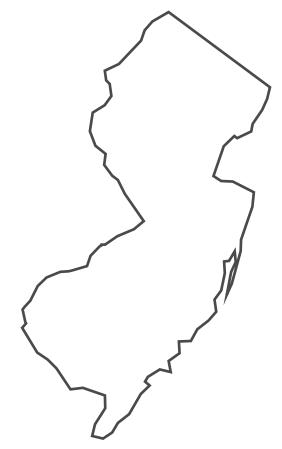
American Legislative Exchange Council In NEW JERSEY



The Voice Of Corporate Special Interests in the Halls of New Jersey's Legislature









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EXECUTIVE SUMMARY

This report documents the footprint that the American Legislative Exchange Council (ALEC) has had in New Jersey in recent years. ALEC's impact in state legislatures across the country cannot be underestimated. This corporate-funded 501(c)(3) organization has been operating and expanding since its inception in 1973, and, with its structure of having corporations and politicians vote as equals on model bills, it gives corporate lobbyists unprecedented access to lawmakers and to the composition of the bills they introduce.

ALEC and its members have pushed legislation that would move New Jersey backward, not forward in a positive direction. This agenda is primarily based on pecuniary rewards for ALEC's corporate funders, and its ideological underpinnings harm everyday citizens.

Out of New Jersey's 120 state legislators, 11 have documented ties to ALEC's leadership structures: 6 in the 80-member General Assembly, and 5 in the 40-member Senate. This minority has had great success in introducing ALEC models, but thankfully they have seen little movement toward passing those bills into law.

KEY FINDINGS

The key findings of this report include:

- ALEC model bills introduced across the country have devastating effects on workers, students, voters, consumers, immigrants, and our ability to enjoy clean air and water.
- ALEC has flourished in Republican-dominated states, but it has a less obvious presence in New Jersey's Democratic-controlled state legislature. However, Republican Governor Chris Christie's former Chief of Staff, Richard Bagger, served on ALEC's Private Enterprise Board in at least 2002 and 2004 on behalf of Pfizer.ⁱⁱⁱ Bagger now works for Celgene Corporation, another ALEC funder,^{iv v} and was nominated by the Governor to be a paid Commissioner on the Port Authority of New York and New Jersey,^{vi} confirmed on June 28, 2012.^{vii} New Jersey's ALEC "public sector" co-chairs^{viii} are Assemblyman Jay Webber (R-26) and Senator Steve Oroho (R-24).
- Despite their claims that "ALEC does not lobby in any state," the organization tracks the status
 of its model bills in legislatures and sends its employees to testify in support of its bills in state
 houses across the country, in addition to materials that it regularly transmits to legislators. This
 report examines the legislative histories of the New Jersey members with which ALEC has ties
 and the model legislation that has been introduced, at times word for word, or dangerously
 close to it.
- In response to ALEC's extreme agenda, corporations^{ix} and lawmakers^x have dropped ALEC in recent months. In New Jersey:
 - September 13, 2012 Merck & Co., founded in 1891 and based in Whitehouse Station, New Jersev^{xi}

- August 16, 2012 Reckitt Benckiser, created by merger in 1999, US home in Parsippany, New Jersey^{xii}
- July 13, 2012 St. Louis, Missouri based Express Scripts, which operates Medco, founded in 1983 and based in Franklin Lakes, New Jersey^{xiii}
- June 12, 2012 Johnson & Johnson, founded in 1886 and based in New Brunswick, New Jersey^{xiv}

This report concludes that New Jersey-based corporations^{xv} and New Jersey legislators with ALEC ties^{xvi} should follow the lead of Merck & Co., Reckitt Benckiser, Express Scripts, and Johnson & Johnson and do the same.

WHAT IS ALEC

The American Legislative Exchange Council (ALEC) was founded in 1973 as a clearinghouse to promote legislation at the state level, and it has since developed into a highly prominent lobbying vehicle for hundreds of the US's leading corporations. According to the Center for Media and Democracy, over 98% of ALEC's annual revenue comes from corporations and sources other than legislative dues. At national ALEC conferences at posh resorts, at least three times a year, state legislators meet with industry lobbyists to discuss policy and vote on "model" legislation, which is then promoted by ALEC to advance a corporate legislative agenda.

Organized around eight "task forces" – concerned with issues including "Tax and Fiscal Policy" and "Commerce" – ALEC enables corporate lobbyists to promote their agenda to approximately 2,000 legislators from all 50 states, all while avoiding public scrutiny and benefiting from tremendous economies of scale. ALEC describes itself publicly as an "educational" group for legislators, promoting the role of its fee-paying private-sector members as mere advisors. However, in numerous communications to its corporate funders, ALEC touts its success in getting corporate bills introduced and passed into law. One of its ads directed at corporations even described its successful promotion of model legislation as a "good investment," and celebrated, "Nowhere else can you get a return that high." ALEC claims that around 1,000 of its model bills get introduced every year, and about one in five with become law annually.*

In April 2011, Common Cause filed a 4,000 page Internal Revenue Service (IRS) Whistleblower complaint against ALEC, documenting extensive and systematic lobbying on behalf of its corporate funders, all of which has gone unreported by ALEC to the IRS. Despite considerable evidence to the contrary, including emails, "Issue Alerts", talking points, and hundreds of other documents, ALEC claims that none of its activities constitute lobbying and has routinely reported spending \$0 in lobbying expenditures to the IRS. The financial motivation for doing so is clear. By operating as a public charity, ALEC's corporate members are entitled to claim tax-deductions for their often substantial contributions, while approximately 2,000 legislator members pay just \$50 per year for their membership.

According to the New York Times, xxi ALEC's three top funders in 2010 were AT&T, Pfizer and Reynolds American, which each contributed between \$130,000 and \$398,000 that could be identified. Xxiii Legislator members in each state also directly solicit contributions from corporations for a state-level "ALEC scholarship fund," which subsidizes legislator travel to ALEC conferences held in luxury resorts. These scholarship contributions can be substantial: According to the Center for Media and Democracy, in 2010 the drug lobby PhRMA wrote a check for \$356,000 to the ALEC scholarship fund in the state of Wisconsin, although ALEC claims it was distributed nationwide. Xxiii Other major funders include Exxon Mobil, the Scaife family, the Coors family, the family foundations controlled by the Koch billionaires, the Bradley family, and the Olin family, whose foundations and operations have financed Right Wing think tanks and political groups. Members of ALEC's board include major corporations such as Altria, AT&T, GlaxoSmithKline, Koch Industries, PhRMA, Peabody Energy, and State Farm.

ALEC has been under increasing scrutiny in recent years for its central role in promoting a series of highly controversial bills. In July 2011, the Center for Media and Democracy launched its ALECExposed.org website, identifying and analyzing more than 800 ALEC model bills and enabling reporters and concerned citizens to identify them state-by-state. This includes the model bill known as "Stand Your Ground," or "Castle Doctrine Act," which passed in Florida in 2005 before ALEC adopted it

as a model and it was introduced in whole or in part in almost three dozen states, and before gaining notoriety following the tragic shooting death of unarmed high school student Trayvon Martin in Florida in 2012. A 2009 ALEC model is behind restrictive "Voter ID" legislation, which according to the Brennan Center for Justice may disenfranchise 5 million Americans during the 2012 elections.**

A corporate campaign spearheaded by Color of Change and supported by People For the American Way Foundation, Common Cause, the Center for Media and Democracy, Credo Mobile, and Progress Now! among other public interest groups, has been calling on ALEC's corporate members to publicly withdraw from ALEC, resulting in 40 corporations and four nonprofits doing so, including Coca-Cola, Amazon, Wal-Mart, McDonalds, Kraft, Procter & Gamble, and the Gates Foundation.

ALEC LEGISLATORS IN NEW JERSEY

According to data from the separate investigations of the New Jersey Star Ledger xxvi and the Center for Media and Democracy, xxvii a combined total of 11 New Jersey state legislators have ALEC ties. xxviii xxix

Assemblymembers



Mary Pat Angelini (R-11)

Caroline Casagrande (R-12)



Amy Handlin (R-13)



Declan O'Scanlon (R-12)



Scott Rumana (R-40)

Jay Webber (R-26) (ALEC State Chair)

Senators



Christopher Bateman (R-16)



Anthony R. Bucco (R-25)*** xxxi



Gerald Cardinale (R-39)



Joseph Kyrillos (R-13)xxxii



Steve Oroho (R-24) (ALEC State Chair)



Additionally, Richard Bagger, former Chief of Staff to New Jersey Governor Chris Christie, served on ALEC's Private Enterprise Board in at least 2002 and 2004 on behalf of Pfizer. xxxiii Bagger now works for Celgene Corporation, another ALEC funder, xxxiv xxxv and was nominated by the Governor to be a paid Commissioner on the Port Authority of New York and New Jersey, xxxvi confirmed on June 28, 2012. xxxvii



And in 1993, Assemblyman Nicholas Felice (R-40) (1982-2002) had a seat on the National Task Force on Health Care when ALEC members fought Hillary Clinton's health reform effort.xxxviii

AT HOME IN NEW JERSEY: ALEC CORPORATE FUNDERS

For decades, corporations have been using ALEC as a vehicle to get their bills introduced in New Jersey. These corporations include major pharmaceutical brands like Bayer and the major aerospace and defense contractor Honeywell. Below are the major corporations based in New Jersey that are known to have been affiliated with ALEC in recent years.



Bayer

Marijn Dekkers, Chairman

Agriculture; and Health and Human Services Task Forces

ALEC Corporate Co-Chair in Connecticut, Massachusetts, Nevada, Pennsylvania, South Dakota, and Texas

"Chairman" level sponsor of 2011 ALEC Annual Conference

Employees: About 112,000 worldwide

Sales: \$47.5 Billion

Principally based in Germany, the Bayer Group is a global enterprise with companies in almost every country. *I Bayer HealthCare operates its Consumer Care Division, specializing in the over-the-counter market, in Morristown, New Jersey. Notable brands include Aspirin, Aleve, and One-a-Day vitamins. The Pharmaceuticals Division, specializing in women's healthcare, diagnostic imaging, general medicine, hematology/neurology, and oncology, has sites in Montville and Wayne, New Jersey. Notable brands include YAZ/Yasmin, Mirena, and Glucobay.



Celgene

Robert J. Hugin, Chairman, President and CEO Member of the ALEC Health and Human Services Task Force ALEC Corporate Co-Chair in Illinois Employees: More than 4,500 worldwide

Sales: \$4.8 billion

Celgene is a pharmaceutical company based in Summit, New Jersey. It produces Thalomid, used to treat bone marrow cancer as well as a form of leprosy, and a form of the infamous thalidomide sedative which was used in the 1950s until it was realized that it caused birth defects. It also produces Revlimid, used to treat the malignant blood disease MDS.*



Daiichi-Sankyo

John P. Gargiulo, President and CEO Member of the ALEC Health and Human Services Task Force Employees: 31,929 worldwide (approximately 3,000 US)

Sales: \$1.6 Billion

Daiichi-Sankyo is a pharmaceutical company based in Parsippany, New Jersey. It produces the blood pressure medications Azor, Benicar, Benicar HCT, and Tribenzor; the heart medication Effient; Evoxac, used to treat Sjögren's syndrome, an auto-immune disorder; Sprix, an analgesic nasal spray; the cholesterol medication Welchol; and Zelboraf, a melanoma treatment.

Honeywell

Honeywell

David M. Cote, Chairman and CEO Member of the ALEC Civil Justice Task Force Employees: Approximately 132,000 worldwide

Sales: \$36.5 Billion

Honeywell is a large aerospace and defense contractor based in Morristown, New Jersey. Honeywell Aerospace makes flight safety and landing systems as well as jet engines, including engines for Unmanned Aerial Vehicles (UAVs) such as those used in Predators which fire Hellfire missiles. Honeywell also makes automation and control equipment used in home and industrial heating, and car products for consumers such as Prestone and FRAM.*



Novartis

Joseph Jimenez, CEO 2011 Recipient of ALEC's Private Sector Member of the Year Award Member of the ALEC Health and Human Services Task Force Employees: More than 120,000 worldwide

Sales: \$58.6 Billion

Novartis is a global pharmaceutical and biotechnology corporation with US offices in East Hanover, Parsippany, and Princeton, New Jersey. Notable brands include Excedrin, Prevacid, Theraflu, and Triaminic.

ORCHID CELLMARK DNA testing trusted worldwide.

