

SENATE, No. 767

STATE OF NEW JERSEY 216th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2014 SESSION

Sponsored by:

Senator LORETTA WEINBERG

District 37 (Bergen)

Senator SAMUEL D. THOMPSON

District 12 (Burlington, Middlesex, Monmouth and Ocean)

SYNOPSIS

Modifies current law regarding regulation and restrictions on business entities who are public contractors and make campaign contributions to certain office holders, candidates and political organizations.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel



1 **AN ACT** concerning campaign contributions made by certain
2 political committees and other entities, amending and
3 supplementing various parts of the statutory law, and repealing
4 section 1 of P.L.2005, c.271.

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

8
9 1. (New section) As used in this act:

10 “Business entity” means the same as that term is used and
11 provided in section 5 of P.L.2005, c.51 (C.19:44A-20.17).

12 “Contribution” means a contribution reportable by the recipient
13 under “The New Jersey Campaign Contributions and Expenditures
14 Reporting Act,” P.L.1973, c.83 (C.19:44A-1 et seq.) made on or
15 after the effective date of this act.

16 “Redeveloper” means any business entity that enters into or
17 proposes to enter into a redevelopment agreement, and includes:

18 a. any subsidiary business entity directly or indirectly controlled
19 by the redeveloper; and

20 b. any business entity that contracts with the redeveloper to
21 perform professional, consulting, or lobbying services in connection
22 with the redevelopment project.

23 “Redevelopment agreement” means an agreement or contract
24 with a redevelopment entity for the redevelopment or rehabilitation
25 of an area in need of redevelopment, or an area in need of
26 rehabilitation, or any part thereof, or other work forming a part of a
27 redevelopment or rehabilitation project.

28 “Redevelopment entity” means:

29 a. any State agency, including any principal department in the
30 Executive Branch and any division, board, bureau, office,
31 commission, or other instrumentality within or created by such
32 department, and any independent State authority, board,
33 commission, instrumentality, or agency that is authorized by law to
34 implement a redevelopment project and carry out a redevelopment
35 plan. The State Treasurer shall prepare and publish annually a list of
36 the State entities included under this definition.

37 b. any county or municipal entity, including any division, board,
38 bureau, office, commission, or other instrumentality within or
39 created by such entity and any independent authority, board,
40 commission, instrumentality, or agency that is created by the entity
41 to implement a redevelopment project or carry out a redevelopment
42 plan. The Local Government Finance Board in the Department of
43 Community Affairs shall prepare and publish annually a list of the
44 entities included under this definition.

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 2. (New section) All redevelopment entities shall use a
2 competitive process, to include public issuance of a request for
3 proposal, a request for qualifications, or similar solicitation, for
4 selecting a redeveloper.

5
6 3. (New section) A redevelopment entity shall not enter into or
7 propose to enter into a redevelopment agreement with any
8 redeveloper if, beginning after the public issuance of a request for
9 proposal, a request for qualifications, or similar solicitation in
10 accordance with section 2 of P.L. , c. (C.) (pending before
11 the Legislature as this bill), that redeveloper has made a
12 contribution to:

13 a. any candidate committee of any candidate for or holder of the
14 public office of Governor or Lieutenant Governor;

15 b. any political party committee or a legislative leadership
16 committee; or

17 c. any candidate committee of any candidate for or holder of a
18 State legislative, county, or municipal elective public office in a
19 State legislative district, county, or municipality in which any
20 property subject to the redevelopment agreement is situated.

21
22 4. (New section) A redeveloper that enters into a
23 redevelopment agreement with a redevelopment entity shall not
24 make a contribution during the term of the redevelopment
25 agreement to any committee identified in section 3 of P.L. ,
26 c. (C.) (pending before the Legislature as this bill).

27
28 5. (New section) Prior to entering into a redevelopment
29 agreement, a redevelopment entity shall require the redeveloper to
30 report all contributions the redeveloper made during the preceding
31 four years to any political organization organized under section 527
32 of the Internal Revenue Code (26 U.S.C.A. §527) that also meets
33 the definition of a “continuing political committee” within the
34 meaning of section 3 of P.L.1973, c.83 (C.19:44A-3), and, in the
35 event the redeveloper enters into a contract with a business entity to
36 perform professional, consulting, or lobbying services in connection
37 with the redevelopment project after entering into the
38 redevelopment agreement, the redeveloper shall supplement its
39 report to include such contributions by that business entity. Such
40 reports shall be subject to review by the State Treasurer or the
41 Commissioner of the Department of Community Affairs, as may be
42 appropriate. If the State Treasurer determines that any such
43 contribution or any other act by the redeveloper would constitute a
44 violation of P.L. , c. (C.)(pending before the Legislature as
45 this bill), the State Treasurer or the commissioner, as may be
46 appropriate, shall disqualify the redeveloper from being awarded
47 the redevelopment agreement.

