

**SENATE, No. 1398**

**STATE OF NEW JERSEY**  
**221st LEGISLATURE**

PRE-FILED FOR INTRODUCTION IN THE 2024 SESSION

**Sponsored by:**

**Senator TROY SINGLETON**

**District 7 (Burlington)**

**SYNOPSIS**

Increases disclosure of political contributions by business entities with public contracts; creates uniform law for contributions by such entities; repeals local option to set contribution limits for business entities.

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel.



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2

1 AN ACT concerning political contributions and disclosures by  
2 certain business entities with certain government contracts,  
3 amending P.L.2004, c.19, P.L.2005, c.51, and P.L.2005, c.271,  
4 supplementing P.L.2004, c.19 (C.19:44A-20.3 et seq.), and  
5 repealing various parts of the statutory law.

6

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

9

10 1. (New section) Notwithstanding the provisions of any other  
11 law to the contrary:

12 a State agency in the Executive Branch shall not enter into a  
13 contract having an anticipated value in excess of \$17,500, as  
14 determined in advance and certified in writing by the State agency,  
15 with a business entity if, during the preceding one-year period, that  
16 business entity has made a contribution to any candidate committee of  
17 the Governor and the Lieutenant Governor serving when the contract  
18 is awarded, or to a political committee or continuing political  
19 committee; and

20 a business entity that has entered into a contract having an  
21 anticipated value in excess of \$17,500 with a State agency in the  
22 Executive Branch shall not make a contribution to any candidate  
23 committee of the Governor and the Lieutenant Governor serving when  
24 the contract is awarded, or to a political committee or continuing  
25 political committee, during the term of that contract.

26 No such committee shall accept such a contribution from a business  
27 entity during the term of its contract with a State agency in the  
28 Executive Branch.

29

30 2. Section 2 of P.L.2004, c.19 (C.19:44A-20.3) is amended to  
31 read as follows:

32 2. Notwithstanding the provisions of any other law to the  
33 contrary:

34 a State agency in the Legislative Branch shall not enter into a  
35 contract having an anticipated value in excess of \$17,500, as  
36 determined in advance and certified in writing by the State agency,  
37 with a business entity, that requires approval by a presiding officer  
38 of either or both houses of the Legislature **[**, except a contract that is  
39 awarded pursuant to a fair and open process, **]** if, during the  
40 preceding one-year period, that business entity has made a  
41 contribution **[**, reportable by the recipient under P.L.1973, c.83  
42 (C.19:44A-1 et seq.), to the State committee of the political party of  
43 which that presiding officer, serving when the contract is awarded,  
44 is a member, or **]** to a legislative leadership committee or any  
45 candidate committee established by that presiding officer, or to a  
46 political committee or continuing political committee; and

47 a business entity that has entered into a contract having an  
48 anticipated value in excess of \$17,500 with a State agency in the

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

Matter underlined thus is new matter.

1 Legislative Branch, that requires approval by a presiding officer of  
2 either or both houses of the Legislature【, except a contract that is  
3 awarded pursuant to a fair and open process,】 shall not make a  
4 contribution【, reportable by the recipient under P.L.1973, c.83  
5 (C.19:44A-1 et seq.), to the State committee of the political party of  
6 which that presiding officer is a member, or】 to a legislative  
7 leadership committee or any candidate committee established by  
8 that presiding officer, or to a political committee or continuing  
9 political committee, during the term of that contract.

10 No such committee shall accept such a contribution from a  
11 business entity during the term of its contract with a State agency in  
12 the Legislative Branch.

