact Aid; makes appropriation
- **SJR-41/AJR-33 (Cruz-Perez, Addiego/Lopez, McKnight)** Designates June 2 of each year as "Gun Violence Awareness Day"
- **SJR-109/AJR-208 (Weinberg, Pou/McKnight, Benson, Vainieri Huttle)** Condemns hate and violent extremism and commits to defense of safe and just democracy
- **A-637/S-2670 (Caputo, Dancer, Houghtaling/Beach)** Revises permit and license processes for sports pools operators and online sports pool operators; revises definitions of certain sports events; allows for transactional waiver for sports wagering lounge
- **A-853/S-797 (Chiaravalloti, Karabinchak, McKnight/Cunningham, Doherty)** Prohibits municipal licensure of children operating temporary businesses
- **A-2311/S-356 (Calabrese, Jasey/Cryan, Codey)** Establishes study commission to examine development of mutually beneficial relationships between institutions of higher education and municipalities
- A-3027/S-793 (Lampitt, Jasey, Houghtaling/Cunningham, Singleton) Commits \$3 million from Supplemental Workforce Fund for Basic Skill to NJ Community College Consortium for Workforce and Economic Development
- ACS for A-3352/S-3504 (Kennedy, Stanley, Calabrese/Smith) Requires certain newly constructed warehouses to be solar-ready buildings

A-3897/S-3263 (Armato, Mazzeo, DiMaso/Beach, Gopal) — Increases fee for New Jersey Waterfowl Stamps

A-4138/S-2701 (Vainieri Huttle, Benson, Giblin/Gopal, Codey) – Requires Department of Human Services to develop public emergency response plan for licensed providers of services to individuals with developmental disabilities

A-4367/S-2794 (Mukherji, Sumter, Taliaferro/Pou, Scutari) – Provides that AOC shall administer program for municipal courts allowing defendants to engage in online plea negotiations, entry of guilty plea, and payment of fine or penalty

A-4484/S-3153 (McKnight, Kennedy, Mukherji, Gove/Pou, Vitale) – Requires State Long-Term Care Ombudsman to establish long-term care advocacy and educational training program

A-4538/S-3131 (Lampitt, Quijano/Pou, A.M. Bucco) – Requires dental insurers to provide credits for reduced usage during coronavirus disease 2019 pandemic

A-4544/S-3150 (Caputo, Jasey, Murphy/Pou, Codey) – Permits school nurse who is retired from TPAF to return to employment for up to two years without reenrollment in TPAF

A-4633/S-2856 (Giblin, DeCroce/Pou) – Permits certain nonresident Certified Public Accountants to provide attest services

A-4831/S-3953 (Chaparro, Kennedy, Murphy/Scutari) – Clarifies classification in this State of criminal offenses committed in other states or under federal law

A-4836/S-3313 (Giblin, Benson, Downey/Pou, Turner) – Establishes task force to evaluate quality, efficacy, costs, and educational outcomes of online courses offered by public and independent institutions of higher education and degree-granting proprietary institutions during COVID-19 pandemic

A-4861/S-3041 (Vainieri Huttle, Armato, Verrelli/Vitale, Gopal) – Requires DOH to publish total number of COVID-19 deaths and cases in long-term care facilities

A-4869/S-2414 (Wirths, Verrelli, Space/Singleton, Madden) – Requires certain bidders for prevailing wage public work to provide proof that prevailing wage will be paid

A-5059/S-3031 (Conaway, Vainieri Huttle, Benson/Sweeney, Vitale) – Requires DOH to establish certain nursing education and professional advancement programs

A-5212/S-3638 (Conaway, Verrelli, Karabinchak/Turner, Diegnan) – Permits dentists to administer vaccines under certain circumstances

A-5751/S-3823 (Swain, Timberlake, Carter, Johnson/Weinberg, Gopal) – Expands State corrections officers training to include topics contributing to their core mission of treating inmates with dignity, fairness, and respect

A-5817/S-3852 (Tully, Swain, Benson/Lagana, Diegnan) — Revises violation and fines for approving or assigning unauthorized individuals as school bus drivers

A-5818/S-3849 (Tully, Swain, Benson/Lagana, Diegnan) – Provides for debarment of school bus contractors for certain violations; requires certain information in pupil transportation contract bid