1 6. (New section) Prior to entering into a redevelopment
2 agreement, a redevelopment entity shall require the redeveloper to
3 provide a written certification that it has not made a contribution
4 that would bar the award of the redevelopment agreement pursuant
5 to P.L. , c. (C.)(pending before the Legislature as this bill).
6 The redeveloper shall have a continuing duty to report any
7 contribution it makes during the term of the redevelopment
8 agreement. Such reports shall be subject to review by the State
9 Treasurer or the commissioner, as may be appropriate.

10
11 7. (New section) A redeveloper shall not:

12 a. make a contribution in violation of P.L. , c. (C.)
13 (pending before the Legislature as this bill), unless such violation is
14 remedied in accordance with section 8 of P.L. , c. (C.)
15 (pending before the Legislature as this bill);

16 b. conceal or misrepresent a contribution given or received;

17 c. make a contribution through an intermediary for the purpose
18 of concealing or misrepresenting the source of the contribution;

19 d. make a contribution on the condition or with the agreement
20 that the recipient will in turn make a contribution that if made by
21 the redeveloper itself would subject the redeveloper to the
22 restrictions of sections 2 through 6 of P.L. , c. (C.) (pending
23 before the Legislature as this act);

24 e. engage or employ a lobbyist, governmental affairs agent, or
25 consultant with the intent or understanding that the lobbyist,
26 governmental affairs agent, or consultant would make a
27 contribution that if made by the redeveloper itself would subject the
28 redeveloper to the restrictions of sections 2 through 6 of P.L. ,
29 c. (C.) (pending before the Legislature as this bill);

30 f. fund or direct contributions made by third parties, including
31 consultants, attorneys, family members, and employees;

32 g. engage in any exchange or contributions to circumvent the
33 intent of sections 2 through 6 of P.L. , c. (C.)(pending
34 before the Legislature as this bill); or

35 h. directly or indirectly, through or by any other person or
36 means, do any act which would subject the redeveloper to the
37 restrictions of sections 3 through 6 of P.L. , c. (C.)(pending
38 before the Legislature as this bill).

39 Unless remedied in accordance with section 8 of P.L. ,
40 c. (C.) (pending before the Legislature as this bill), a violation
41 of the provisions of sections 2 through 6 this act shall:

42 (1) be considered a material breach of the redevelopment
43 agreement; and

44 (2) result in the redeveloper being banned for a period of five
45 years from entering into a subsequent redevelopment agreement
46 with the State, any agency or department thereof or an independent

1 State authority or board thereof, if the developer is found to have
2 knowingly violated the law.

3
4 8. (New section) Except for contributions made within 60 days
5 of a primary or a general election, if a redeveloper makes a
6 contribution that would otherwise bar it from entering into a
7 redevelopment agreement with a redevelopment entity or makes a
8 contribution during the term of a redevelopment agreement in
9 violation of sections 3 through 5 of P.L. , c. (C.)(pending
10 before the Legislature as this bill), the redeveloper may request a
11 full reimbursement from the recipient and, if such reimbursement is
12 received within 30 days after the date on which the contribution was
13 made, the redeveloper would again be eligible to enter into the
14 redevelopment agreement or would no longer be in violation, as
15 appropriate. It shall be presumed that contributions made within 60
16 days of a primary or general election were not made inadvertently
17 and shall not be eligible for full reimbursement and the entity
18 making the contribution would no longer be eligible to receive a
19 contract.

20
21 9. (New section) Every request for qualifications, request for
22 proposals, or any similar solicitation issued by a redevelopment
23 entity in connection with a redevelopment project shall contain:

24 a. a provision describing the requirements of sections 1 through 8
25 of P.L. , c. (C.)(pending before the Legislature as this bill)

26 b. a statement that compliance with that act shall be a material
27 term and condition of any redevelopment agreement with the
28 redevelopment entity and binding upon the parties thereto upon the
29 execution of the redevelopment agreement; and

30 c. a description of the penalties for which the redeveloper
31 would be liable in the event of a breach of the redevelopment
32 agreement or the failure of the redeveloper to comply with the
33 provisions of this act.