13 (cf: P.L.2004, c.19, s.2)

14

15 3. Section 3 of P.L.2004, c.19 (C.19:44A-20.4) is amended to  
16 read as follows:

17 3. Notwithstanding the provisions of any other law to the  
18 contrary:

19 a county, or any agency or instrumentality thereof, shall not enter  
20 into a contract having an anticipated value in excess of \$17,500, as  
21 determined in advance and certified in writing by the county,  
22 agency or instrumentality, with a business entity【, except a contract  
23 that is awarded pursuant to a fair and open process,】 if, during the  
24 preceding one-year period, that business entity has made a  
25 contribution 【that is reportable by the recipient under P.L.1973,  
26 c.83 (C.19:44A-1 et seq.), to any county committee of a political  
27 party in that county if a member of that political party is serving in  
28 an elective public office of that county when the contract is awarded  
29 or】 to any candidate committee of any person serving in an elective  
30 public office of that county when the contract is awarded or to a  
31 political committee or continuing political committee; and

32 a business entity that has entered into a contract having an  
33 anticipated value in excess of \$17,500 with a county, or any agency  
34 or instrumentality thereof, 【except a contract that is awarded  
35 pursuant to a fair and open process,】 shall not make such a  
36 contribution 【reportable by the recipient under P.L.1973, c.83  
37 (C.19:44A-1 et seq.), to any county committee of a political party in  
38 that county if a member of that political party is serving in an  
39 elective public office of that county when the contract is awarded  
40 or】 to any candidate committee of any person serving in an elective  
41 public office of that county when the contract is awarded, during  
42 the term of that contract or to a political committee or continuing  
43 political committee.

44 No such committee shall accept such a contribution from a  
45 business entity during the term of its contract with the county.

46 (cf: P.L.2004, c.19, s.3)

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1 4. Section 4 of P.L.2004, c.19 (C.19:44A-20.5) is amended to  
2 read as follows:

3 4. Notwithstanding the provisions of any other law to the  
4 contrary:

5 a municipality, or any agency or instrumentality thereof, shall  
6 not enter into a contract having an anticipated value in excess of  
7 \$17,500, as determined in advance and certified in writing by the  
8 municipality, agency or instrumentality, with a business entity~~],~~  
9 except a contract that is awarded pursuant to a fair and open  
10 process,~~]~~ if, during the preceding one-year period, that business  
11 entity has made a contribution ~~[~~that is reportable by the recipient  
12 under P.L.1973, c.83 (C.19:44A-1 et seq.), to any municipal  
13 committee of a political party in that municipality if a member of  
14 that political party is serving in an elective public office of that  
15 municipality when the contract is awarded or~~]~~ to any candidate  
16 committee of any person serving in an elective public office of that  
17 municipality when the contract is awarded or to a political  
18 committee or continuing political committee; and

19 a business entity that has entered into a contract having an  
20 anticipated value in excess of \$17,500 with a municipality, or any  
21 agency or instrumentality thereof, ~~[~~except a contract that is  
22 awarded pursuant to a fair and open process,~~]~~ shall not make such a  
23 contribution~~],~~ reportable by the recipient under P.L.1973, c.83  
24 (C.19:44A-1 et seq.), to any municipal committee of a political  
25 party in that municipality if a member of that political party is  
26 serving in an elective public office of that municipality when the  
27 contract is awarded or~~]~~ to any candidate committee of any person  
28 serving in an elective public office of that municipality when the  
29 contract is awarded or to a political committee or continuing  
30 political committee, during the term of that contract.

31 No such committee shall accept such a contribution from a  
32 business entity during the term of its contract with the municipality.  
33 (cf: P.L.2004, c.19, s.4)

34

35 5. Section 5 of P.L.2004, c.19 (C.19:44A-20.6) is amended to  
36 read as follows:

37 5. ~~[~~When a business entity is a natural person, a contribution  
38 by that person's spouse or child, residing therewith, shall be deemed  
39 to be a contribution by the business entity.~~]~~

40 When a business entity is other than a natural person, a  
41 contribution by any person or other business entity having an  
42 interest therein shall be deemed to be a contribution by the business  
43 entity. The provision of this section shall apply to P.L.2004, c.19  
44 (C.19:44A-20.3 et seq.), sections 2 and 3 of P.L.2005, c.271  
45 (C.19:44A-20.26 and C.19:44A-20.27), and sections 1, 6, 7, and 19

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1 of P.L. \_\_\_\_\_, c. \_\_\_\_\_ (C. \_\_\_\_\_) (pending before the Legislature as  
2 this bill).