AJR-204/SJR-105 (Jasey, Benson, Reynolds-Jackson/Cunningham, T. Kean) – Designates April of each year as "Educational Opportunity Fund (EOF) Month" in New Jersey

AJR-238/SJR-123 (Burzichelli/Sweeney, Singleton) – Urges U.S. President and EPA to take appropriate action, through waivers and other reforms, to allow blending of renewable fuels under the federal "Clean Air Act"

Governor Murphy conditionally vetoed the following bills:

S-108/A-169 (Gill, Turner/Caputo, Wirths) – **CONDITIONAL -** Concerns speech rights of student journalists at public schools and public institutions of higher education

Copy of Statement

S-2078/A-5008 (Weinberg, Addiego/Lampitt, Benson, Vainieri Huttle) – **CONDITIONAL** - Establishes "Stillbirth Resource Center" and regional Fetal and Infant Mortality Review Committee, and programs for the prevention and reduction of incidences of stillbirth; expands list of professionals authorized to provide stillbirth-related care

Copy of Statement

S-2160/A-5701 (Sweeney, Oroho, Singer/Carter, Lampitt, Jasey) – **CONDITIONAL -** Creates special education unit within the Office of Administrative Law; requires annual report

Copy of Statement

S-2525/A-4274 (Rice, Singleton, Turner/Conaway, Sumter, Stanley) – CONDITIONAL - Expands powers and duties of State Chief Diversity Officer to promote diversity in State government and public contracting

Copy of Statement

S-2559/ACS for A-4179 and 4200 (Gopal, Gill/Downey, Conaway, Benson, Houghtaling, Karabinchak) – CONDITIONAL - Revises requirements for health insurance providers and Medicaid to cover services provided using telemedicine and telehealth; appropriates \$5 million

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S-2834/A-5312 (Ruiz, Cunningham/Quijano, Lampitt, McKnight) – **CONDITIONAL -** Mandates training on culturally responsive teaching for all candidates for teaching certification

Copy of Statement

S-2953/A-4785 (Sweeney, Cunningham/Quijano, Verrelli, Mukherji) – CONDITIONAL - Expands scope of inmate reentry assistance and benefits

Copy of Statement

S-3238/A-5213 (Ruiz, Pou/Verrelli, McKnight, McKeon) – CONDITIONAL - Establishes New Jersey Easy Enrollment Health Insurance Program

Copy of Statement

S-3488/A-5537 (Sweeney, Gopal, O'Scanlon/Burzichelli, Dancer, Spearman) – CONDITIONAL - Modifies certain procedures pertaining to school district regionalization; establishes grant program for cost reimbursement of conducting regionalization feasibility studies; and provides financial incentives for regionalization

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S-3867/A-5868 (Addiego, Singleton/Benson, Verrelli, Vainieri Huttle) – CONDITIONAL - Establishes Opioid Recovery and Remediation Fund and Opioid Recovery and Remediation Fund Advisory Council; provides for funds received from opioid settlements to support substance use disorder prevention and treatment programs

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S-3955/A-5905 (Ruiz/Timberlake, Speight, Spearman) – CONDITIONAL - Establishes "Rental Assistance Navigation Program" in DCA; makes appropriation

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A-1533/S-3321 (Spearman, Reynolds-Jackson, Schaer/Stack, Turner) – CONDITIONAL - Requires reservation of portion of tenant-based vouchers under State rental assistance program for persons displaced due to redevelopment of an affordable housing development; provides displaced persons with affordable housing priority status

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A-2455/S-2204 (Benson, Vainieri Huttle, DeAngelo/Greenstein, Oroho) – **CONDITIONAL -** Establishes pilot program in DOE to support FIRST Robotics Programs in school districts

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A-3062/S-1196 (Pintor Marin, Moen, Reynolds-Jackson/Pou, Cruz-Perez) - CONDITIONAL

- Establishes three year Financial Empowerment Pilot Program

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A-4002/S-2257 (Caputo, Dancer, Murphy/Gopal, Sarlo) – **CONDITIONAL -** Allows deduction of promotional gaming credit from gross revenue on sports wagering

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A-4433/S-2715 (Greenwald, Mukherji, Lampitt/Beach, Corrado) – CONDITIONAL - Creates grant program to encourage school districts to partner with institutions of higher education in training school-based mental health services providers