34 The description shall state that unless remedied in accordance
35 with section 8 of P.L. , c. (C.)(pending before the Legislature
36 as this bill), a violation of the provisions of sections 2 through 6 this
37 act shall:

38 (1) be considered a material breach of the redevelopment
39 agreement; and

40 (2) result in the redeveloper being banned for a period of five
41 years from entering into a subsequent redevelopment agreement
42 with the State, any agency or department thereof or an independent
43 State authority or board thereof, if the developer is found to have
44 knowingly violated the law.

45
46 10. Section 13 of P.L.2004, c.19 (C.19:44A-11.3a) is amended
47 to read as follows:

1 13. **【In addition to any other applicable limit prescribed by law,**
2 **between January 1 and June 30 of each year,】**

3 a. (1) A county committee of a political party shall not make a
4 contribution to any other county committee of a political party, nor
5 shall any such county committee accept a contribution from any
6 other county committee 【during that time period】. In addition to
7 any other penalty provided by law, a county committee that
8 willfully and intentionally violates this 【section】 subsection, or
9 willfully and intentionally makes a contribution to any candidate or
10 committee with the intent, condition, understanding or belief that
11 the candidate or committee has made or shall make a contribution to
12 another county committee, shall be liable to a penalty equal to four
13 times the amount of the contribution.

14 (2) A county committee of a political party shall not make a
15 contribution to the State committee of a political party or to a
16 legislative leadership committee that in the aggregate exceeds
17 \$25,000 per year. No State committee of a political party and no
18 legislative leadership committee shall accept a contribution from
19 the county committee of a political party that exceeds \$25,000 per
20 year.

21 b. A county committee of a political party shall not make a
22 contribution to a municipal committee of a political party in a
23 municipality located in a county other than the county of that
24 county committee, nor shall any such municipal committee accept a
25 contribution from any such county committee. In addition to any
26 other penalty provided by law, a municipal committee that willfully
27 and intentionally violates this subsection, or willfully and
28 intentionally makes a contribution to any candidate or committee
29 with the intent, condition, understanding or belief that the candidate
30 or committee has made or shall make a contribution to a municipal
31 committee in a municipality located in a county other than the
32 county of that county committee, shall be liable to a penalty equal
33 to four times the amount of the contribution.

34 c. A municipal committee of a political party shall not make a
35 contribution to any other municipal committee of a political party,
36 nor shall any such municipal committee accept a contribution from
37 any other municipal committee. In addition to any other penalty
38 provided by law, a municipal committee that willfully and
39 intentionally violates this subsection, or willfully and intentionally
40 makes a contribution to any candidate or committee with the intent,
41 condition, understanding or belief that the candidate or committee
42 has made or shall make a contribution to any other municipal
43 committee, shall be liable to a penalty equal to four times the
44 amount of the contribution.

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

1 11. Section 19 of P.L.1993, c.65 (C.19:44A-11.4) is amended to
2 read as follows:

3 19. a. (1) Except as otherwise provided in paragraph (2) of this
4 subsection, no individual, no corporation of any kind organized and
5 incorporated under the laws of this State or any other state or any
6 country other than the United States, no labor organization of any
7 kind which exists or is constituted for the purpose, in whole or in
8 part, of collective bargaining, or of dealing with employers
9 concerning the grievances, terms or conditions of employment, or
10 of other mutual aid or protection in connection with employment,
11 no political committee, continuing political committee, candidate
12 committee or joint candidates committee or any other group, shall
13 pay or make any contribution of money or other thing of value to
14 the campaign treasurer, deputy treasurer or other representative of
15 the State committee of a political party or the campaign treasurer,
16 deputy campaign treasurer or other representative of any legislative
17 leadership committee, which in the aggregate exceeds \$25,000 per
18 year, or in the case of a joint candidates committee when that is the
19 only committee established by the candidates, \$25,000 per year per
20 candidate in the joint candidates committee, or in the case of a
21 candidate committee and a joint candidates committee when both
22 are established by a candidate, \$25,000 per year from that
23 candidate. No campaign treasurer, deputy campaign treasurer or
24 other representative of the State committee of a political party or
25 campaign treasurer, deputy campaign treasurer or other
26 representative of any legislative leadership committee shall
27 knowingly accept from an individual, a corporation of any kind
28 organized and incorporated under the laws of this State or any other
29 state or any country other than the United States, a labor
30 organization of any kind which exists or is constituted for the
31 purpose, in whole or in part, of collective bargaining, or of dealing
32 with employers concerning the grievances, terms or conditions of
33 employment, or of other mutual aid or protection in connection with
34 employment, a political committee, a continuing political
35 committee, a candidate committee or a joint candidates committee
36 or any other group, any contribution of money or other thing of
37 value which in the aggregate exceeds \$25,000 per year, or in the
38 case of a joint candidates committee when that is the only
39 committee established by the candidates, \$25,000 per year per
40 candidate in the joint candidates committee, or in the case of a
41 candidate committee and a joint candidates committee when both
42 are established by a candidate, \$25,000 per year from that
43 candidate.