3 (cf: P.L.2004, c.19, s.5)

4

5 6. (New section) Notwithstanding the provisions of any other  
6 law to the contrary:

7 a local board of education, or any agency or instrumentality  
8 thereof, shall not enter into a contract having an anticipated value in  
9 excess of \$17,500, as determined in advance and certified in writing  
10 by the board, agency, or instrumentality, with a business entity if,  
11 during the preceding one-year period, that business entity has made  
12 a contribution to any candidate committee of any person serving in  
13 an elective public office of that board when the contract is awarded  
14 or to a political committee or continuing political committee; and

15 a business entity that has entered into a contract having an  
16 anticipated value in excess of \$17,500 with a local board of  
17 education, or any agency or instrumentality thereof, shall not make  
18 such a contribution to any candidate committee of any person  
19 serving in an elective public office of that board when the contract  
20 is awarded or to a political committee or continuing political  
21 committee, during the term of that contract.

22 No such committee shall accept such a contribution from a  
23 business entity during the term of its contract with the local board  
24 of education.

25

26 7. (New section) Notwithstanding the provisions of any other  
27 law to the contrary:

28 a board of fire commissioners of a fire district, or any agency or  
29 instrumentality thereof, shall not enter into a contract having an  
30 anticipated value in excess of \$17,500, as determined in advance  
31 and certified in writing by the board, agency, or instrumentality,  
32 with a business entity if, during the preceding one-year period, that  
33 business entity has made a contribution to any candidate committee  
34 of any person serving in an elective public office of that board when  
35 the contract is awarded or to a political committee or continuing  
36 political committee; and

37 a business entity that has entered into a contract having an  
38 anticipated value in excess of \$17,500 with a board of fire  
39 commissioners of a fire district, or any agency or instrumentality  
40 thereof, shall not make such a contribution to any candidate  
41 committee of any person serving in an elective public office of that  
42 board when the contract is awarded or to a political committee or  
43 continuing political committee, during the term of that contract.

44 No such committee shall accept such a contribution from a  
45 business entity during the term of its contract with the board.

46

47 8. Section 6 of P.L.2004, c.19 (C.19:44A-20.7) is amended to  
48 read as follows:

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1 6. As used in sections 2 through 11 of **[this act]** P.L.2004, c.19  
2 (C.19:44A-20.3 through C.19:44A-20.12), sections 2 and 3 of  
3 P.L.2005, c.271 (C.19:44A-20.26 and C.19:44A-20.27), and  
4 sections 1, 6, 7, and 19 of P.L. , c. (C. ) (pending  
5 before the Legislature as this bill):

6 "business entity" means **[any natural or legal person, business**  
7 **corporation, professional services corporation, limited liability**  
8 **company, partnership, limited partnership, business trust,**  
9 **association or any other legal commercial entity organized under**  
10 **the laws of this State or of any other state or foreign jurisdiction]**

11 a for-profit entity as follows:

12 a corporation, the corporation, any officer or director of the  
13 corporation, and any person or business entity that owns or controls  
14 10 percent or more of the stock of the corporation;

15 a general partnership, the partnership and any partner;

16 a limited partnership, the limited partnership and any partner;

17 a professional corporation, the professional corporation and any  
18 shareholder or officer;

19 a limited liability company, the limited liability company and  
20 any member;

21 a limited liability partnership, the limited liability partnership  
22 and any partner;

23 a sole proprietorship, the proprietor; and

24 any other form of for-profit entity organized under the laws of  
25 this State or any other state or foreign jurisdiction, the entity and  
26 any principal, officer, or partner.

27 The term shall include: (i) any subsidiary directly or indirectly  
28 controlled by the business entity; and (ii) any political organization  
29 organized under section 527 of the federal Internal Revenue Code  
30 (26 U.S.C. s.501) that is directly or indirectly controlled by the  
31 business entity, other than a candidate committee, political  
32 committee, or political party committee.

