

**ASSEMBLY BILL NO. 3423  
(First Reprint)**

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Assembly Bill No. 3423 (First Reprint) with my recommendations for reconsideration.

Under current law, a portion of the assets from the sale of a non-profit hospital to a for-profit entity may be placed in a charitable entity dedicated to serving the health care needs of the community. This bill would modify that requirement, and allow for the return of those assets if the hospital is re-acquired by a non-profit organization. I agree that allowing for the reacquisition of the remainder of these assets will help strengthen the mission of our non-profit hospitals, and the communities they serve. My modest recommendations would strengthen the bill and better ensure that the objectives of the Legislature are accomplished by clarifying the scope of applicability of the bill, while preserving the essential oversight functions of the Superior Court, and the Attorney General.

Accordingly, I herewith return Assembly Bill No. 3423 (First Reprint) and recommend that it be amended as follows:

- Page 6, Section 1, Line 37: After "acquired" insert "at any time after November 2, 2000"
- Page 6, Section 1, Line 40: After "a" insert "charitable" entity that operates a"
- Page 6, Section 1, Lines 45-46: Delete "and that remain in the possession of the charitable entity"
- Page 7, Section 1, Line 1: Delete "acquiring"
- Page 7, Section 1, Line 1: After "nonprofit" insert "charitable" entity acquiring the previously acquired nonprofit"
- Page 7, Section 1, Line 2: After "purpose." insert "For purposes of this subsection,

"remaining charitable assets" means charitable assets that were placed in a nonprofit charitable entity pursuant to this subsection that: (1) remain in the possession of the charitable entity and have not been disbursed by that entity and already used for the purpose of serving the health care needs of the community historically served by the predecessor nonprofit hospital; or (2) have at any time before, on or after the effective date of P.L. , c. (C. )(pending before the Legislature as this bill) been transferred by the nonprofit charitable entity to a donor-advised fund, or to any other entity, to use as recommended or as required by the nonprofit charitable entity, and have not been disbursed by that fund or entity and already used for the purpose of serving the health care needs of the community historically served by the predecessor nonprofit hospital."

Respectfully,

/s/ Chris Christie

Governor

[seal]

Attest:

/s/ Paul B. Matey

Deputy Chief Counsel to the Governor