44 (2) No national committee of a political party shall pay or make
45 any contribution of money or other thing of value to the campaign
46 treasurer, deputy treasurer or other representative of the State
47 committee of a political party which in the aggregate exceeds

1 \$72,000 per year, and no campaign treasurer, deputy campaign
2 treasurer or other representative of the State committee of a
3 political party shall knowingly accept from the national committee
4 of a political party any contribution of money or other thing of
5 value which in the aggregate exceeds \$72,000 per year.

6 b. No individual, no corporation of any kind organized and
7 incorporated under the laws of this State or any other state or any
8 country other than the United States, no labor organization of any
9 kind which exists or is constituted for the purpose, in whole or in
10 part, of collective bargaining, or of dealing with employers
11 concerning the grievances, terms or conditions of employment, or
12 of other mutual aid or protection in connection with employment,
13 no political committee, continuing political committee, candidate
14 committee or joint candidates committee or any other group, shall
15 pay or make any contribution of money or other thing of value to
16 any county committee of a political party, which in the aggregate
17 exceeds \$37,000 per year, or in the case of a joint candidates
18 committee when that is the only committee established by the
19 candidates, \$37,000 per year per candidate in the joint candidates
20 committee, or in the case of a candidate committee and a joint
21 candidates committee when both are established by a candidate,
22 \$37,000 per year from that candidate. No campaign treasurer,
23 deputy campaign treasurer or other representative of a county
24 committee of a political party shall knowingly accept from an
25 individual, a corporation of any kind organized and incorporated
26 under the laws of this State or any other state or any country other
27 than the United States, a labor organization of any kind which exists
28 or is constituted for the purpose, in whole or in part, of collective
29 bargaining, or of dealing with employers concerning the grievances,
30 terms or conditions of employment, or of other mutual aid or
31 protection in connection with employment, a political committee, a
32 continuing political committee, a candidate committee or a joint
33 candidates committee or any other group, any contribution of
34 money or other thing of value which in the aggregate exceeds
35 \$37,000 per year, or in the case of a joint candidates committee
36 when that is the only committee established by the candidates,
37 \$37,000 per year per candidate in the joint candidates committee, or
38 in the case of a candidate committee and a joint candidates
39 committee when both are established by a candidate, \$37,000 per
40 year from that candidate.

41 c. No individual, no corporation of any kind organized and
42 incorporated under the laws of this State or any other state or any
43 country other than the United States, no labor organization of any
44 kind which exists or is constituted for the purpose, in whole or in
45 part, of collective bargaining, or of dealing with employers
46 concerning the grievances, terms or conditions of employment, or
47 of other mutual aid or protection in connection with employment,