Orchid Cellmark

Wholly Owned Subsidiary of **LabCorp** David P. King, Chairman and CEO

Member of the ALEC Public Safety and Elections Task Force XIIII

Employees: Approximately 400 worldwide

Purchase Price: \$85.4 Million xliv

Orchid Cellmark, with facilities in Princeton, New Jersey, offers paternity and other DNA testing services. LabCorp completed its acquisition of Orchid on December 15, 2011. xlv



Prudential Financial

John R. Strangfeld, Chairman and CEO

ALEC Donor

Employees: Approximately 50,100 worldwide Assets: \$961 Billion under management

Prudential Financial, based in Newark, New Jersey, is one of the largest life insurers in the world. It also sells long-term care and disability insurance and offers mutual funds and retirement services. Top competitors are AIG and MetLife. xivi



Sanofi

Christopher A. Viehbacher, CEO

Member of ALEC's Private Enterprise Board^{xivii} and the Health and Human Services Task Force "Vice Chairman" level sponsor of 2011 ALEC Annual Conference

Arizona ALEC Scholarship Fund Donor

Employees: 100,000 worldwide (11,400 US)

Sales: \$43.5 Billion

Sanofi-Aventis is one of Europe's largest pharmaceutical companies, with its US headquarters in Bridgewater, New Jersey. The company manufactures the allergy medicine Allegra. Its six therapeutic categories are: internal medicine and allergies, cardiovascular, thrombosis (blood clots), central nervous system disorders cancer and metabolic conditions. The company's top selling drugs are the blood thinners Plavix (which it markets with Bristol-Myers Squibb) and Lovenox; the cancer drugs Taxotere and Eloxatine; insulin brand Lantus and Ambien for insomnia. It is also one of the largest vaccine manufacturers, through its Sanofi Pasteur subsidiary. XIVIIII



Verizon

Lowell McAdam, Chairman and CEO

Formerly tied to ALEC's Private Enterprise Board^{xlix} and member of the Communications and Technology^l and Tax and Fiscal Policy^{li} Task Forces

ALEC Corporate Co-Chair in Virginia and Wyoming

ALEC Executive Director Ronald Scheberle is himself a 30-year veteran of Verizon and its predecessor, GTE, having served as the corporation's Vice President of Government Affairs lii

Employees: Approximately 193,900 worldwide

Revenue: \$110.9 Billion

Verizon calls New York City, NY home, but the base of operations for Verizon Wireless is Basking Ridge, New Jersey. The company also offers enterprise solutions for large businesses and residential/small business services including its well-known FiOS brand.

LEGISLATION WITH ALEC DNA IN NEW JERSEY

Several pieces of state legislation introduced in the New Jersey legislature in the 2012-2013 and 2010-2011 sessions bear the imprint of ALEC's agenda. Among the bills sponsored by ALEC-connected legislators that contain either ALEC principles or remarkably similar – if not identical – provisions to ALEC "model" bills are:

- Anti-worker rights;
- Attacks on public education;
- Silencing democracy and suppressing the vote;
- Hijacking consumer rights/tort reform;
- Anti-immigration; and
- Dismantling environmental regulations.

ANTI-WORKER RIGHTS

One of the key strategies advanced by ALEC and its corporate members is the promotion of legislation that undermines the rights of workers and unions. After a generation of lowering taxes on the richest corporations and individuals and thereby starving government at all levels of vital resources for public services, ALEC's legislative allies are spreading the misleading message that "We're broke." After a generation of stagnating real wages and diminished benefits in the private workplace due to the weakening of unions and the outsourcing of American jobs, anti-worker right-wingers are trying to focus the blame not on Wall Street policies but on working Americans, especially those in public sector unions who have benefits often negotiated in lieu of higher private sector salaries. ALEC has advanced a range of anti-union laws that obstruct a union's ability to collect dues, retain members, or advocate for public workers.

A-136

New Jersey Legislation: A-136

3 Sponsors, Including:

Primary in bold

2 ALEC Assemblymembers Asw. Amy Handlin (R-13) Asm. Declan O'Scanlon (R-12)

Last Action: Introduced, 1/10/12

Legislative Session: 2012-2013

ALEC Model Legislation: Right To Work Act

Similarities/Analysis: A-136 incorporates ALEC's Right To Work Act that bars mandatory union membership and the automatic deduction from an employee's wages to pay for union dues. This weakens public employee unions and thus workers' rights by making it more difficult to pay dues to

unions and increasing costs on unions to collect dues, since automatic deductions are the most efficient way to handle this and have worked well for years.

ALEC Model Right To Work Act

Section 3. {Labor Organization}

The term "labor organization" means any organization of any kind, or agency or employee representation committee or union, that exists for the purpose, in whole or in part, of dealing with employers concerning wages, rates of pay, hours of work, other conditions of employment, or other forms of compensation.

Section 4:

Section 4. {Freedom of choice guaranteed, discrimination prohibited.} No person shall be required, as a condition of employment or continuation of employment:

- (A) to resign or refrain from voluntary membership in, voluntary affiliation with, or voluntary financial support of a labor organization;
- (B) to become or remain a member of a labor organization;
- (C) to pay any dues, fees, assessments, or other charges of any kind or amount to a labor organization;
- (D) to pay to any charity or other third party, in lieu of such payments, any amount equivalent to or a pro-rata portion of dues, fees, assessments, or other charges regularly required of members of a labor organization; or
- (E) to be recommended, approved, referred, or cleared by or through a labor organization.

Section 7:

It shall be unlawful for any person, labor organization, or officer, agent or member thereof, or employer, or officer thereof, by any threatened or actual intimidation of an employee or prospective employee, or an employee's or prospective employee's parents, spouse, children, grandchildren, or any other persons residing in the employee's or prospective employee's home, or by any damage or threatened damage to an employee's or prospective employee's property, to compel or attempt to compel such employee to join, affiliate with, or financially support a labor

New Jersey Legislation A-136

Section 3.

"Labor organization" means an agency, employee representation committee, group, association, plan, or organization of any kind in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours, or other terms or conditions of employment.

Section 4:

- 4. No person in the employ of any employer shall be required as a condition of employment or continuation of employment to:
- a. Become or remain a member of a labor organization:
- Resign or refrain from voluntary membership in, voluntary affiliation with, or voluntary financial support of a labor organization;
- c. Pay any dues, fees, assessments, or other charges of any kind or amount to a labor organization;
- d. Pay any charity or other third party any amount in lieu of paying dues, fees, assessments, or other charges to a labor organization; or
- e. Be recommended, approved, referred, or cleared by or through a labor organization.

Section 7-a:

7. It shall be unlawful for any person, labor organization or labor organization's officer, agent or member, or employer or employer's agent, representative or designee, to threaten, intimidate, coerce, or use force against an individual exercising his rights provided under this act.

ALEC Model	New Jersey Legislation
Right To Work Act	<u>A-136</u>
organization or to refrain from doing so, or	
otherwise forfeit any rights as guaranteed by	
provisions of this chapter. It shall also be unlawful	
to cause or attempt to cause an employee to be	
denied employment or discharged from	
employment because of support or nonsupport of	
a labor organization by inducing or attempting to	
induce any other person to refuse to work with	
such employees.	

A-1476/A-1506/SR-11

New Jersey Legislation: A-1476/A-1506/SR-11

6 Sponsors, Including:

Primary in bold

1 ALEC Assemblymember, 2 ALEC Senators

Asm. Declan O'Scanlon (R-12) Sen. Anthony R. Bucco (R-25) Sen. Gerald Cardinale (R-39)

Last Action: A-1476 – Introduced, 1/10/12

A-1506 – Introduced, 1/10/12 SR-11 – Introduced, 1/10/12

Legislative Session: 2012-2013

ALEC Model Legislation: Prevailing Wage Repeal Act

Similarities/Analysis: Prevailing wages protect workers by ensuring that a particular kind of work is paid at a common rate within a common locality. Repealing prevailing wage laws removes this sense of security for workers and opens the door to underpayment for deserving work. New Jersey has three different prevailing wage repeals pending in the current legislative session. A-1476 applies to construction projects for which the Board of Public utilities has provided financial assistance. A-1506 constitutes blanket repeal. SR-11 uses the current economic crisis in encouraging the Governor to suspend prevailing wage. While these three proposals differ in text from ALEC's Prevailing Wage Repeal Act, the sponsors and the concept itself indicate a clear ALEC imprint.

ATTACKS ON PUBLIC EDUCATION

"Public schools," ALEC wrote in its 1985 Education Source Book, "meet all of the needs of all of the people without pleasing anyone." In a variety of ways, ALEC objects to the democratic functioning of schools in providing education for the needs of all students. ALEC uses claims about "foster[ing] educational freedom and quality" as a cover for promoting the diversion of tax dollars to for-profit

corporate schools and the overall privatization of public education. In Such an agenda reduces accountability for meeting the needs of students, parents, and the community.

A-980

New Jersey Legislation: A-980

1 Sponsor, ALEC Assemblyman Jay Webber (R-26)

Last Action: Introduced, 1/10/12

Legislative Session: 2012-2013

ALEC Model Legislation: Next Generation Charter Schools Act

Similarities/Analysis: ALEC's Next Generation Charter Schools Act provides for the establishment of taxpayer-subsidized charter schools that compete with public schools, while exempting charters from complying with many legal standards and requirements that govern public schools. A-980 takes several ideas from the ALEC and would expand charter schools in New Jersey, including allowing private forprofit entities to establish charter schools. Both allow for a university to start a charter school, exempt charter schools from state laws and regulations that public schools must follow, and establish a similar application process (run by the Governor for ALEC bill and the Commissioner of Education for New Jersey bill). A-980 also eliminates the requirement that teachers in charter schools be certified by the state of New Jersey, eliminates streamlined teacher tenure in charter schools, and allows a local board of education to convert a public school into a charter school.

A-981/S-807

New Jersey Legislation: A-981/S-807

3 Sponsors, Including:

Primary in bold

2 ALEC Assemblymembers, 1 ALEC Senator Asw. Amy Handlin (R-13) Asm. Jay Webber (R-26) (ALEC State Chair)

Sen. Joseph Kyrillos (R-13)

Last Action: A-981 – Introduced, 1/10/12

S-807 – Introduced, 1/10/12

Legislative Session: 2012-2013

ALEC Model Legislation: <u>Great Teachers and Leaders Act</u>

Similarities/Analysis: Like ALEC's <u>Great Teachers and Leaders Act</u>, <u>A-981/S-807</u> requires that teachers be reviewed or rated by multiple measures in determining compensation and tenure, including a requirement that at least 50% of the rating be based on objective measures of student learning such as

standardized test scores. Both also address how a teacher can lose tenure, with ALEC revoking based on two consecutive years of what is considered an "insufficient" rating, and New Jersey revoking based on a single "ineffective" rating, or an annual rating of "partially effective" for two consecutive years. This constitutes a blame-the-teacher approach while sidestepping other factors that determine whether students test well. That is, a teacher could lose his or her job because the school district has increased class sizes making it difficult to aid students struggling to learn and contending with the difficult home situations that often accompany poverty.

A-1507/S-803

New Jersey Legislation: A-1507/S-803

2 Sponsors, Including:

Primary in bold

1 ALEC Senator

Sen. Joseph Kyrillos (R-13)

Last Action: A-1507 – Introduced, 1/10/12

S-803 - Introduced, 1/10/12

Legislative Session: 2012-2013

ALEC Model Legislation: Parent Trigger Act

Similarities/Analysis: A-1507/S-803 is modeled after ALEC's Parent Trigger Act. Both acts provide mechanisms to replace public schools with charter schools, or to shut down those public schools entirely upon the petition of more than 50% of the parents or legal guardians (or households) of pupils attending the schools in a particular year. Recent studies of charter schools' impact on student learning show that they have failed to "move the needle," as one researcher put it. Nevertheless, they provide an opening for for-profit entities to take over educating our children, at taxpayer expense. The way to solve public schools' problems is not to abandon them and hand our children's education over to businesses whose primary motives are to increase profits.