33 With respect to an individual who is included within the  
34 definition of business entity, the term shall include that individual's  
35 spouse, civil union partner, and child residing with the individual,  
36 except that a contribution made by such spouse, civil union partner,  
37 or child to a candidate for whom the contributor is entitled to vote  
38 or to a political party committee within whose jurisdiction the  
39 contributor resides shall be excluded unless the contribution is in  
40 violation of law; and

41 "contribution" means a contribution reportable by the recipient  
42 under "The New Jersey Campaign Contributions and Expenditures  
43 Reporting Act," P.L.1973, c.83 (C.19:44A-1 et seq.), of more than  
44 \$1,000 in the aggregate by a business entity or collectively by  
45 individuals or entities with an interest in the business entity;

46 "independent expenditure committee" means a person, a group of  
47 two or more people, or an organization organized under section 527  
48 of the federal Internal Revenue Code (26 U.S.C. s.527), or under

1 paragraph (4) of subsection c. of section 501 of the federal Internal  
2 Revenue Code (26 U.S.C. s.501), that does not fall within the  
3 definition of any other organization subject to the provisions of  
4 P.L.1973, c.83 (C.19:44A-1 et seq.), that engages in influencing or  
5 attempting to influence the outcome of any election or the  
6 nomination, election, or defeat of any person to any State or local  
7 elective public office, or the passage or defeat of any public  
8 question, or in providing political information on any candidate or  
9 public question, and raises or expends \$3,000 or more in the  
10 aggregate for any such purpose annually, but does not coordinate its  
11 activities with any candidate or political party;

12 "interest" means the ownership or control of more than 10% of  
13 the profits or assets of a business entity or 10% of the stock in the  
14 case of a business entity that is a corporation for profit, as  
15 appropriate;

16 **["fair and open process" means, at a minimum, that the contract**  
17 **shall be: publicly advertised in newspapers or on the Internet**  
18 **website maintained by the public entity in sufficient time to give**  
19 **notice in advance of the contract; awarded under a process that**  
20 **provides for public solicitation of proposals or qualifications and**  
21 **awarded and disclosed under criteria established in writing by the**  
22 **public entity prior to the solicitation of proposals or qualifications;**  
23 **and publicly opened and announced when awarded. The decision of**  
24 **a public entity as to what constitutes a fair and open process shall**  
25 **be final.】**

26 "State agency in the Executive Branch" means any of the principal  
27 departments in the Executive Branch of the State Government, and any  
28 division, board, bureau, office, commission or other instrumentality  
29 within or created by such department, and any independent State  
30 authority, board, commission, instrumentality, or agency; and

31 "State agency in the Legislative Branch" means the Legislature  
32 of the State and any office, board, bureau or commission within or  
33 created by the Legislative Branch.

34 (cf: P.L.2005, c.51, s.14)

35  
36 9. Section 7 of P.L.2004, c.19 (C.19:44A-20.8) is amended to  
37 read as follows:

38 7. a. Prior to awarding any contract, **【except a contract that is**  
39 **awarded pursuant to a fair and open process,】** a State agency in the  
40 Executive Branch or Legislative Branch, or a county, **【or】** a  
41 municipality, a local board of education, or a fire district shall  
42 require the business entity to which the contract is to be awarded to  
43 provide a written certification that it has not made a contribution  
44 that would bar the award of a contract **【pursuant to this act】.**

45 b. A business entity shall have a continuing duty to report to  
46 the Election Law Enforcement Commission any contributions that  
47 constitute a violation of **【this act】** P.L.2004, c.19 (C.19:44A-20.3 et

1 seq.) and sections 1, 6, and 7 of P.L. \_\_\_\_\_, c. \_\_\_\_\_ (C. \_\_\_\_\_) (pending  
2 before the Legislature as this bill) that are made during the duration  
3 of a contract.  
4 (cf: P.L.2005, c.51, s.15)