1 no political committee, continuing political committee, candidate
2 committee or joint candidates committee or any other group shall
3 pay or make any contribution of money or other thing of value to
4 any municipal committee of a political party, which in the aggregate
5 exceeds \$7,200 per year, or in the case of a joint candidates
6 committee when that is the only committee established by the
7 candidates, \$7,200 per year per candidate in the joint candidates
8 committee, or in the case of a candidate committee and a joint
9 candidates committee when both are established by a candidate,
10 \$7,200 per year from that candidate. No campaign treasurer, deputy
11 campaign treasurer or other representative of a municipal committee
12 of a political party shall knowingly accept from an individual, a
13 corporation of any kind organized and incorporated under the laws
14 of this State or any other state or any country other than the United
15 States, a labor organization of any kind which exists or is
16 constituted for the purpose, in whole or in part, of collective
17 bargaining, or of dealing with employers concerning the grievances,
18 terms or conditions of employment, or of other mutual aid or
19 protection in connection with employment, a political committee, a
20 continuing political committee, a candidate committee or a joint
21 candidates committee or any other group, any contribution of
22 money or other thing of value which in the aggregate exceeds
23 \$7,200 per year, or in the case of a joint candidates committee when
24 that is the only committee established by the candidates, \$7,200 per
25 year per candidate in the joint candidates committee, or in the case
26 of a candidate committee and a joint candidates committee when
27 both are established by a candidate, \$7,200 per year from that
28 candidate.

29 **【No county committee of a political party in any county shall**
30 **pay or make any contribution of money or other thing of value to a**
31 **municipal committee of a political party in a municipality not**
32 **located in that county which in the aggregate exceeds the amount of**
33 **aggregate contributions which, under this subsection, a continuing**
34 **political committee is permitted to pay or make to a municipal**
35 **committee of a political party. No campaign treasurer, deputy**
36 **campaign treasurer or other representative of a municipal committee**
37 **of a political party in any municipality shall knowingly accept from**
38 **any county committee of a political party in any county other than**
39 **the county in which the municipality is located any contribution of**
40 **money or other thing of value which in the aggregate exceeds the**
41 **amount of contributions permitted to be so paid or made under that**
42 **subsection.】**

43 d. For the purpose of determining the amount of a contribution
44 to be attributed as given by each candidate in a joint candidates
45 committee, the amount of the contribution by such a committee
46 shall be divided equally among all the candidates in the committee.
47 (cf: P.L.2004, c.174, s.4)

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

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

5 a State agency in the Legislative Branch shall not enter into a
6 contract having an anticipated value in excess of \$17,500, as
7 determined in advance and certified in writing by the State agency,
8 with a business entity, that requires approval by a presiding officer
9 of either or both houses of the Legislature, [except a contract that is
10 awarded pursuant to a fair and open process,] if, during the
11 preceding one-year period, that business entity has made a
12 contribution, reportable by the recipient under P.L.1973, c.83
13 (C.19:44A-1 et seq.), to the State committee of the political party of
14 which that presiding officer, serving when the contract is awarded,
15 is a member or to a legislative leadership committee or any
16 candidate committee established by that presiding officer; and

17 a business entity that has entered into a contract having an
18 anticipated value in excess of \$17,500 with a State agency in the
19 Legislative Branch, that requires approval by a presiding officer of
20 either or both houses of the Legislature, [except a contract that is
21 awarded pursuant to a fair and open process,] shall not make a
22 contribution, reportable by the recipient under P.L.1973, c.83
23 (C.19:44A-1 et seq.), to the State committee of the political party of
24 which that presiding officer is a member or to a legislative
25 leadership committee or any candidate committee established by
26 that presiding officer, during the term of that contract.

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

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

31

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

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

36 a county, or any agency or instrumentality thereof, including any
37 independent authority created thereby or regional school district,
38 shall not enter into a contract having an anticipated value in excess
39 of \$17,500, as determined in advance and certified in writing by the
40 county, agency or instrumentality, with a business entity, [except a
41 contract that is awarded pursuant to a fair and open process,] if,
42 during the preceding one-year period, that business entity has made
43 a contribution that in the aggregate exceeds \$300 per year to an
44 individual within the area affected by the contract, or that in the
45 aggregate exceeds \$1,000 per year to an entity within the area
46 affected by the contract, and is reportable by the recipient under
47 P.L.1973, c.83 (C.19:44A-1 et seq.), to any county committee of a

1 political party in that county if a member of that political party is
2 serving in an elective public office of that county when the contract
3 is awarded or to any candidate committee of any person serving in
4 an elective public office of that county when the contract is
5 awarded; and

6 a business entity that has entered into a contract having an
7 anticipated value in excess of \$17,500 with a county, or any agency
8 or instrumentality thereof, **【except a contract that is awarded**
9 **pursuant to a fair and open process,】** including any independent
10 authority created thereby or regional school district, shall not make
11 such a contribution, reportable by the recipient under P.L.1973, c.83
12 (C.19:44A-1 et seq.), to any county committee of a political party in
13 that county if a member of that political party is serving in an
14 elective public office of that county when the contract is awarded or
15 to any candidate committee of any person serving in an elective
16 public office of that county when the contract is awarded, during
17 the term of that contract.