ALEC Model	
Parent Trigger Ac	t

Section 3

For all public schools where more than one-half of the parents or legal guardians of pupils attending the school, or a combination of more than one-half of the parents or legal guardians of pupils attending the school and the elementary or middle schools that normally matriculate into a middle or high school, as applicable, sign a petition requesting the local educational agency to implement one or more of the three interventions identified pursuant to Section (5), the local

New Jersey Legislation A-1507/S-803

Section 3-A

- a. The parents and legal guardians of students enrolled in a low performing school may initiate reform at the school through the submission of a parent petition to the board of education or, in a school district under full State intervention, the State district superintendent. The parent petition shall:
- (1) include signatures representing more than 50% of the households in which the school's students reside; and

ALEC Model	New Jersey Legislation
Parent Trigger Act	A-1507/S-803
educational agency shall implement the option requested by the parents.	(2) specify which of the three reform measures identified pursuant to section 4 of this act is requested of the board of education or the State district superintendent.
Section 4 The local educational agency shall notify the Superintendent and the state board upon receipt of a petition and upon its final disposition of that petition. The local education agency is given 180 days to implement the chosen model of reform. Section 5 There are three school intervention models: restart model, school closure, or educational choice model. Each is described below. (A) Restart model. A restart model is one in which an LEA converts a school or closes and reopens a school under a charter school operator, a charter management organization (CMO), or an education management organization (EMO) that has been selected through a rigorous review process. (A CMO is a non-profit organization that operates or manages charter schools by centralizing or sharing certain functions and resources among schools. An EMO is a for-profit or non-profit organization that provides "whole-school operation" services to an LEA.) A restart model must enroll, within the grades it serves, any former student who wishes to attend the school. (B) School closure. School closure occurs when an LEA closes a school and enrolls the students who attended that school in other schools in the LEA that are higher achieving. These other schools should be within reasonable proximity to the closed school and may include, but are not limited to, charter schools or new schools for which achievement data are not yet available. In the event that no such school exists, the district will implement the educational choice model. (C) Educational choice. Educational choice occurs when an LEA implements a school voucher program pursuant to Section 6.	Section 3-B The board of education or State district superintendent shall implement the reform measure requested through the parent petition in the next school year commencing at least 180 days after the petition's receipt. Section 4 The parents and legal guardians of students enrolled in a low performing school may request that the board of education or, in a school district under full State intervention, the state district superintendent implement any of the following reform measures through the parent petition process established pursuant to section 3 of this act: a. reopening the school as a charter school under the guidance of a charter management organization or education management organization approved by the Commissioner of Education for this purpose. Any student enrolled in the school prior to its conversion may reenroll in the charter school; b. a change in school leadership including, but not limited to, replacing the school principal and any other staff who are relevant to the school's designation as a low performing school; or c. establishment of a tuition voucher system through which a tuition voucher is provided to each parent or guardian who requests one.
Section 6-B.1	Section 4-C.1
Any student of a triggered school wishing to	The tuition voucher shall equal the lesser of: the
attend a private school will qualify for an annual	actual cost per pupil of the school enrolling a

ALEC Model	New Jersey Legislation
Parent Trigger Act	<u>A-1507/S-803</u>
scholarship in an amount equal to the lesser of:	voucher student; or 75% of the actual comparative
(1) 75 percent the triggered school's annual cost	cost per pupil for the prior school year at the low
per pupil, including both operational and capital	performing school, as reported in the Department
facility costs; or	of Education's Comparative Spending Guide. The
	tuition voucher may be used to attend a nonpublic
	school or public school in the State.

A-1961

New Jersey Legislation: A-1961

1 Sponsor, ALEC Assemblywoman Caroline Casagrande (R-11)

Last Action: Introduced, 1/10/12

Legislative Session: 2012-2013

ALEC Model Legislation: Family Education Tax Credit Program

Similarities/Analysis: Both <u>A-1961</u> and ALEC's <u>Family Education Tax Credit Program</u> provide for taxpayer funding of private schools by allowing parents to claim unreimbursed costs related to the student's enrollment, whether those costs be tuition, tutoring expenses, or for school supplies. Where ALEC creates a tax credit for private primary or secondary school tuition and fees, New Jersey allows for a gross income tax deduction for expenses associated with enrollment in nonpublic schools. Such tax breaks remove money from the tax base that could be used to better fund public education and instead rewards the privatization of education.

A-2828/S-1779 and S-504

New Jersey Legislation: A-2828/S-1779

7 Sponsors, Including:

Primary in bold

1 ALEC Senator

Sen. Steven Oroho (R-24) (ALEC State Chair)

Last Action: A-2828 – Introduced, 5/10/12

S-1779 – Introduced, 3/8/12

Legislative Session: 2012-2013

ALEC Model Legislation: The Parental Choice Scholarship Program Act (Means-Tested Eligibility)

New Jersey Legislation: S-504

5 Sponsors, Including:

Primary in bold

3 ALEC Senators

Sen. Anthony R. Bucco (R-25)

Sen. Steven Oroho (R-24) (ALEC State Chair)

Sen. Gerald Cardinale (R-39)

Last Action: Introduced, 1/10/12

Legislative Session: 2012-2013

ALEC Model Legislation: The Parental Choice Scholarship Program Act (Universal Eligibility)

Similarities/Analysis: A-2828/S-1779 and ALEC's The Parental Choice Scholarship Program Act (Means-Tested Eligibility) both create a system for taxpayer funding of private schools. According to New Jersey: "Nothing shall prohibit a school from qualifying as an eligible school solely because the school limits admission to a particular grade level, single gender, or to areas of concentration at the school, such as mathematics, science, or the arts." According to ALEC, regulatory agencies "may not in any way regulate the educational program of a participating school . . . the creation of this program does not expand the regulatory authority of the state . . . to impose any additional regulation of private schools beyond those necessary to enforce the requirements of this law."

The former establishes a pilot program in the Department of Treasury to provide tax credits to residents contributing to scholarships to private schools, targeting families whose household incomes do not exceed 2.5 times the official federal poverty threshold. The latter creates a scholarship program that uses taxpayer funds that would have been spent on public schools to subsidize for-profit, religious, or other primary and secondary schools, targeting the same families but specifying eligibility for free or reduced-price school lunches. Both include provisions to limit the state from regulating private schools' curriculum and education systems.

<u>S-504</u> and ALEC's <u>The Parental Choice Scholarship Program Act (Universal Eligibility)</u> also create a system for taxpayer funding of private schools, but do so without a means test.

ALEC Model	New Jersey Legislation
The Parental Choice Scholarship Program	<u>S-504</u>
Act (Universal Eligibility)	
Section 2-D	Section 2
"Department" means the state Department of	"Department" means the Department of
Public Instruction or an organization chosen by the	Education.
state.	
Section 2-B	Section 2
"Eligible student" means any elementary or	"Eligible student" means a student eligible to
secondary student who was eligible to attend a	attend grades kindergarten through 12.
public school in [state] in the preceding semester	
or is starting school in [state] for the first time	
Section 2-F	Section 2

ALEC Model **New Jersey Legislation** The Parental Choice Scholarship Program **S-504** Act (Universal Eligibility) "Participating school" means either a public school "Participating school" means a public school outside of the resident school district, a school run outside of a student's resident school district or a by another public entity, or any private school that nonpublic school that provides education to provides education to elementary and/or students in grades kindergarten through 12, or any secondary students and has notified the combination thereof, that has notified the Department of its intention to participate in the Department of Education of its intention to program and comply with the program's participate in the program and complies with program requirements. requirements. Section 2-A Section 2 "Program" means the Parental Choice Scholarship "Program" means the New Jersey Parental Rights Program created in this subchapter. Program established pursuant to the provisions of section 3 of this act. Section 3-A Section 3-A.1 Any parent of an eligible student shall qualify for a Under the program, an eligible student shall scholarship from the state for their child to enroll qualify for a scholarship to enroll in a participating in and attend a participating school school provided that: (1) the parent or guardian has applied to a participating school for the admission of the eligible student; Section 3-C Section 3-B Any eligible student will qualify for a scholarship in Upon receipt of a request for a scholarship, the an amount equal to the lesser of: department shall inform the resident school (1) the participating school's annual cost per pupil, district that the parent or guardian of an eligible including both operational and capital facility student has requested a scholarship. The costs; or department shall determine the amount of the (2) the dollar amount the resident school district scholarship, which shall equal the lesser of the would have received to serve and educate the participating school's annual tuition or the amount eligible student from state and local sources had the resident school district would have received the student enrolled there for the eligible student from federal, State, and local funding sources. Section 3-D **Section 3-B** The scholarship is the entitlement of the eligible The department shall provide the student's parent student under the supervision of the student's or guardian with a timely written explanation of its parent and not that of any school. determination of the scholarship amount. The scholarship is the entitlement of the student under the supervision of the student's parent or guardian. A participating school shall not refund, rebate, or share a student's scholarship with the student's parent or guardian in any manner. A student's scholarship shall only be used for educational purposes. Section 3-B Section 3-E Any eligible students may attend a participating A student shall remain eligible for a scholarship school until his or her graduation from high school until the student returns to his resident school

ALEC Model **New Jersey Legislation** The Parental Choice Scholarship Program **S-504** Act (Universal Eligibility) or his or her 21st birthday, whichever comes first. district, graduates from high school, or reaches the age of 21, whichever occurs first. **Section 4-A Section 5-A** Administrative Accountability Standards. To To be eligible to participate in the program, a ensure that students are treated fairly and kept nonpublic school shall be located in the State, and the chief school administrator of the nonpublic safe, all participating, private schools shall: (1) comply with all health and safety laws or codes school shall demonstrate to the department that that apply to private schools; the nonpublic school: (1) complies with all applicable health and safety (2) hold a valid occupancy permit if required by their municipality; codes; (3) certify that they comply with the (2) does not discriminate in admissions on the nondiscrimination policies set forth in 42 USC basis of race, color, national origin, or religion; 1981; and and, (4) conduct criminal background checks on (3) requires criminal background checks on school employees. The participating school then shall: employees who have direct contact with students (a) exclude from employment any people not in accordance with the provisions of section 1 of permitted by state law to work in a private school; P.L.1986, c.116 (C.18A:6-7.1) (b) exclude from employment any people that might reasonably pose a threat to the safety of students Section 4-B.1 **Section 5-B** Financial Accountability Standards. To ensure that To be eligible to participate in the program, the public funds are spent appropriately, all nonpublic school shall also demonstrate its participating, private schools shall: financial accountability as follows: (1) demonstrate their financial accountability by: (1) the nonpublic school shall provide the (a) annually submitting to the Department a department with a financial information report financial information report for the school that completed by a certified public accountant that complies with uniform financial accounting complies with the standards adopted by the State standards established by the Department and Board of Education pursuant to section 9 of this conducted by a certified public accountant; and act. The scope of the report shall be limited to (b) having an auditor certify that the report is free those records that the department determines to of material misstatements and fairly represents be necessary to make scholarship payments to the the costs per pupil, including the costs of the school; and, testing required in subsection 4(C)(1)(a). The (2) the certified public accountant certifies that the auditor's report shall be limited in scope to those report is free of material misstatements. records that are necessary for the Department to make payments to participating schools on behalf of parents for scholarships. Section 4-B.2 Section 5-C demonstrate their financial viability by showing In the event that the nonpublic school receives they can repay any funds that might be owed the \$50,000 or more in scholarship funds during the state, if they are to receive \$50,000 or more during school year, the nonpublic school shall the school year, by: demonstrate its financial viability by:

(1) filing with the department, prior to the

(a) filing with the Department prior to the start of

ALEC Model

The Parental Choice Scholarship Program Act (Universal Eligibility)

the school year a surety bond payable to the state in an amount equal to the aggregate amount of the Parental Choice Scholarships expected to be paid during the school year to students admitted at the participating school; or

(b) filing with the Department prior to the start of the school year financial information that demonstrates the school has the ability to pay an aggregate amount equal to the amount of the Parental Choice Scholarships expected to be paid during the school year to students admitted to the participating school.

New Jersey Legislation S-504

beginning of the school year, a surety bond payable to the State in an amount equal to the aggregate amount of scholarship funds expected to be paid during the school year to the parents or guardians of eligible students enrolled in the participating nonpublic school under the program; or,

(2) filing with the department, prior to the beginning of the school year, financial information that demonstrates the school has the ability to pay an aggregate amount equal to the amount of the scholarships expected to be paid during the school year to the parents or guardians of eligible students enrolled in the participating nonpublic school under the program.