5  
6 10. Section 8 of P.L.2004, c.19 (C.19:44A-20.9) is amended to  
7 read as follows:

8 8. If a business entity makes a contribution that would cause it  
9 to be ineligible to receive a public contract or, in the case of a  
10 contribution made during the term of a public contract, that would  
11 constitute a violation of this act, the business entity may request, in  
12 writing, within 60 days of the date on which the contribution was  
13 made, that the recipient thereof repay the contribution and, if  
14 repayment is received within those 60 days, the business entity  
15 would again be eligible to receive a contract or would no longer be  
16 in violation, as appropriate.

17 The provisions of this section shall apply to P.L.2004, c.19  
18 (C.19:44A-20.3 et seq.) and sections 1, 6, and 7 of P.L. \_\_\_\_\_,  
19 c. \_\_\_\_\_ (C. \_\_\_\_\_)(pending before the Legislature as this bill).  
20 (cf: P.L.2004, c.19, s.8)

21  
22 11. Section 9 of P.L.2004, c.19 (C.19:44A-20.10) is amended to  
23 read as follows:

24 9. A business entity which is determined by the Election Law  
25 Enforcement Commission to have willfully and intentionally made  
26 a contribution or failed to reveal a contribution in violation of **[this**  
27 **act]** sections 2 through 4 of P.L.2004, c.19 (C.19:44A-20.3 through  
28 C.19:44A-20.5) and sections 1, 6, and 7 of P.L. \_\_\_\_\_,  
29 c. \_\_\_\_\_ (C. \_\_\_\_\_) (pending before the Legislature as this bill) may  
30 be liable to a penalty of up to the value of its contract with the  
31 public entity and may be debarred by the State Treasurer from  
32 contracting with any public entity for up to five years.  
33 (cf: P.L.2004, c.19, s.9)

34  
35 12. Section 10 of P.L.2004, c.19 (C.19:44A-20.11) is amended  
36 to read as follows:

37 10. Any person who is determined by the Election Law  
38 Enforcement Commission to have willfully and intentionally  
39 accepted a contribution in violation of the provisions of sections  
40 **[1]** 2 through 4 of **[this act]** P.L.2004, c.19 (C.19:44A-20.3  
41 through C.19:44A-20.5) and sections 1, 6, and 7 of P.L. \_\_\_\_\_,  
42 c. \_\_\_\_\_ (C. \_\_\_\_\_) (pending before the Legislature as this bill) shall  
43 be liable to a penalty for each such violation equal to the penalties  
44 set forth in subsection e. of section 22 of P.L.1973, c.83  
45 (C.19:44A-22).  
46 (cf: P.L.2004, c.19, s.10)



1       13. Section 11 of P.L.2004, c.19 (C.19:44A-20.12) is amended  
2 to read as follows:

3       11. Nothing contained in this act shall be construed as  
4 prohibiting the awarding of a contract when the public exigency  
5 requires the immediate delivery of goods or performance of  
6 emergency services as determined by the State Treasurer.

7       The provisions of this section shall apply to P.L.2004, c.19  
8 (C.19:44A-20.3 et seq.) and to sections 1, 6, and 7 of P.L. \_\_\_\_\_,  
9 c. \_\_\_\_\_(pending before the Legislature as this bill).  
10 (cf: P.L.2004, c.19, s.11)

11

12       14. Section 9 of P.L.2005, c.51 (C.19:44A-20.21) is amended to  
13 read as follows:

14       9. It shall be a breach of the terms of the government contract  
15 for a business entity to: (i) make or solicit a contribution in  
16 violation of **【this act】** P.L.2004, c.19 (C.19:44A-20.3 et seq.) or  
17 sections 1, 6, and 7 of P.L. \_\_\_\_\_, c. \_\_\_\_\_ (C. \_\_\_\_\_) (pending before  
18 the Legislature as this bill); (ii) knowingly conceal or misrepresent  
19 a contribution given or received; (iii) make or solicit contributions  
20 through intermediaries for the purpose of concealing or  
21 misrepresenting the source of the contribution; (iv) make or solicit  
22 any contribution on the condition or with the agreement that it will  
23 be contributed to a **【campaign】** committee **【of any candidate or**  
24 **holder of the public office of Governor or Lieutenant Governor, or**  
25 **to any State or county party committee】**; (v) engage or employ a  
26 lobbyist or consultant with the intent or understanding that such  
27 lobbyist or consultant would make or solicit any contribution,  
28 which if made or solicited by the business entity itself, would  
29 subject that entity to the restrictions of **【this act】** the acts; (vi) fund  
30 contributions made by third parties, including consultants,  
31 attorneys, family members, and employees; (vii) engage in any  
32 exchange or contributions to circumvent the intent of **【this act】** the  
33 acts; or (viii) directly or indirectly, through or by any other person  
34 or means, do any act which would subject that entity to the  
35 restrictions of **【this act】** the acts.

36       The provisions of this section shall apply to P.L.2004, c.19  
37 (C.19:44A-20.3 et seq.) and to sections 1, 6, and 7 of P.L. \_\_\_\_\_,  
38 c. \_\_\_\_\_ (C. \_\_\_\_\_) (pending before the Legislature as this bill).  
39 (cf: P.L.2009, c.66, s.36)

40

41       15. Section 12 of P.L.2005, c.51 (C.19:44A-20.24) is amended  
42 to read as follows:

43       12. Every contract and bid application and specifications  
44 promulgated in connection therewith covered by **【this act】**  
45 P.L.2004, c.19 (C.19:44A-20.3 et seq.) and sections 1, 6, and 7 of  
46 P.L. \_\_\_\_\_, c. \_\_\_\_\_ (C. \_\_\_\_\_) (pending before the Legislature as  
47 this bill) shall contain a provision describing the requirements of

1 **【this act】** the acts and a statement that compliance with **【this act】**  
2 the acts shall be a material term and condition of said contract or  
3 bid application and binding upon the parties thereto upon the entry  
4 of all applicable contracts.

5 (cf: P.L.2005, c.51, s.12)

6  
7 16. (New section) The provisions of sections 2 through 4 of  
8 P.L.2004, c.19 (C.19:44A-20.3 through C.19:44A-20.5) and  
9 sections 1, 6, and 7 of P.L. , c. (C. ) (pending  
10 before the Legislature as this bill) shall not apply in circumstances  
11 where it is determined by the federal government or a court of  
12 competent jurisdiction that its application would violate federal law  
13 or regulation.

14  
15 17. Section 2 of P.L.2005, c.271 (C.19:44A-20.26) is amended  
16 to read as follows:

17 2. **【a.】** Not later than 10 days prior to entering into any  
18 contract having an anticipated value in excess of \$17,500, **【except**  
19 **for a contract that is required by law to be publicly advertised for**  
20 **bids,】** a State agency in the Executive Branch or in the Legislative  
21 Branch, or a county, municipality, independent authority, board of  
22 education, or fire district shall require **【any】** the business entity  
23 **【bidding thereon or negotiating therefor,】** to submit **【along with its**  
24 **bid or price quote,】** a list of **【political】** contributions as set forth in  
25 this **【subsection】** section that **【are reportable by the recipient**  
26 **pursuant to the provisions of P.L.1973, c.83 (C.19:44A-1 et al.) and**  
27 **that】** were made by the business entity during the preceding  
28 12-month period, along with the date and amount of each  
29 contribution and the name of the recipient of each contribution. A  
30 business entity contracting with a State agency shall disclose  
31 contributions to any State, county, or municipal committee of a  
32 political party, legislative leadership committee, candidate  
33 committee of a candidate for, or holder of, a State elective office, or  
34 any political committee, continuing political committee, or  
35 independent expenditure committee. A business entity contracting  
36 with a county, municipality, independent authority**【,】** other than an  
37 independent authority that is a State agency, board of education, or  
38 fire district shall disclose contributions to: any State, county, or  
39 municipal committee of a political party; any legislative leadership  
40 committee; or any candidate committee of a candidate for, or holder  
41 of, an elective office of that public entity, of that county in which  
42 that public entity is located, of another public entity within that  
43 county, or of a legislative district in which that public entity is  
44 located or, when the public entity is a county, of any legislative  
45 district which includes all or part of the county, or any political  
46 committee, continuing political committee, or independent  
47 expenditure committee.