Copy of Statement

A-4435/S-2717 (Verrelli, Greenwald, Speight, Lampitt/Beach, Corrado) – CONDITIONAL - Requires DCF to give priority to certain school districts with student mental health counseling centers in awarding grants under School Based Youth Services Program

Copy of Statement

A-4630/S-577 (Burzichelli/Madden, Singleton) – CONDITIONAL - Concerns labor harmony agreements in retail and distribution center projects

Copy of Statement

A-4746/S-3947 (Mosquera, Lopez, Chaparro, Dunn/Vitale, Turner) – **CONDITIONAL** - Requires that certain provider subsidy payments for child care services be based on enrollment

Copy of Statement

A-4834/S-3474 (Mazzeo, Quijano, Downey/Pou, Turner) – **CONDITIONAL -** Requires disclosure letter be included with mail falsely implying State government connection

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A-4850/S-3095 (Karabinchak, Freiman, Calabrese, Greenwald/Diegnan) – CONDITIONAL - Establishes expedited construction inspection program

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A-5033/S-3279 (Benson, Dancer, Verrelli/Gopal) – CONDITIONAL - Authorizes motor vehicle dealers to sell motor vehicles online and obtain electronic signatures for motor vehicle transactions

Copy of Statement

A-5353/S-3421 (Conaway, Vainieri Huttle, Benson/Madden, Turner) – CONDITIONAL - Provides for certification of temporary nurse aides

Copy of Statement

A-5599/S-3916 (Chiaravalloti, Vainieri Huttle, McKnight/Scutari, Gill) – **CONDITIONAL -** Establishes order of protection for current or former judge; upgrades and clarifies harassment against current or former judge; bars firearms possession by persons against whom current or former judge order of protection is entered

Copy of Statement

A-5864/S-3939 (Speight, Pintor Marin, Chaparro, McKnight, DeAngelo, Bergen/Gopal, Cryan) – CONDITIONAL - Allows law enforcement officers to review body worn camera recordings prior to creating initial report

Copy of Statement

Governor Murphy absolute vetoed the following bills:

S-415/A-4685 (Turner/Quijano, Verrelli) – **ABSOLUTE -** Requires reentry assistance to be provided to certain inmates who have served their maximum sentence

Copy of Statement

S-969/ACS for A-2687 (Ruiz, Turner/Mazzeo, Lampitt, Moen) – CONDITIONAL - Establishes loan redemption program for teachers in certain fields to redeem loan amounts received under New Jersey College Loans to Assist State Students Loan Program through employment in certain low performing schools

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S-2261/A-4265 (Singleton/Conaway) – ABSOLUTE - Revises law relating to common interest communities

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S-2347/A-4030 (Sweeney, Greenstein, T. Kean/Mukherji, Benson, Murphy) – ABSOLUTE - Establishes Employment and Business-Related Tax Deferral Assistance Program in EDA to allow small businesses to defer the payment and remittance of certain employment and business-related taxes during COVID-19 public health emergency

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S-3093/A-4910 (Gopal, Sweeney, Singleton/Burzichelli, Johnson, Danielsen) – ABSOLUTE - Establishes county-based mitigation plan to allow businesses to operate during pandemic

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S-3505/A-5371 (Scutari, Weinberg/Mukherji, Johnson, Quijano) – ABSOLUTE - Requires assignment of unemployment claims handlers to legislative districts and partisan offices during COVID-19 pandemic state of emergency; appropriates \$1.8 million

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S-3868/A-5895 (Sarlo/Giblin) - ABSOLUTE - Concerns construction code enforcing agency fee revenue

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A-2722/S-1862 (Mukherji/Gopal, Oroho) – **ABSOLUTE -** Requires Commissioner of Corrections to institute 30-minute shift overlap in State correctional facilities

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A-4297/S-2631 (Houghtaling, Downey, Space/Gopal, Oroho) – ABSOLUTE - Permits conduct of bingos and raffles remotely; permits online sale of tickets for all bingos and raffles

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A-5231/S-3806 (Lopez, Coughlin, Freiman/Vitale) – ABSOLUTE - Allows county or municipal governing body to enter into revenue sharing agreement for alcoholic beverage sales by concessionaire permit holder

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