Section 4-C.1

Academic Accountability Standards. There must be sufficient information about the academic impact Parental Choice Scholarships have on participating students in order to allow parents and taxpayers to measure the achievements of the program, and therefore:

- (1) participating schools shall:
- (a) annually administer either the state achievement tests or nationally recognized norm-referenced tests that measure learning gains in math and language arts to all participating students in grades that require testing under the state's accountability testing laws for public schools

Section 6

In order to ensure academic accountability, a participating school shall report on a regular basis to the parent or guardian of an eligible student on the student's academic progress.

A-2869/S-1929

New Jersey Legislation: A-2869/S-1929

14 Sponsors, Including:

Primary in bold

2 ALEC Assemblymembers

Asw. Amy Handlin (R-13)

Asw. Mary Pat Angelini (R-11)

Last Action: A-2869 – Introduced, 5/10/12

S-1929 – Introduced, 5/14/12

Legislative Session: 2012-2013

ALEC Model Legislation: Special Needs Scholarship Program Act

Similarities/Analysis: ALEC's Special Needs Scholarship Program Act creates a "scholarship" program to subsidize private school attendance by students with disabilities, including learning disabilities or autism. This is a voucher program for a specific subset of students who are Individuals with Disabilities Education Act (IDEA) eligible. Most private schools are not able to provide IDEA students with appropriate special education services – so in voucher programs, the schools have very few special education students. Some question whether these private schools actively discourage special education students from applying. Alternatively special education vouchers can be used to push separate private schools that serve only students with a particular disability, e.g. special schools for autistic students. IDEA and its precursor legislation are based on the premise that educating students with special needs with non-disabled students is better than educating students in segregated schools. Further, students enrolled in private schools leave the regulatory protections of IDEA behind them. Most disability organizations are strongly opposed to special education vouchers.

<u>A-2869/S-1929</u> does not take up a special education voucher program but does eliminate New Jersey's restriction on the placement of special education students in instructional programs in sectarian or religiously-oriented schools. While these students deserve a range of viable options, these particular schools can leave religious freedom unprotected, and through government support, leave themselves vulnerable to encroachments on their autonomy.

SILENCING DEMOCRACY AND SUPPRESSING THE VOTE

"ALEC and its sponsors have an enduring mission to pass voter suppression laws that would impose barriers on direct democracy," veteran journalist John Nichols wrote in *The Nation*. He further noted that Sean Parnell, an ALEC Public Safety and Elections Task Force member^{|vii|} who was then President of the Center for Competitive Politics^{|viii|} and now both leads a lobbying firm and is also affiliated with the Heartland Institute, another ALEC member, ^{lix} began to "highlight voter ID efforts in 2006, shortly after Karl Rove encouraged conservatives to take up voter fraud as an issue." In the summer of 2009, the Task Force formally adopted a voter ID model that makes it more difficult for Americans to vote by limiting the forms of ID that can be used to register or must be shown to vote. It changes long-standing rules that have allowed people to use alternate identification or proof of residency and will disenfranchise an untold number of American citizens. Moreover voter fraud is a virtually non-existent problem that has resulted in very few documented cases.

Although ALEC has told the press that the Public Safety and Elections Task Force has since disbanded, ALEC has done nothing to help repeal voter ID and other suppressive legislation, and its Right Wing allies are continuing the same work through such organizations as the National Rifle Association and the National Center for Public Policy Research. Ixii

ALEC itself continues other anti-democracy efforts. According to ALEC, "members of the International and Federal Relations Task Force (IFRTF) believe in the power of free markets and limited government to propel growth not just in the United States but around the globe. [...] ALEC's [...] policy directives are

backed by our members: US state legislators from all 50 states and some of the world's largest corporations." |Xiii | Ixiv

ALEC uses such vehicles to take what votes have not been suppressed and further erode the voice of the people in their own government.

ACR-103

New Jersey Legislation: ACR-103

2 Sponsors, Including:

Primary in bold

<u>2 ALEC Assemblymembers</u> Asw. Amy Handlin (R-13) Asm. Jay Webber (R-26) (ALEC State Chair)

Last Action: Introduced, 2/2/12

Legislative Session: 2012-2013

ALEC Model Legislation: Article V Repeal Amendment Resolution

Similarities/Analysis: ACR-103 is a nearly whole cloth copy of ALEC's Article V Repeal Amendment Resolution. Through substantively identical text, both call for a constitutional amendment that would allow state legislatures, by a 2/3 vote, to repeal any federal law or regulation. This is extreme and reactionary legislation that would compromise the federal system of dual sovereignty that has been part of US law for over 200 years.

State legislatures are charged with crafting state law, and Congress is charged with crafting federal law. The Constitution's Supremacy Clause ensures that the nation is not merely a confederacy of states whose authority trumps the national government.

ALEC Model	New Jersey Legislation
Article V Repeal Amendment Resolution	<u>ACR-103</u>
WHEREAS, Article I of the United States	WHEREAS, Article I of the United States
Constitution begins "All legislative powers herein	Constitution begins "All legislative powers herein
granted shall be vested in a Congress"; and	granted shall be vested in a Congress"; and
WHEREAS, the Congress has exceeded the	WHEREAS, The Congress has exceeded the
legislative powers granted in the Constitution	legislative powers granted in the Constitution,
thereby encroaching on the powers that are	thereby encroaching on the powers that are
"reserved to the states respectively, or to the	"reserved to the States respectively, or to the
people" as the Tenth Amendment affirms and the	people" as the Tenth Amendment affirms and the
rights "retained by the people" to which the Ninth	rights "retained by the people" to which the Ninth
Amendment refers; and	Amendment refers; and
WHEREAS, this encroachment includes the	WHEREAS, this encroachment includes the
accumulation of federal debt, which combined	accumulation of federal debt, which combined

ALEC Model Article V Repeal Amendment Resolution	New Jersey Legislation ACR-103
with interest represents a future tax, and is of such great proportion that responsibility for its payment will be passed to future, unborn generations of Americans to assume without their consent, thereby disparaging their rights; and WHEREAS, this encroachment also includes compelling state and local governments to comply with federal laws and regulations without accompanying funding for such mandates; and WHEREAS, in Federalist No. 85, Alexander Hamilton wrote in reference to Article V of the Constitution and the calling of a convention for the purpose of proposing amendments that, "We may safely rely on the disposition of the State	with interest represents a future tax, and is of such great proportion that responsibility for its payment will be passed to future, unborn generations of Americans to assume without their consent, thereby disparaging their rights; and WHEREAS, this encroachment also includes compelling state and local governments to comply with federal laws and regulations without accompanying funding for such mandates; and WHEREAS, in Federalist No. 85, Alexander Hamilton wrote in reference to Article V of the Constitution and the calling of a convention for the purpose of proposing amendments that, "We may safely rely on the disposition of the State
legislatures to erect barriers against the encroachments of the national authority"; and WHEREAS, the Constitution should be amended in order to halt federal encroachment and restore a proper balance between the powers of Congress and those of the several states, and to prevent the denial or disparagement of the rights retained by the people; NOW THEREFORE BE IT RESOLVED That the	legislatures to erect barriers against the encroachments of the national authority"; and WHEREAS, the Constitution should be amended in order to halt federal encroachment and restore a proper balance between the powers of Congress and those of the several states, and to prevent the denial or disparagement of the rights retained by the people; BE IT RESOLVED by the General Assembly of the
Congress of the United States be urged to call a constitutional convention pursuant to Article V of the United States Constitution for the purpose of proposing a constitutional amendment that permits the repeal of any federal law or regulation by vote of two-thirds of the state legislatures, and the {insert state} Delegation to such Convention, when called, shall propose the following amendment: "Any provision of law or regulation of the United States may be repealed by the several	State of New Jersey (the Senate concurring): 1. The State of New Jersey hereby applies and makes application to the Congress of the United States to call an amendment convention pursuant to Article V of the United States Constitution for the limited purpose of proposing a constitutional amendment that permits the repeal of any federal law or regulation by a vote of two-thirds of the state legislatures. 2. The New Jersey Delegation to such Convention,
states, and such repeal shall be effective when the legislatures of two-thirds of the several states approve resolutions for this purpose that particularly describe the same provision or provisions of law or regulation to be repealed;" and	when called, shall propose the following amendment: "Any provision of law or regulation of the United States may be repealed by the several states, and such repeal shall be effective when the legislatures of two-thirds of the several states approve resolutions for this purpose that particularly describe the same provision or provisions of law or regulation to be repealed."
BE IT RESOLVED FURTHER, That delegates to such Convention, when called, be selected according to procedures established by the legislatures of the several states; and	4. Delegates to such Convention, when called, shall be selected according to procedures established by the legislatures of the several states.

ALEC Model

Article V Repeal Amendment Resolution

BE IT RESOLVED FURTHER, That the Clerk of the {state legislative body} transmit copies of this resolution to the Speaker of the United States House of Representatives, the President of the United States Senate, and the members of the {insert state} Congressional Delegation so that they may be apprised of the sense of the {state legislative body} in this matter.

New Jersey Legislation ACR-103

5. Duly authenticated copies of this resolution, signed by the Speaker of the General Assembly and the President of the Senate and attested to by the Clerk of the General Assembly and the Secretary of the Senate, shall be transmitted to the Speaker of the United States House of Representatives, the President of the United States Senate, and the members of the New Jersey Congressional Delegation.

HIJACKING CONSUMER RIGHTS/TORT REFORM

The American courts were designed to give Americans access to justice and fair compensation if a loved one is killed or injured by the careless or greedy acts of another. The right of a jury trial in civil cases is protected in the Seventh Amendment of the Bill of Rights as part of the rights of the people in our democracy to have a jury of our peers hear all the evidence and decide how to hold even a powerful defendant accountable for all of the damages their actions caused and to punish egregious and deadly misconduct. In a properly functioning judiciary, the 99% and the 1% stand as equals, and even the richest corporation can be held accountable for injuring or killing Americans through unsafe products or practices. However, the ability of ordinary working Americans to get full redress through the state courts is under attack through laws that would game the system against them and make it easier for corporations to get away with harming others and even profit from doing so. This is a key part of the ALEC corporate agenda.

A-894

New Jersey Legislation: A-894

3 Sponsors

Last Action: Reported out of Assembly Committee, 5/21/12

Legislative Session: 2012-2013

ALEC Model Legislation: Class Actions Improvements Act

Similarities/Analysis: Where ALEC's <u>Class Actions Improvements Act</u> seeks broad changes regarding class action lawsuits, <u>A-894</u> is very limited in scope, pertaining only to the expediting of appeals of class action determinations, saying that interlocutory appeals (appeals in the middle of a lawsuit rather than at the end) are matters of right, in place of requiring a motion for leave or final judgment before an appeal is filed. In principle, both parties would have equal access to this right, but in practice it could lead to corporate hijacking of the judicial process, with corporations taking advantage of their significant treasuries to file potentially frivolous appeals and unduly delay the underlying litigation.

ALEC Model

Class Actions Improvements Act

Section 2

(h) Appeals. The courts of appeals shall hear appeals from orders of district courts granting or denying class action certification or denying a motion to decertify a class action under this section if a notice of appeal is filed within ten days after entry of the order. While an appeal under this subdivision is pending, all discovery and other proceedings in the district court shall be stayed."

New Jersey Legislation A-894

Section 1

Appeals of class certification orders.

- a. An appeal of an order granting or denying a motion for class certification or decertification may be taken to the Appellate Division of the Superior Court as of right. An appeal of a decision of the Appellate Division of the Superior Court concerning class certification or decertification may be taken to the Supreme Court in the same manner as a final judgment of the Appellate Division of the Superior Court.
- b. An appeal under this section stays all other proceedings in the Superior Court pending resolution of the appeal.

A-966/S-1628

New Jersey Legislation: A-966/S-1628

5 Sponsors, Including:

Primary in bold

1 ALEC Assemblymember, 1 ALEC Senator Asm. Jay Webber (R-26) (ALEC State Chair) Sen. Steven Oroho (R-24) (ALEC State Chair)

Last Action: A-966 – Introduced, 1/10/12

S-1628 – Introduced, 2/16/12

Legislative Session: 2012-2013

ALEC Model Legislation: Noneconomic Damages Award Act

Similarities/Analysis: Noneconomic damages are provided in fulfillment of personal injury claims to address such "intangible" costs as pain, emotional distress, and generally altered quality of life. To address these areas is an important part of recovery. Yet, both A-966/S-1628 and ALEC's Noneconomic Damages Award Act would set an arbitrary cap on noneconomic damages at \$250,000, with ALEC actually stopping short of New Jersey in providing an extension where economic damages are awarded at greater than the cap. New Jersey is also very specific to medical malpractice liability. Such legislation also bears a disproportionately heavy impact on victims, including children, elderly, or poor, who cannot demonstrate substantial loss of income but whose pain and suffering are great, and of course pain and suffering actually have zero correlation with the wealth or earnings of the victim.