1       The provisions of this section shall not apply to a contract when  
2 a public emergency requires the immediate delivery of goods or  
3 services.

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

18       c. As used in this section:

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

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

29       "State agency" means any of the principal departments in the  
30 Executive Branch of the State Government, and any division, board,  
31 bureau, office, commission or other instrumentality within or  
32 created by such department, the Legislature of the State and any  
33 office, board, bureau or commission within or created by the  
34 Legislative Branch, and any independent State authority,  
35 commission, instrumentality or agency.

36       d. Any business entity that fails to comply with the provisions  
37 of this section shall be subject to a fine imposed by the New Jersey  
38 Election Law Enforcement Commission in an amount to be  
39 determined by the commission which may be based upon the  
40 amount that the business entity failed to report. **】**

41 (cf: P.L.2007, c.304, s.1)

42

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

45       3. a. Any business entity making a contribution of money or  
46 any other thing of value, including an in-kind contribution, or  
47 pledge to make a contribution of any kind to a candidate for or the  
48 holder of any public office having ultimate responsibility for the

1 awarding of public contracts, or to a political party committee,  
2 legislative leadership committee, political committee **【or】**,  
3 continuing political committee, or independent expenditure  
4 committee, which has received in any calendar year **【\$50,000】**  
5 \$17,500 or more in the aggregate through agreements or contracts  
6 with a single public entity, shall file an annual disclosure statement  
7 with the New Jersey Election Law Enforcement Commission,  
8 established pursuant to section 5 of P.L.1973, c.83 (C.19:44A-5),  
9 setting forth all such contributions in any amount made by the  
10 business entity during the 12 months prior to the reporting deadline.

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

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

17 (2) the name of the candidate for or the holder of any public  
18 office having ultimate responsibility for the awarding of public  
19 contracts, candidate committee, joint candidates committee,  
20 political party committee, legislative leadership committee,  
21 independent expenditure committee, political committee or  
22 continuing political committee receiving the contribution; and

23 (3) the amount of money the business entity received from the  
24 public entity through contract or agreement, the dates, and  
25 information identifying each contract or agreement and describing  
26 the goods, services or equipment provided or property sold.

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

29 **【d.** When a business entity is a natural person, a contribution by  
30 that person's spouse or child, residing therewith, shall be deemed to  
31 be a contribution by the business entity. When a business entity is  
32 other than a natural person, a contribution by any person or other  
33 business entity having an interest therein shall be deemed to be a  
34 contribution by the business entity. When a business entity is other  
35 than a natural person, a contribution by: all principals, partners,  
36 officers, or directors of the business entity, or their spouses; any  
37 subsidiaries directly or indirectly controlled by the business entity;  
38 or any political organization organized under section 527 of the  
39 Internal Revenue Code that is directly or indirectly controlled by  
40 the business entity, other than a candidate committee, election fund,  
41 or political party committee, shall be deemed to be a contribution  
42 by the business entity.

43 As used in this section:

44 "business entity" means a for-profit entity that is a natural or  
45 legal person, business corporation, professional services  
46 corporation, limited liability company, partnership, limited  
47 partnership, business trust, association or any other legal

1 commercial entity organized under the laws of this State or of any  
2 other state or foreign jurisdiction; and

3 "interest" means the ownership or control of more than 10% of  
4 the profits or assets of a business entity or 10% of the stock in the  
5 case of a business entity that is a corporation for profit, as  
6 appropriate.

