

SENATE, No. 243

STATE OF NEW JERSEY
219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Senator TROY SINGLETON

District 7 (Burlington)

Senator KRISTIN M. CORRADO

District 40 (Bergen, Essex, Morris and Passaic)

SYNOPSIS

Reduces threshold for filing annual disclosure statement with ELEC from \$50,000 in public contracts to \$17,500.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** concerning the filing of annual disclosure statements for
2 political contributions and amending P.L.2005, c.271.

3

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

6

7 1. Section 3 of P.L.2005, c.271 (C.19:44A-20.27) is amended
8 to read as follows:

9 3. a. Any business entity making a contribution of money or
10 any other thing of value, including an in-kind contribution, or
11 pledge to make a contribution of any kind to a candidate for or the
12 holder of any public office having ultimate responsibility for the
13 awarding of public contracts, or to a political party committee,
14 legislative leadership committee, political committee or continuing
15 political committee, which has received in any calendar year
16 **[\$50,000]** \$17,500 or more in the aggregate through agreements or
17 contracts with a public entity, shall file an annual disclosure
18 statement with the New Jersey Election Law Enforcement
19 Commission, established pursuant to section 5 of P.L.1973, c.83
20 (C.19:44A-5), setting forth all such contributions made by the
21 business entity during the 12 months prior to the reporting deadline.

22 b. The commission shall prescribe forms and procedures for the
23 reporting required in subsection a. of this section which shall
24 include, but not be limited to:

25 (1) the name and mailing address of the business entity making
26 the contribution, and the amount contributed during the 12 months
27 prior to the reporting deadline;

28 (2) the name of the candidate for or the holder of any public
29 office having ultimate responsibility for the awarding of public
30 contracts, candidate committee, joint candidates committee,
31 political party committee, legislative leadership committee, political
32 committee or continuing political committee receiving the
33 contribution; and

34 (3) the amount of money the business entity received from the
35 public entity through contract or agreement, the dates, and
36 information identifying each contract or agreement and describing
37 the goods, services or equipment provided or property sold.

38 c. The commission shall maintain a list of such reports for
39 public inspection both at its office and through its Internet site. The
40 commission shall also publish on its Internet site a link to the
41 official Internet site of the Division of Purchase and Property in the
42 Department of the Treasury, along with a notice that procurement
43 information specific to the award of public contracts by State
44 agencies may be accessed thereon.

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

Matter underlined thus is new matter.

1 d. When a business entity is a natural person, a contribution by
2 that person's spouse or child, residing therewith, shall be deemed to
3 be a contribution by the business entity. When a business entity is
4 other than a natural person, a contribution by any person or other
5 business entity having an interest therein shall be deemed to be a
6 contribution by the business entity. When a business entity is other
7 than a natural person, a contribution by: all principals, partners,
8 officers, or directors of the business entity, or their spouses; any
9 subsidiaries directly or indirectly controlled by the business entity;
10 or any political organization organized under section 527 of the
11 Internal Revenue Code that is directly or indirectly controlled by
12 the business entity, other than a candidate committee, election fund,
13 or political party committee, shall be deemed to be a contribution
14 by the business entity.

15 As used in this section:

16 "business entity" means a for-profit entity that is a natural or
17 legal person, business corporation, professional services
18 corporation, limited liability company, partnership, limited
19 partnership, business trust, association or any other legal
20 commercial entity organized under the laws of this State or of any
21 other state or foreign jurisdiction; and

22 "interest" means the ownership or control of more than 10% of
23 the profits or assets of a business entity or 10% of the stock in the
24 case of a business entity that is a corporation for profit, as
25 appropriate.

26 e. Any business entity that fails to comply with the provisions
27 of this section shall be subject to a fine imposed by the New Jersey
28 Election Law Enforcement Commission in an amount to be
29 determined by the commission which may be based upon the
30 amount that the business entity failed to report.

31 (cf: P.L.2007, c.304, s.2)

32
33 2. The Department of the Treasury shall publish notice of the
34 adjusted threshold amount for filing an annual disclosure statement
35 in accordance with section 3 of P.L.2005, c.271 (C.19:44A-20.27)
36 on its website and on the webpage for the Division of Purchase and
37 Property.

38
39 3. This act shall take effect on the first day of the calendar year
40 next following enactment.

41 42 43 STATEMENT

44
45 This bill reduces the threshold for filing an annual disclosure
46 statement with the New Jersey Election Law Enforcement
47 Commission (ELEC) from \$50,000 in public contracts to \$17,500.
48 Currently, any business entity that has received public contracts in

1 an amount equaling or exceeding \$50,000 in the aggregate over the
2 course of a calendar year is required to file an annual disclosure
3 statement with ELEC if the entity has made certain political
4 contributions. The bill would reduce that amount to \$17,500.

5 Under current law, a business entity that has received in any
6 calendar year \$50,000 or more in the aggregate in public contracts
7 must file an annual disclosure statement with ELEC if the entity has
8 made a political contribution to a candidate for public office, or a
9 sitting public official, responsible for awarding public contracts, or
10 to a political party committee, legislative leadership committee,
11 political committee, or continuing political committee. The report
12 must include all contributions made by the business entity during
13 the preceding 12 months.

14 State agencies may not enter into a contract in an amount over
15 \$17,500 with a business entity that has solicited or made any
16 contributions to a candidate for or holder of the public office of
17 Governor or of Lieutenant Governor, or to any State or county
18 political party committee in the preceding 18 months. This bill will
19 more closely align the reporting requirements to that threshold by
20 requiring annual disclosure statements for contracts that exceed
21 \$17,500 in the aggregate over the course of a year.

22 The bill also requires ELEC to publish on its Internet site a link
23 to the official Internet site of the Division of Purchase and Property
24 in the Department of the Treasury, along with a notice that
25 procurement information specific to the award of public contracts
26 by State agencies may be accessed thereon. The Department of the
27 Treasury is to publish notice of the new threshold amount on its
28 website and on the webpage for the Division of Purchase and
29 Property.