ALEC Model	New Jersey Legislation
Noneconomic Damages Award Act	<u>A-966/S-1628</u>

ALEC Model New Jersey Legislation A-966/S-1628 **Noneconomic Damages Award Act** Section 3 **Section 1-A** In any personal injury action, the prevailing In any action for injury against a health care plaintiff may be awarded: provider based on professional negligence, the (A) Compensation for economic damages suffered injured plaintiff shall not be entitled to recover by the injured plaintiff; and noneconomic damages exceeding \$250,000 to (B) Compensation for the noneconomic damages compensate for pain, suffering, inconvenience, suffered by the injured plaintiff not to exceed: physical impairment, disfigurement and other (1) \$250,000; or nonpecuniary damage. (2) the amount awarded in economic damages, whichever amount is greater.

A-1806

New Jersey Legislation: A-1806

9 Sponsors, Including:

Primary in bold

4 ALEC Assemblymembers

Asm. Declan O'Scanlon (R-12)

Asm. Jay Webber (R-26) (ALEC State Chair)

Asw. Mary Pat Angelini (R-11) Asw. Amy Handlin (R-13)

Last Action: Introduced, 1/10/12

Legislative Session: 2012-2013

ALEC Model Legislation: See below

Similarities/Analysis: A-1806 "concerns liability, standards of care, and insurance coverage for medical malpractice actions." It touches on several ALEC models, including The Reliability in Expert Testimony Standards Act, which attempts to have all states follow federal court decisions that limit expert testimony and create rights to immediately appeal court rulings about why may testify, and the Non-Economic Damage Awards Act. Noneconomic damages are provided in fulfillment of personal injury claims to address such "intangible" costs as pain, emotional distress, and generally altered quality of life. To address these areas is an important part of recovery. Yet, both New Jersey and ALEC set an arbitrary cap on noneconomic damages: the former at \$100,000 or three times the amount of economic loss; the latter at \$250,000 with an extension where economic damages are awarded at greater than the cap. Such legislation also bears a disproportionately heavy impact on victims, including children, elderly, or poor, who cannot demonstrate substantial loss of income but whose pain and suffering are great, and of course pain and suffering actually have zero correlation with the wealth or earnings of the victim.

A-2473/S-480

New Jersey Legislation: A-2473/S-480

7 Sponsors, Including:

Primary in bold

1 ALEC Assemblymember, 2 ALEC Senators

Sen. Gerald Cardinale (R-39)

Asw. Amy Handlin (R-13) Sen. Anthony R. Bucco (R-25)

Last Action: A-2473 – Assembly floor amendment passed, 9/30/10

S-480 – Introduced, 1/12/10

Legislative Session: 2010-2011

ALEC Model Legislation: Appeal Bond Waiver Act

Similarities/Analysis: Appeal bond waivers of this nature make it easier for corporations to get a waiver from posting a sufficient bond to help cover a judgment against them while they are appealing a decision finding them at fault. It thus makes it easier to divert assets following a court decision that finds them at fault for the injury or death of an American. A-2473/S-480 sets the cap at \$50,000,000 (with trial costs, the maximum of that or the total judgment), while ALEC's Appeal Bond Waiver Act caps it at \$25,000,000. While these numbers may sound large, many of the global corporations that are part of ALEC have earnings in the billions. ALEC is attempting to change a law whose point is to ensure that money is specifically set aside to honor a jury's full verdict, not to give a discounted rate to increase the likelihood of appeal and delay in paying the amount judged to be owed.

ALEC Model Legislation	New Jersey Legislation
Appeal Bond Waiver Act	<u>A-2473/S-480</u>
Section 1-A	Section 1-A
In any civil action in which a plaintiff obtains a	Any supersedeas bond posted pursuant to court
judgment, the state supersedeas bond	order during the pendency of an appeal of a civil
requirements shall be waived as to that portion of	action in connection with a stay of a judgment
the judgment that exceeds \$25,000,000 if the	granting legal, equitable, or other relief shall be set
party or parties found liable seek a stay of	in accordance with the applicable laws or Rules of
enforcement of the judgment during the appeal.	Court, except that the total appeal bond or other
	forms of security required of all appellants
	collectively shall not exceed the lesser of:
	(1) The total value of the monetary judgment; or
	(2) \$50,000,000,
	together with trial costs.
Section 1-C	Section 2
If a plaintiff proves by a preponderance of the	Notwithstanding the provisions of section 1 of P.L.
evidence that a party bringing an appeal, for	c. if an appellee proves by a preponderance of the
whom the supersedeas bond requirement has	evidence that an appellant is concealing its assets,
been waived, is purposefully dissipating its assets	or is dissipating or diverting asset s outside the
or diverting assets outside the jurisdiction of the	ordinary course of business to avoid payment of a

ALEC Model Legislation Appeal Bond Waiver Act	New Jersey Legislation <u>A-2473/S-480</u>
United States courts waiver shall be rescinded and the bond requirement that would otherwise apply shall be reinstated.	judgment, a court may enter orders that: a. are necessary to protect the appellee; and b. require the appellant to post a supersedeas bond in an amount up to the total amount of the judgment. As used in this section, "dissipating or diverting assets" does not include expenditures, including incentive or other payments to the owners of a business, of a kind that the appellant made in the regular course of business prior to entry of the judgment being appealed.
Section 2 This Act shall take effect on its date of enactment and shall apply to any action which has not yet begun or which is pending on the date of enactment of this Act.	Section 4 This act shall take effect immediately and shall apply to all judgments entered on or after the effective date, regardless of the date the act ion was filed.

A-3600

New Jersey Legislation: A-3600

1 Sponsor

Last Action: Introduced, 12/9/10

Legislative Session: 2010-2011

ALEC Model Legislation: Noneconomic Damages Award Act

Similarities/Analysis: Noneconomic damages are provided in fulfillment of personal injury claims to address such "intangible" costs as pain, emotional distress, and generally altered quality of life. To address these areas is an important part of recovery. Like A-966/S-1628 (2012-2013) and ALEC's Noneconomic Damages Award Act, A-3600 (2010-2011) would set an arbitrary cap on noneconomic damages, but its cap is higher – \$500,000. And ALEC actually stops short of New Jersey in providing an extension where economic damages are awarded at greater than the cap. Such legislation also bears a disproportionately heavy impact on victims, including children, elderly, or poor, who cannot demonstrate substantial loss of income but whose pain and suffering are great, and of course pain and suffering actually have zero correlation with the wealth or earnings of the victim.

ALEC Model	New Jersey Legislation
Noneconomic Damages Award Act	<u>A-3600</u>
Section 2-A	Section 1-F
"Noneconomic damages" means subjective,	(1) No damages shall be awarded against a public
nonpecuniary damages arising from pain,	entity or public employee for non-economic loss in
suffering, inconvenience, physical impairment,	an amount greater than \$500,000.

ALEC Model	New Jersey Legislation
Noneconomic Damages Award Act	<u>A-3600</u>
disfigurement, mental anguish, emotional distress,	(2) For purposes of this section, "non-economic
loss of society and companionship, loss of	loss" means any loss which has been or will be
consortium, injury to reputation, humiliation, and	incurred by the claimant including, but not limited
other nonpecuniary damages.	to, pain and suffering; loss of society, consortium,
	companionship, care, or assistance; and any other
Section 3	intangible loss. (cf: P.L. 2000, c.126, s.32)
In any personal injury action, the prevailing	
plaintiff may be awarded:	
(A) Compensation for economic damages suffered	
by the injured plaintiff; and	
(B) Compensation for the noneconomic damages	
suffered by the injured plaintiff not to exceed:	
(1) \$250,000; or	
(2) the amount awarded in economic damages,	
whichever amount is greater.	

A-3333/S-2855

New Jersey Legislation: A-3333/S-2855

11 Sponsors, Including:

Primary in bold

<u>1 ALEC Assemblymember, 2 ALEC Senators</u> Sen. Steven Oroho (R-24) (ALEC State Chair)

Asw. Amy Handlin (R-13) Sen. Anthony R. Bucco (R-25)

Last Action: A-3333 – Introduced, 10/7/10

S-2855 – Introduced, 5/12/11

Legislative Session: 2010-2011

ALEC Model Legislation: Private Enforcement of Consumer Protection Statutes

Similarities/Analysis: Like ALEC's Private Enforcement of Consumer Protection Statutes, A-3333/S-2855 would significantly limit consumer rights by requiring courts to only award up to three times the actual damages sustained when a corporation commits fraud against a consumer. It also revises an individual cause of action under New Jersey's Consumer Fraud Act and changes New Jersey law to limit the amount a wronged consumer can collect. Similarly, ALEC limits the amount a wronged consumer could recover to out-of-pocket expenses and an injunction requiring that the defendant stops the unlawful practice. These kinds of limits make it difficult for lawyers to pursue cases where the product or damage is small but where the harm is repeated against numerous consumers. They make it easier for corporations to get away with nickel-and-diming consumers who may not be able to find a lawyer to take on such a small case where the person has lost money but the legal fees may be greater.

A-3599

New Jersey Legislation: A-3599

1 Sponsor

Last Action: Introduced, 12/9/10

Legislative Session: 2010-2011

ALEC Model Legislation: Offer to Settlement Act

Similarities/Analysis: Both A-3599 and ALEC's Offer to Settlement Act would tilt the legal system in favor of wealthy interests, seeking to make it more difficult for consumers who have been injured or otherwise wronged by a corporation to get their day in court. The bills invite corporations to give low-range pre-trial offers to consumers bringing a lawsuit and create mechanisms to pressure the consumer into accepting the offer. If the consumer rejects the offer and succeeds in court but the final settlement is not significantly greater than the original offer, the consumer is effectively punished by having to pay the defendant's attorney fees. The bills shift the risk of proceeding to trial onto consumers, placing them in the difficult situation of deciding whether to accept an unsatisfactory offer for fear that rejecting it may put them in a worse situation.

ALEC Model Legislation Offer to Settlement Act

Section 2

At any time more than 20 days after the service of a summons and complaint on a party but not less than 30 days (or 20 days if it is a counter offer) before trial, either party may serve upon the other party, but shall not file with the court, a written offer denominated as an offer under this rule, to settle a claim for the money, property, or relief specified in the offer and to enter into an agreement dismissing the claim or to allow judgment to be entered accordingly. The offer shall remain open for 30 days unless sooner withdrawn by a writing served on the offeree prior to acceptance by the offeree. Acceptance or rejection of the offer by the offeree must be in writing and served upon the offeror. An offer that is neither withdrawn nor accepted within 30 days shall be deemed rejected. The fact that an offer is made but not accepted does not preclude a subsequent offer. Evidence of an offer is not admissible except in proceedings to enforce a settlement or to determine sanctions under this

New Jersey Legislation <u>A-3599</u>

Section 1

- a. Making an Offer; Judgment on an Accepted Offer. At least 14 days before the date set for trial, a party defending against a claim may serve on an opposing party an offer to allow judgment on specified terms, with the costs then accrued. If, within 14 days after being served, the opposing party serves written notice accepting the offer, either party may then file the offer and notice of acceptance, plus proof of service. The clerk must then enter judgment.
- b. Unaccepted Offer. An unaccepted offer is considered withdrawn, but it does not preclude a later offer. Evidence of an unaccepted offer is not admissible except in a proceeding to determine costs.
- c. Offer After Liability Is Determined. When one party's liability to another has been determined but the extent of liability remains to be determined by further proceedings, the party held liable may make an offer of judgment. It must be served within a reasonable time, but at least 14

ALEC Model Legislation Offer to Settlement Act

rule. When the complaint sets forth a claim for money, if the offeree rejects the offer and the judgment finally obtained by the offeree was not at least 10 percent more favorable than the last offer, the offeree shall pay the offerors's reasonable attorneys' fees and reasonable costs incurred after the rejection of the last offer. When the complaint sets forth a claim for property or other nonmonetary relief, if the offeree rejects the offer and the judgment finally obtained by the offeree is not more favorable than the last offer, the offeree shall pay the offertory's reasonable costs and reasonable attorneys' fees incurred after rejection of the last offer.