7 e. Any business entity that fails to comply with the provisions  
8 of this section shall be subject to a fine imposed by the New Jersey  
9 Election Law Enforcement Commission in an amount to be  
10 determined by the commission which may be based upon the  
11 amount that the business entity failed to report.】

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

13

14 19. (New section) A county, municipality, local board of  
15 education, or board of commissioners of a fire district, or any agency  
16 or instrumentality thereof, shall not adopt any ordinance, resolution, or  
17 regulation that limits the awarding of public contracts to business  
18 entities or that limits the contributions that business entities awarded a  
19 contract can make during the term of the contract. The provisions of  
20 P.L.2004, c.19 (C.19:44A-20.3 et seq.) and sections 1, 6, and 7 of  
21 P.L. , c. (C. ) (pending before the Legislature as  
22 this bill) shall supersede and preempt any such ordinance, resolution,  
23 or regulation. Any such ordinance, resolution, or regulation in effect  
24 on the effective date of P.L. , c. (C. ) (pending before the  
25 Legislature as this bill) shall be null and void.

26

27 20. The following sections of law are repealed:

28 Section 6 of P.L.2003, c.24 (C.48:3-93.3);

29 Sections 1 through 8, inclusive, sections 10 and 11, and section  
30 13 of P.L.2005, c.51 (C.19:44A-20.13 through C.19:44A-20.20;  
31 C.19:44A-20.22 and C.19:44A-20.23; and C.19:44A-20.25); and

32 Section 1 of P.L.2005, c.271 (C.40A:11-51).

33

34 21. This act shall take effect on the 90th day following the date  
35 of enactment. Public entities may take such anticipatory  
36 administrative action in advance of the effective date as may be  
37 necessary for the implementation of the act.

38

39

40

#### STATEMENT

41

42 This bill modifies the current law regulating the awarding of  
43 public contracts to business entities that make campaign  
44 contributions, commonly referred to as the "pay to play" law.

45 Specifically, the bill provides that political party committees,  
46 namely the State committee of a political party or any county or  
47 municipal committee of a political party, would no longer be barred  
48 from receiving a contribution from a business entity seeking to

1 enter into or holding a contract with the State, or a State agency, a  
2 county or municipality. Instead, a business entity seeking to enter  
3 into or holding a public contract would be barred from making a  
4 contribution to a political committee, or continuing political  
5 committee, in addition to candidate committees and legislative  
6 leadership committees.

7 In addition the bill would:

8 1) create one uniform “pay to play” law applicable at all levels of  
9 government, including the Executive Branch, State authorities, the  
10 Legislative Branch, counties, and municipalities, and to add  
11 sections covering local elective boards of education and fire  
12 districts;

13 2) eliminate provisions of existing law that exclude contracts  
14 awarded pursuant to a “fair and open process” from “pay to play”  
15 proscriptions and provide instead that only contracts that are valued  
16 at \$17,500 or less will be excluded;

17 3) increase the amount that may be contributed by business  
18 entities from the current \$300 to \$1,000;

19 4) modify the definition in the law of the term “business entity”  
20 to match the definition set forth in Governor Corzine’s Executive  
21 Order No.117 of 2008;

22 5) modify the disclosure requirement for business entity that  
23 contracts with a single State agency, or a county, municipality,  
24 independent authority, board of education, or fire district for  
25 \$17,500 or more and makes a contribution of money or other thing  
26 of value to an independent expenditure committee to disclose all  
27 such contributions; and

28 6) add a definition of “independent expenditure committee” for  
29 the purpose of the reports required to be made by business entities  
30 of their contributions.

31 As part of these changes to create a uniform “pay to play” law,  
32 the bill repeals sections of law that:

33 1) prohibit a government aggregator that is a county or  
34 municipality from awarding a contract to a licensed power supplier  
35 if that supplier has made a contribution to the committee of any  
36 candidate for public office;

37 2) apply “pay to play” in the context of State Executive Branch  
38 contracting; and

39 3) allow local governments to adopt their own “pay to play”  
40 ordinances and policies.