

SENATE, No. 2317

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED APRIL 9, 2020

Sponsored by:

Senator RONALD L. RICE

District 28 (Essex)

SYNOPSIS

Requires business entity to file annual disclosure statement with ELEC if entity receives \$50,000 or more in commissions or fees during calendar year for placing third parties into contractual relationships with public entities.

CURRENT VERSION OF TEXT

As introduced.



1 **AN ACT** concerning the disclosure of campaign contributions by
2 certain business entities 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 or more in the aggregate through agreements or contracts
17 with a public entity, or through agreements or contracts with a third
18 party in which the business entity receives a commission or fee for
19 entering the third party into a contractual relationship with a public
20 entity, shall file an annual disclosure statement with the New Jersey
21 Election Law Enforcement Commission, established pursuant to
22 section 5 of P.L.1973, c.83 (C.19:44A-5), setting forth all such
23 contributions made by the business entity during the 12 months
24 prior to the reporting deadline.

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

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

31 (2) the name of the candidate for or the holder of any public
32 office having ultimate responsibility for the awarding of public
33 contracts, candidate committee, joint candidates committee,
34 political party committee, legislative leadership committee, political
35 committee or continuing political committee receiving the
36 contribution; **[and]**

37 (3) the amount of money the business entity received from the
38 public entity through contract or agreement, the dates, and
39 information identifying each contract or agreement and describing
40 the goods, services or equipment provided or property sold, or the
41 amount of money the business entity received as a commission or
42 fee for placing a third party into a contractual relationship with the
43 public entity and describing the goods, services, or equipment
44 provided or property sold.

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 c. The commission shall maintain a list of such reports for
2 public inspection both at its office and through its Internet site.

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

17 As used in this section:

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

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

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

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

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35 2. This act shall take effect on January 1 of the calendar year
36 next following enactment.

37 38 39 STATEMENT

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41 This bill requires a business entity to file an annual disclosure
42 statement with the New Jersey Election Law Enforcement
43 Commission (ELEC) concerning campaign contributions if the
44 business entity receives \$50,000 or more in the aggregate over the
45 course of a calendar year in commissions or fees for placing third
46 parties into contractual relationships with public entities.

47 The bill is intended to provide transparency and close a loophole
48 which has permitted certain companies to circumvent laws requiring

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1 disclosure of campaign contributions. Under current law, a business
2 is only required to report amounts received through direct contracts
3 with public entities. This bill would require the business to report
4 the amounts received in commissions or fees through contracts with
5 third parties for placing the third party into a contractual
6 relationship with a public entity, notwithstanding that the payment
7 was not remitted directly by the public entity.