New Jersey Legislation A-3599

days before the date set for a hearing to determine the extent of liability.
d. Paying Costs After an Unaccepted Offer. If the judgment that the offeree finally obtains is not more favorable than the unaccepted offer, the offeree must pay the reasonable attorney's fees

and costs incurred after the offer was made.

ANTI-IMMIGRATION

The rights of undocumented workers – and everyday citizens – have been under attack by the Right, including through ALEC. Legitimate concerns about border safety and gang violence have been sensationalized, creating a climate of fear that has stoked the population into supporting severe and unnecessary measures. Even fundamental human rights are vulnerable. Some corporations, motivated by profit, and politicians indebted to these corporations and/or motivated to please certain parts of their constituencies have pushed pernicious legislation, such as Arizona's SB 1070, recently struck down in part by the US Supreme Court.

A-322/S-164

New Jersey Legislation: A-322/S-164

9 Sponsors, Including:

Primary in bold

2 ALEC Senators

Sen. Steven Oroho (R-24) (ALEC State Chair)

Sen. Anthony R. Bucco (R-25)

Last Action: A-322 – Introduced, 1/10/12

S-164 – Introduced, 1/10/12

Legislative Session: 2012-2013

ALEC Model Legislation: Fair and Legal Employment Act

Similarities/Analysis: A-322/S-164 was taken nearly word for word from ALEC's Fair and Legal Employment Act, which is also incorporated in ALEC's longer and more thorough No Sanctuary for Illegal

<u>Immigrants Act</u> – the infamous model legislation that was introduced in Arizona as SB 1070 and led to protests across the country and a showdown at the Supreme Court.

A-322/S-164, if adopted, would require employers to register their employees under the E-Verify system. E-Verify legislation was enacted in 12 states in 2011, lavii but the program is plagued with structural flaws. Government audits estimate that if the program were adopted nationally, some 770,000 American citizens would incorrectly lose their jobs due to name duplications and database inconsistencies. laviii During the Clinton Administration, a predecessor to this system was called "1-800-Big-Brother" by US Congressman Steve Chabot (R-OH). Even if the system were 99% accurate, it would still require employers to deny a job to a person they may have known for years until the employee can prove that they really are who they say they are.

Even if the program functioned correctly, critics assert that employer sanctions would drive the hiring of undocumented workers further underground into the black market economy, where collective bargaining, worker rights, and fair wages fall victim to exploitive forces. Ixix

ALEC Model Fair and Legal Employment Act	New Jersey Legislation A-322/S-164
Section 4-A.1	Section 1
"Agency" means any agency, department, board or commission of this state or a county, city or town that issues a license for purposes of operating a business in this state. Section 4-C "E-verify program" means the employment verification pilot program as jointly administered by the United States department of homeland security and the social security administration or any of its successor programs.	"Agency" means any agency, department, board or commission of this State, or of any political subdivisions of this State, that issues a license for purposes of operating a business in this State. Section 1 "E-verify" means the electronic verification of work authorization program of the Illegal Immigration Reform and Immigration Responsibility Act of 1996, Pub.L.104-208 (8 U.S.C. s.1324a), jointly operated by the United States Department of Homeland Security and the Social
Section 4-A.3 "Employee": Means any person who provides services or labor for an employer in this state for wages or other remuneration	Security Administration or its successor program. Section 1 "Employee" means any individual who is employed by an employer.
Section 4-B "Employer" means any individual or type of organization that transacts business in this state that has a license issued by an agency in this state, and that employs one or more employees in this state. Employer includes this state, any political subdivision of this state and self-employed persons. In the case of an independent contractor, employer means the independent contractor and does not mean the person or organization that uses the contract labor.	Section 1 "Employer" means an individual or entity that transacts business in this State that employs one or more individuals who perform employment services in this State. "Employer" includes the State, any political subdivision of this State and self-employed persons.

ALEC Model Fair and Legal Employment Act

Section 1

Section 4-H

"Unauthorized alien" means an alien who does not have the legal right or authorization under federal law to work in the United States as described in 8 United States Code section 1324a(h)(3).

"Unauthorized alien" means an alien who does not have the legal right or authorization under federal law to work in the United States as described in 8 U.S.C. s.1324a(h)(3).

New Jersey Legislation

A-322/S-164

Section 5-A

An employer shall not knowingly employ an unauthorized alien. If, in the case when an employer uses a contract, subcontract or other independent contractor agreement to obtain the labor of an alien in this state, the employer knowingly contracts with an unauthorized alien or with a person who employs or contracts with an unauthorized alien to perform the labor, the employer violates this subsection.

Section 4

An employer shall not intentionally employ an unauthorized alien or knowingly employ an unauthorized alien.

Section 5-C

If, after an investigation, the attorney general or county attorney determines that the complaint is not false and frivolous:

- (1) The attorney general or county attorney shall notify the United States immigration and customs enforcement of the unauthorized alien.
- (2) The attorney general or county attorney shall notify the local law enforcement agency of the unauthorized alien.
- (3) The attorney general shall notify the appropriate county attorney to bring an action pursuant to subsection D of this section if the complaint was originally filed with the attorney general.

Section 5-B

If, after an investigation, the Attorney General or county prosecutor determines that the complaint is not frivolous:

- (1) The Attorney General or county prosecutor shall notify the United States Immigration and Customs Enforcement of the unauthorized alien.(2) The Attorney General or county prosecutor shall notify the local law enforcement agency of the unauthorized alien.
- (3) The Attorney General shall notify the appropriate county prosecutor to bring an action pursuant to section 5 of this act if the complaint was originally filed with the Attorney General.

Section 5-D

An action for a violation of subsection A of this section shall be brought against the employer by the county attorney in the county where the unauthorized alien employee is or was employed by the employer. The county attorney shall not bring an action against any employer for any violation of subsection A of this section that occurs before [Insert Date]. A second violation of this section shall be based only on an unauthorized alien who is or was employed by the employer after an action has been brought for a violation of subsection A or state law.

Section 6-A

An action for a violation of section 4 of this act shall be brought against the employer by the county prosecutor in the county where the unauthorized alien employee is employed. The county prosecutor shall not bring an action against any employer for any violation of section 4 that occurs before January 1, 2011. A second violation shall be based only on an unauthorized alien who is employed by the employer after an action has been brought for a previous violation of section 4.

Fair and Legal Employment Act

Section 6-B

For any action in superior court under this section, the court shall expedite the action, including assigning the hearing at the earliest practicable

For any action in Superior Court under this act, the court shall expedite the action, including assigning the hearing at the earliest practicable date.

New Jersey Legislation

A-322/S-164

Section 5-F-1.A and F-1.B

Section 5-E

On a finding of a violation of subsection A of this

- (1) For a first violation, as described in subsection 3 of this section, the court:
- (1)(a) Shall order the employer to terminate the employment of all unauthorized aliens.
- (1)(b) Shall order the employer to be subject to a three year probationary period for the business location where the unauthorized alien performed work. During the probationary period the employer shall file quarterly reports in the form provided in section 3 with the county attorney of each new employee who is hired by the employer at the business location where the unauthorized alien performed work.

Section 7-A.1 and 7-A.2

On a finding of a violation of section 4 of this act: a. For a first violation during a three year period that is a knowing violation the court:

- (1) Shall order the employer to terminate the employment of all unauthorized aliens.
- (2) Shall order the employer to be subject to a three year probationary period. During the probationary period the employer shall file quarterly reports with the county prosecutor. The reports shall include, but not be limited to, documentation of the E-verify confirmation of each new employee who is hired by the employer at the specific location where the unauthorized alien performed work.

Section 5-F-1.C

Shall order the employer to file a signed sworn affidavit with the county attorney within three business days after the order is issued. The affidavit shall state that the employer has terminated the employment of all unauthorized aliens in this state and that the employer will not intentionally or knowingly employ an unauthorized alien in this state. The court shall order the appropriate agencies to suspend all licenses subject to this subdivision that are held by the employer if the employer fails to file a signed sworn affidavit with the county attorney within three business days after the order is issued. All licenses that are suspended under this subdivision shall remain suspended until the employer files a signed sworn affidavit with the county attorney. Notwithstanding any other law, on filing of the affidavit the suspended licenses shall be reinstated immediately by the appropriate agencies. For the purposes of this subdivision, the licenses that are subject to suspension under this subdivision are all licenses that are held by the employer specific to

Section 7-A.3

Shall order the employer to file a signed sworn affidavit with the county prosecutor within three business days after the order is issued. The affidavit shall state that the employer has terminated the employment of all unauthorized aliens and that the employer will not intentionally or knowingly employ an unauthorized alien. The court shall order the appropriate agencies to suspend all licenses subject to this paragraph (3) that are held by the employer if the employer fails to file a signed sworn affidavit with the county prosecutor within three business days after the order is issued. All licenses that are suspended under this paragraph (3) shall remain suspended until the employer files a signed sworn affidavit with the county prosecutor. Notwithstanding any other law, on filing of the affidavit, the suspended licenses shall be reinstated immediately by the appropriate agencies. For the purposes of this paragraph (3), the licenses that are subject to suspension under this paragraph (3) are all licenses that are held by the employer and that are

Fair and Legal Employment Act

the business location where the unauthorized alien performed work. If the employer does not hold a license specific to the business location where the unauthorized alien performed work, but a license is necessary to operate the employer's business in general, the licenses that are subject to suspension under this subdivision are all licenses that are held by the employer at the employer's primary place of business. On receipt of the court's order and notwithstanding any other law, the appropriate agencies shall suspend the licenses according to the court's order. The court shall send a copy of the court's order to the attorney general and the attorney general shall maintain the copy pursuant to subsection G of this section.

New Jersey Legislation A-322/S-164

necessary to operate the employer's business at the employer's business location where the unauthorized alien performed work. If a license is not necessary to operate the employer's business at the specific location where the unauthorized alien performed work, but a license is necessary to operate the employer's business in general, the licenses that are subject to suspension under this paragraph (3) are all licenses that are held by the employer at the employer's primary place of business. On receipt of the court's order and notwithstanding any other law, the appropriate agencies shall suspend the licenses according to the court's order. The court shall send a copy of the court's order to the Attorney General and the Attorney General shall maintain the copy pursuant to section 8 of this act.

Section 5-F-1.D

May order the appropriate agencies to suspend all licenses described in subdivision (c) of this paragraph that are held by the employer for not to exceed ten business days. The court shall base its decision to suspend under this subdivision on any evidence or information submitted to it during the action for a violation of this subsection and shall consider the following factors, if relevant:

- (i) The number of unauthorized aliens employed by the employer.
 - (ii) Any prior misconduct by the employer.
- (iii) The degree of harm resulting from the violation.
- (iv) Whether the employer made good faith efforts to comply with any applicable requirements.
 - (v) The duration of the violation.
- (vi) The role of the directors, officers or principals of the employer in the violation.
- (vii) Any other factors the court deems appropriate.

Section 7-A.4

May order the appropriate agencies to suspend all licenses described in paragraph (3) of this subsection that are held by the employer, not to exceed 10 business days. The court shall base its decision to suspend under paragraph (4) on any evidence or information submitted to it during the action for a violation of this section and shall consider the following factors, if relevant:

- (a) The number of unauthorized aliens employed by the employer.
- (b) Any prior misconduct by the employer.
- (c) The degree of harm resulting from the violation.
- (d) Whether the employer made good faith efforts to comply with any applicable requirements.
- (e) The duration of the violation.
- (f) The role of the directors, officers or principals of the employer in the violation.
- (g) Any other factors the court deems appropriate.

Section 5-F-2

For a second violation, as described in subsection 3 of this section, the court shall order the appropriate agencies to permanently revoke all licenses that are held by the employer specific to the business location where the unauthorized

Section 7-C

For a second violation of section 4 of this act during the period of probation, the court shall order the appropriate agencies to permanently revoke all licenses that are held by the employer and that are necessary to operate the employer's

Fair and Legal Employment Act

alien performed work. The employer does not hold a license specific to the business location where the unauthorized alien performed work, but a license is necessary to operate the employer's business in general, the court shall order the appropriate agencies to permanently revoke all licenses that are held by the employer at the employer's primary place of business. On receipt of the order and notwithstanding any other law, the appropriate agencies shall immediately revoke the licenses.

Section 5-G

The attorney general shall maintain copies of court orders that are received pursuant to subsection f of this section and shall maintain a database of the employers and business locations that have a first violation of subsection A of this section and make the court orders available on the attorney general's website.

Section 5-H

On determining whether an employee is an unauthorized alien, the court shall consider only the federal government's determination pursuant to 8 United States Code section 1373(c). The federal government's determination creates a rebuttable presumption of the employee's lawful status. The court may take judicial notice of the federal government's determination and may request the federal government to provide automated or testimonial verification pursuant to 8 United States Code section 1373(c). (I) For the purposes of this section, proof of verifying the employment authorization of an employee through the e-verify program creates a rebuttable presumption that an employer did knowingly employ an unauthorized alien. (J) For the purposes of this section, an employer that establishes that it has complied in good faith with the requirements of 8 United States code section 1324a(b) establishes an affirmative defense that the employer did not knowingly employ an unauthorized alien. an employer is considered to have complied with the

New Jersey Legislation A-322/S-164

business at the employer's business location where the unauthorized alien performed work. If a license is not necessary to operate the employer's business at the specific location where the unauthorized alien performed work, but a license is necessary to operate the employer's business in general, the court shall order the appropriate agencies to permanently revoke all licenses that are held by the employer at the employer's primary place of business. On receipt of the order and notwithstanding any other law, the appropriate agencies shall immediately revoke the licenses.

Section 8

The Attorney General shall maintain copies of court orders that are received pursuant to section 5 of this act and shall maintain a database of the employers who have been found to have committed a first violation of subsection a. of section 4 of this act and make the court orders available on the Attorney General's website.

Section 9

a. In determining whether an employee is an unauthorized alien, the court shall consider only the federal government's determination pursuant to 8 U.S.C. s.1373(c). The federal government's determination creates a rebuttable presumption of the employee's lawful status. The court may take judicial notice of the federal government's determination and may request the federal government to provide automated or testimonial verification pursuant to 8 U.S.C. s.1373(c). b. For the purposes of this section, proof of verifying the employment authorization of an employee through the E-verify program creates a rebuttable presumption that an employer did not intentionally employ an unauthorized alien or knowingly employ an unauthorized alien. c. For the purposes of this section, an employer who establishes that it has complied in good faith with the requirements of 8 U.S.C.s.1324b establishes an affirmative defense that the employer did not intentionally or knowingly employ an unauthorized alien.

ALEC Model	New Jersey Legislation
Fair and Legal Employment Act	<u>A-322/S-164</u>
requirements of 8 United States code section	
1324a(b), notwithstanding an isolated, sporadic or	
accidental technical or procedural failure to meet	
the requirements, if there is a good faith attempt	
to comply with the requirements.	

A-879/S-240

New Jersey Legislation: A-879/S-240

13 Sponsors, Including:

Primary in bold

1 ALEC Assemblymember, 3 ALEC Senators

Asw. Amy Handlin (R-13)

Sen. Steven Oroho (R-24) (ALEC State Chair)

Sen. Anthony R. Bucco (R-25) Sen. Gerald Cardinale (R-39)

Last Action: A-879 – Introduced, 1/10/12

S-240 – Introduced, 1/10/12

Legislative Session: 2012-2013

ALEC Model Legislation: Fair and Legal Employment Act

Similarities/Analysis: A-879/S-240 was taken nearly word for word from ALEC's Fair and Legal Employment Act, which is also incorporated in ALEC's longer and more thorough No Sanctuary for Illegal Immigrants Act – the infamous model legislation that was introduced in Arizona as SB 1070 and led to protests across the country and a showdown at the Supreme Court.

A-879/S-240, if adopted, would require employers to register their employees under the E-Verify system. E-Verify legislation was enacted in 12 states in 2011, but the program is plagued with structural flaws. Government audits estimate that if the program were adopted nationally, some 770,000 American citizens would incorrectly lose their jobs due to name duplications and database inconsistencies. During the Clinton Administration, a predecessor to this system was called "1-800-Big-Brother" by US Congressman Steve Chabot (R-OH). Even if the system were 99% accurate, it would still require employers to deny a job to a person they may have known for years until the employee can prove that they really are who they say they are.

Even if the program functioned correctly, critics assert that employer sanctions would drive the hiring of undocumented workers further underground into the black market economy, where collective bargaining, worker rights, and fair wages fall victim to exploitive forces. bxxii

ALEC Model New Jersey Legislation Fair and Legal Employment Act A-879/S-240 Section 4-B Section 3 "Employer" means any individual or type of "Employer" means an individual or entity that organization that transacts business in this state transacts business in this State that employs one that has a license issued by an agency in this state, or more individuals who perform employment and that employs one or more employees in this services in this State. "Employer" includes the state. Employer includes this state, any political State, any political subdivision of this State and subdivision of this state and self-employed self-employed persons. persons. In the case of an independent contractor, employer means the independent contractor and does not mean the person or organization that uses the contract labor. Section 4-C Section 3 "E-verify program" means the employment "E-verify" means the basic employment verification pilot program as jointly administered verification program as jointly administered by the by the United States department of homeland United States Department of Homeland Security security and the social security administration or and the Social Security Administration or its any of its successor programs. successor program. Section 4-E Section 3 "Knowingly employ an unauthorized alien" means "Knowingly employ an unauthorized alien" means the actions described in 8 United States Code those actions described in 8 U.S.C. s.1324a. This section 1324a. This term shall be interpreted term shall be interpreted consistently with 8 U.S.C. consistently with United States Code section s.1324a and any applicable federal rules and 1324a and any applicable federal rules and regulations. regulations. **Section 4-H** Section 3 "Unauthorized alien" means an alien who does not "Unauthorized alien" means an alien who does not have the legal right or authorization under federal have the legal right or authorization under federal law to work in the United States as described in 8 law to work in the United States as described in 8 United States Code section 1324a(h)(3). U.S.C. s.1324a(h)(3). Section 5-A Section 4-A An employer shall not knowingly employ an An employer shall not intentionally employ an unauthorized alien. If, in the case when an unauthorized alien or knowingly employ an employer uses a contract, subcontract or other unauthorized alien. independent contractor agreement to obtain the labor of an alien in this state, the employer knowingly contracts with an unauthorized alien or with a person who employs or contracts with an unauthorized alien to perform the labor, the employer violates this subsection. Section 5-B Section 4-B The attorney general shall prescribe a complaint On receipt of a complaint that an employer form for a person to allege a violation of allegedly intentionally employs an unauthorized alien or knowingly employs an unauthorized alien, subsection A. of this section. The complainant shall not be required to list the complainant's social the Attorney General or county prosecutor shall

investigate whether the employer has violated

security number on the complaint form or to have

Fair and Legal Employment Act

the complaint form notarized. On receipt of a complaint on a prescribed complaint form that an employer allegedly knowingly employs an unauthorized alien, the attorney general or county attorney shall investigate whether the employer has violated subsection A of this section. If a complaint is received but is not submitted on a prescribed complaint form, the attorney general or county attorney may investigate whether the employer has violated subsection A of this section. This subsection shall not be construed to prohibit the filing of anonymous complaints that are not submitted on a prescribed complaint form. The attorney general or county attorney shall not investigate complaints that are based solely on race, color or national origin. A complaint that is submitted to a county attorney shall be submitted to the county attorney in the county in which the alleged unauthorized alien is or was employed by the employer. The county sheriff or any other local law enforcement agency may assist in investigating a complaint. When investigating a complaint, the attorney general or county attorney shall verify the work authorization of the alleged unauthorized alien with the federal government pursuant to 8 United States Code section 1373(c). A state, county or local official shall not attempt to independently make a final determination on whether an alien is authorized to work in the United States. An alien's immigration status or work authorization status shall be verified with the federal government pursuant to 8 United States Code section 1373(c). A person who knowingly files a false and frivolous complaint under this subsection is guilty of a class 3 misdemeanor.

New Jersey Legislation A-879/S-240

subsection a. of this section. When investigating a complaint, the Attorney General or county prosecutor shall verify the work authorization of the alleged unauthorized alien with the federal government pursuant to 8U.S.C. s.1373(c). A state, county or local official shall not attempt to independently make a final determination as to whether an alien is authorized to work in the United States. An alien's immigration status or work authorization status shall be verified with the federal government pursuant to 8 U.S.C. s.1373(c).

Section 5-C

If, after an investigation, the attorney general or county attorney determines that the complaint is not false and frivolous:

- (1) The attorney general or county attorney shall notify the United States immigration and customs enforcement of the unauthorized alien.
- (2) The attorney general or county attorney shall notify the local law enforcement agency of the unauthorized alien.
- (3) The attorney general shall notify the

Section 4-C

- If, after an investigation, the Attorney General or county prosecutor determines that the complaint is not frivolous:
- (1) The Attorney General or county prosecutor shall notify the United States Immigration and Customs Enforcement of the unauthorized alien.
- (2) The Attorney General or county prosecutor shall notify the local law enforcement agency of the unauthorized alien.
- (3) The Attorney General shall notify the

ALEC Model New Jersey Legislation A-879/S-240 **Fair and Legal Employment Act** appropriate county prosecutor to bring an action appropriate county attorney to bring an action pursuant to subsection D of this section if the pursuant to section 5 of this act if the complaint complaint was originally filed with the attorney was originally filed with the Attorney General. general. **Section 5-D** Section 5-A An action for a violation of subsection A of this An action for a violation of section 4 of this act section shall be brought against the employer by shall be brought against the employer by the the county attorney in the county where the county prosecutor in the county where the unauthorized alien employee is or was employed unauthorized alien employee is employed. The by the employer. The county attorney shall not county prosecutor shall not bring an action against bring an action against any employer for any any employer for any violation of subsection a. of violation of subsection A of this section that occurs this section that occurs before July 1, 24 2010. before [Insert Date]. A second violation of this section shall be based only on an unauthorized alien who is or was employed by the employer after an action has been brought for a violation of subsection A or state law. Section 5-E Section 5-B For any action in superior court under this section, For any action in Superior Court under this act, the the court shall expedite the action, including court shall expedite the action, including assigning assigning the hearing at the earliest practicable the hearing at the earliest practicable date. date. Section 5-F-1.A and F-1.B Section 6-A.1 and 6-A.2 On a finding of a violation of subsection A of this On a finding of a violation of section 4 of this act: a. For a first violation during a three year period (1) For a first violation, as described in subsection that is a knowing violation the court: 3 of this section, the court: (1) Shall order the employer to terminate the (1)(a) Shall order the employer to terminate the employment of all unauthorized aliens. employment of all unauthorized aliens. (2) Shall order the employer to be subject to a (1)(b) Shall order the employer to be subject to a three year probationary period. During the three year probationary period for the business probationary period the employer shall file location where the unauthorized alien performed quarterly reports with the county prosecutor. The work. During the probationary period the reports shall include, but not be limited to, employer shall file quarterly reports in the form documentation of the E-verify confirmation of provided in section 3 with the county attorney of each new employee who is hired by the employer each new employee who is hired by the employer at the specific location where the unauthorized at the business location where the unauthorized alien performed work. alien performed work. Section 5-G Section 7 The attorney general shall maintain copies of court The Attorney General shall maintain copies of

court orders that are received pursuant to section

6 of this act and shall maintain a database of the

employers who have been found to have

committed a first violation of subsection a. of

orders that are received pursuant to subsection f

of this section and shall maintain a database of the

employers and business locations that have a first

violation of subsection A of this section and make

ALEC Model	New Jersey Legislation
Fair and Legal Employment Act	A-879/S-240
the court orders available on the attorney	section 4 of this act and make the court orders
general's website.	available on the Attorney General's website.
Section 5-H	Section 8
On determining whether an employee is an	a. In determining whether an employee is an
unauthorized alien, the court shall consider only	unauthorized alien, the court shall consider only
the federal government's determination pursuant	the federal government's determination pursuant
to 8 United States Code section 1373(c). The	to 8 U.S.C. s.1373(c). The federal government's
federal government's determination creates a	determination creates a rebuttable presumption
rebuttable presumption of the employee's lawful	of the employee's lawful status. The court may
status. The court may take judicial notice of the	take judicial notice of the federal government's
federal government's determination and may	determination and may request the federal
request the federal government to provide	government to provide automated or testimonial
automated or testimonial verification pursuant to	verification pursuant to 8 U.S.C. s.1373(c).
8 United States Code section 1373(c).	b. For the purposes of this section, proof of
(I) For the purposes of this section, proof of	verifying the employment authorization of an
verifying the employment authorization of an	employee through the E-verify program creates a
employee through the e-verify program creates a	rebuttable presumption that an employer did not
rebuttable presumption that an employer did	intentionally employ an unauthorized alien or
knowingly employ an unauthorized alien.	knowingly employ an unauthorized alien.
(J) For the purposes of this section, an employer	c. For the purposes of this section, an employer
that establishes that it has complied in good faith	who establishes that it has complied in good faith
with the requirements of 8 United States code	with the requirements of 8 U.S.C.s.1324b
section 1324a(b) establishes an affirmative	establishes an affirmative defense that the
defense that the employer did not knowingly	employer did not intentionally or knowingly
employ an unauthorized alien. an employer is	employ an unauthorized alien.
considered to have complied with the	
requirements of 8 United States code section	
1324a(b), notwithstanding an isolated, sporadic or	
accidental technical or procedural failure to meet	
the requirements, if there is a good faith attempt	
to comply with the requirements.	

DISMANTLING ENVIRONMENTAL REGULATIONS

ALEC serves the interests of fossil fuel-producing corporations like ExxonMobil, Peabody Energy, and Koch Industries, and has a long history of advancing legislation aimed at dismantling environmental regulations. In an <u>article</u> by Jill Richardson, the Center for Media and Democracy explained the history of ALEC and their state legislators' mission to dismantle environmental regulations. She wrote that ALEC's campaign "against any regulation of greenhouse gases began long ago, when the US was in the midst of debating the Kyoto Protocol, an international effort to rein in greenhouse gas emissions to control the climate crisis." In 1998, ALEC ratified a <u>model resolution</u> for states to pass calling on the US to reject the Kyoto Protocol and "ban states from regulating greenhouse gases in any way." In Incomplete the Kyoto Protocol and "ban states from regulating greenhouse gases in any way."

In addition to individual state laws regulating carbon, regional initiatives like the Greenhouse Gas Initiative formed throughout the United States. ALEC, in response, drew up a model resolution for state legislatures, urging governors to pull their states out of these regional initiatives.

A-1500/S-276

New Jersey Legislation: A-1500/S-276

40 Sponsors, Including:

Primary in bold

<u>6 ALEC Assemblymembers, 5 ALEC Senators</u>

Sen. Steven Oroho (R-24) (ALEC State Chair)

Asw. Mary Pat Angelini (R-11)

Asw. Caroline Casagrande (R-12)

Asw. Amy Handlin (R-13)

Asm. Declan O'Scanlon, Jr. (R-12)

Asm. Scott Rumana (R-40)

Asm. Jay Webber (R-26) (ALEC State Chair)

Sen. Christopher Bateman (R-16)

Sen. Anthony R. Bucco (R-25)

Sen. Gerald Cardinale (R-39)

Sen. Joseph Kyrillos (R-13)

Last Action: A-1500 – Introduced, 1/10/12

S-276 – Introduced, 1/10/12

Legislative Session: 2012-2013

ALEC Model Legislation: State Withdrawal from Regional Climate Initiatives

Similarities/Analysis: ALEC's <u>State Withdrawal from Regional Climate Initiatives</u> represents classic climate change denier language. If the sentiments of the resolution were adopted, it would provide cover for states to pull out of the Regional Greenhouse Gas Initiative and the Western Climate Initiative. Though its text is dissimilar, withdrawal of New Jersey from the former is the express intent of <u>A-1500/S-276</u>. Through a transfer of unspent funds, not only would the Global Warming Solutions Fund be depleted, but so would the Forest Stewardship Incentive Fund. It leaves intact only those provisions that concern energy efficiency and renewal energy programs and standards.

ENDNOTES

vi http://www.nj.com/news/index.ssf/2012/05/christie nominates former chie.html

http://www.sourcewatch.org/index.php?title=Public Safety and Elections Task Force, and

http://www.prwatch.org/news/2012/04/11466/right-wing-operatives-take-alecs-voter-suppression-agenda for more information.

¹ The *Ledger* notes that Assemblymembers Kyrillos, Handlin, and Webber, identified by the Center for Media and Democracy, deny they received certain bills from ALEC. Assemblymembers Kyrillos and Handlin, according to the *Ledger*, are not ALEC members. We have chosen to include them based on the 2011 Center for Media and Democracy investigation.

ⁱⁱ The full number of ALEC dues-paying members is not known because ALEC does not disclose this information; the numbers that are documented are based on materials showing the subset of ALEC members on task forces or featured in some other way. ALEC exposed has documented over 1,000 task force members, but ALEC boasts that it has over 2,000 legislative members, so it is possible a number of other legislators in the state are members and have access to ALEC model bills, talking points, and other support from ALEC.

http://www.sourcewatch.org/index.php/ALEC %22Private Enterprise%22 Board of Directors

http://www.nj.com/news/index.ssf/2012/04/alec model bills used in nj la.html

^v Celgene

vii http://www.panynj.gov/corporate-information/board-commissioners.html

ALEC assigns a special leadership role to its legislative and corporate co-chairs in each state.

http://sourcewatch.org/index.php/Corporations that Have Cut Ties to ALEC

^{*} http://sourcewatch.org/index.php/Legislators Who Have Cut Ties to ALEC

xi http://www.sourcewatch.org/index.php/Merck

http://www.sourcewatch.org/index.php/Reckitt Benckiser Group

http://www.sourcewatch.org/index.php/Medco

http://www.sourcewatch.org/index.php/Johnson %26 Johnson

^{**} AT HOME IN NEW JERSEY: ALEC CORPORATE FUNDERS

^{xvi} <u>ALEC LEGISLATORS IN NEW JERSEY</u>

xvii ALEC previously managed nine "task forces" but told the press in April 2012 that it would dismantle the Public Safety and Elections Task Force, previously known as the Criminal Justice and Homeland Security Task Force. It at least appears that agenda will be taken up elsewhere on the Right. See http://www.sourcewatch.org/index.php/ALEC Task Forces,

http://www.alecexposed.org/wiki/Decoding ALEC PR

http://www.commoncause.org/site/pp.asp?c=dkLNK1MQlwG&b=8060297

xx See http://www.commoncause.org/ALECDocuments

xxi http://www.nytimes.com/2012/04/22/us/alec-a-tax-exempt-group-mixes-legislators-and-lobbyists.html

ALEC does not reveal the actual amounts of funding provided by each corporate member.

http://www.prwatch.org/node/11342

http://www.brennancenter.org/content/resource/voting law changes in 2012

According to http://sourcewatch.org/index.php/Corporations that Have Cut Ties to ALEC, as of September 14, 2012.

http://www.nj.com/news/index.ssf/2012/04/alec model bills used in nj la.html

xxvii http://www.sou<u>rcewatch.org/index.php?title=New_Jersey_ALEC_Politicians</u>

xxviii The Ledger notes that Assemblymembers Kyrillos, Handlin, and Webber, identified by the Center for Media and Democracy, deny they received certain bills from ALEC. Assemblymembers Kyrillos and Handlin, according to the Ledger, are not ALEC members. We have chosen to include them based on the 2011 Center for Media and Democracy investigation.

xivix Because ALEC does not make its list of legislators publicly known, this information may be incomplete. ALEC claims to have over 2,000 legislative members nationwide, but only about 1,000 of them have been identified.

xxx Senator Bucco is the father of New Jersey Assemblymember and Deputy Republican Leader Anthony M. Bucco (R-25).

xood According to information obtained through an Open Public Records Act request, on file at People For the American Way Foundation, Senator Bucco was reimbursed by the State in 2002 for more than \$1,500 in ALEC-related expenses, including \$401.93 for the Spring Task Force Summit in Las Vegas, NV, and \$1,1178.34 for the Annual Meeting in Orlando, FL.

xxxiii Senator Kyrillos is challenging incumbent Robert Menendez for his US Senate seat.

http://www.sourcewatch.org/index.php/ALEC_%22Private_Enterprise%22_Board_of_Directors

http://www.nj.com/news/index.ssf/2012/04/alec model bills used in nj la.html

xxxv Celgene

xxxvi http://www.nj.com/news/index.ssf/2012/05/christie nominates former chie.html

http://www.panynj.gov/corporate-information/board-commissioners.html

http://www.sourcewatch.org/index.php/ALEC Task Forces

xxxix Sandy Oliver, Vice President of Public Policy and Government Affairs, serves as First Vice Chairman of the Board. See

http://www.sourcewatch.org/index.php/ALEC %22Private Enterprise%22 Board of Directors.

http://www.bayer.com/en/bayer-worldwide.aspx

xli http://www.sourcewatch.org/index.php?title=Celgene

http://www.sourcewatch.org/index.php?title=Honeywell

ALEC previously managed nine "task forces" but told the press in April 2012 that it would dismantle the Public Safety and Elections Task Force, previously known as the Criminal Justice and Homeland Security Task Force. It at least appears that agenda will be taken up elsewhere on the Right. See http://www.sourcewatch.org/index.php/ALEC Task Forces,

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http://www.sourcewatch.org/index.php/ALEC %22Private Enterprise%22 Board of Directors.

http://www.sourcewatch.org/index.php?title=Public Safety and Elections Task Force, and

http://www.prwatch.org/news/2012/04/11466/right-wing-operatives-take-alecs-voter-suppression-agenda for more information.

http://www.sourcewatch.org/index.php?title=Public Safety and Elections Task Force, and

http://www.prwatch.org/news/2012/04/11466/right-wing-operatives-take-alecs-voter-suppression-agenda for more information.

xliv http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9MTMxMzg5fENoaWxkSUQ9LTF8VHlwZT0z&t=1 at page 30

http://www.businesswire.com/news/home/20111216005351/en/LabCorp-Successfully-Completes-Acquisition-Orchid-Cellmark

http://www.sourcewatch.org/index.php?title=Prudential Financial

sandy Oliver, Vice President of Public Policy and Government Affairs, serves as First Vice Chairman of the Board. See

http://www.sourcewatch.org/index.php?title=Sanofi-Aventis

http://www.sourcewatch.org/index.php?title=ALEC %22Private Enterprise%22 Board of Directors

http://www.sourcewatch.org/index.php?title=Communications and Technology Task Force

http://www.sourcewatch.org/index.php?title=Tax_and_Fiscal_Policy_Task_Force

http://www.sourcewatch.org/index.php?title=Ronald Scheberle

http://www.thenation.com/article/161971/starving-public-schools as provided by http://www.commondreams.org/view/2011/07/14-12

liv Ibid.

http://www.azcentral.com/news/articles/2012/01/10/20120110arizona-charter-schools-put-to-test.html

http://alecexposed.org/w/images/8/84/2D21-THE SPECIAL NEEDS SCHOLARSHIP PROGRAM ACT Exposed.pdf

ALEC previously managed nine "task forces" but told the press in April 2012 that it would dismantle the Public Safety and Elections Task Force, previously known as the Criminal Justice and Homeland Security Task Force. It at least appears that agenda will be taken up elsewhere on the Right. See http://www.sourcewatch.org/index.php/ALEC Task Forces,

http://electionlawblog.org/?p=22887

http://heartland.org/sean-parnell

lx <u>Ibid</u>.

http://www.thenation.com/article/161969/rigging-elections#

ALEC previously managed nine "task forces" but told the press in April 2012 that it would dismantle the Public Safety and Elections Task Force, previously known as the Criminal Justice and Homeland Security Task Force. It at least appears that agenda will be taken up elsewhere on the Right. See http://www.sourcewatch.org/index.php/ALEC Task Forces,

hill American Legislative Exchange Council, International and Federal Relations Task Force meeting and Federal Relations Working Group, meeting agenda and materials, August 4, 2011, on file with the Center for Media and Democracy.

http://www.sourcewatch.org/index.php?title=International Relations Task Force

http://www.njleg.state.nj.us/2012/Bills/A2000/1806 | 11.PDF

http://www.alecexposed.org/w/images/7/7f/0C0-Appeal Bond Waiver Act Exposed.pdf

http://www.ncsl.org/issues-research/immig/e-verify-faq.aspx

http://colorlines.com/archives/2011/09/mandatory e-verify bill advances as critics fight back with spanish-language ad buy.html lxix Ibid.

http://www.ncsl.org/issues-research/immig/e-verify-faq.aspx

http://colorlines.com/archives/2011/09/mandatory e-verify bill advances as critics fight back with spanish-language ad buy.html lxxii Ibid.

http://www.prwatch.org/NODE/10914

http://www.sourcewatch.org/images/4/49/3C0-ALEC State Withdrawal from Regional Climate Initiatives Exposed.pdf