18 **【No such committee shall accept such a contribution from a**
19 **business entity during the term of its contract with the county.】**

20 As used in this section, “individual in the area affected by the
21 contract” means all candidates for county public office and holders
22 of such offices in the county with the contract; and “entity within
23 the area affected by the contract” means each county committee of a
24 political party in the county, and each political committee,
25 continuing political committee and legislative leadership committee
26 that that makes a contribution to a candidate or a holder of a public
27 officer or to a county committee of the county with a contract.

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

29
30 14. Section 4 of P.L.2004, c.19 (C.19:44A-20.5) is amended to
31 read as follows:

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

34 a municipality, or any agency or instrumentality thereof,
35 including any independent authority created thereby or any school
36 or fire district within the municipality, shall not enter into a contract
37 having an anticipated value in excess of \$17,500, as determined in
38 advance and certified in writing by the municipality, agency or
39 instrumentality, with a business entity, **【except a contract that is**
40 **awarded pursuant to a fair and open process,】** if, during the
41 preceding one-year period, that business entity has made a
42 contribution that in the aggregate exceeds \$300 per year to an
43 individual within the area affected by the contract, or that in the
44 aggregate exceeds \$1,000 per year to an entity within the area
45 affected by the contract, and is reportable by the recipient under
46 P.L.1973, c.83 (C.19:44A-1 et seq.), to any municipal committee of
47 a political party in that municipality if a member of that political

1 party is serving in an elective public office of that municipality
2 when the contract is awarded or to any candidate committee of any
3 person serving in an elective public office of that municipality when
4 the contract is awarded; and

5 a business entity that has entered into a contract having an
6 anticipated value in excess of \$17,500 with a municipality, or any
7 agency or instrumentality thereof, **【except a contract that is**
8 **awarded pursuant to a fair and open process,】** including any
9 independent authority created thereby or any school or fire district
10 within the municipality, shall not make such a contribution,
11 reportable by the recipient under P.L.1973, c.83 (C.19:44A-1 et
12 seq.), to any municipal committee of a political party in that
13 municipality if a member of that political party is serving in an
14 elective public office of that municipality when the contract is
15 awarded or to any candidate committee of any person serving in an
16 elective public office of that municipality when the contract is
17 awarded, during the term of that contract.

18 **【No such committee shall accept such a contribution from a**
19 **business entity during the term of its contract with the**
20 **municipality.】**

21 As used in this section, “individual within the area affected by
22 the contract” means all candidates for public office in the
23 municipality and holders of such offices in the municipality with a
24 contract; and “entity within the area affected by the contract” means
25 each municipal committee of a political party in the municipality
26 with the contract, each county committee of a political party in the
27 county with the contract, and each political committee, continuing
28 political committee and legislative leadership committee that makes
29 a contribution to a candidates or holder of a public office or to a
30 municipal or county committee located in the municipality or
31 county with the contract.

32 (cf: P.L.2004, c.19, s.4)

33
34 15. (New section) Every contract and bid application and
35 specifications promulgated in connection therewith covered by this
36 act shall contain:

- 37 a. a provision describing the requirements of this act;
38 b. a statement that compliance with this act shall be a material
39 term and condition of said contract or bid application and binding
40 upon the parties thereto upon the entry of all applicable contracts;
41 and
42 c. a description of the penalties for which the signer of a
43 contract would be liable in the event of a breach of a government
44 contract or for failure to comply with the provisions of this act.

45 The description shall state that unless remedied in accordance
46 with section 8 of P.L.2004, c.19 (C.19:44A-20.9), a violation of the
47 provisions this act shall:

- 1 (1) be considered a material breach of the contract; and
2 (2) result in the contractor being banned for a period of five
3 years from entering into a subsequent contracting agreement with
4 the county or municipality, any agency or department thereof or an
5 independent authority or board thereof, if the developer is found to
6 have knowingly violated the law.

7
8 16. Section 6 of P.L.2004, c.19 (C.19:44A-20.7) is amended to
9 read as follows:

10 6. As used in sections 2 through 11 of **【this act】** P.L.2004, c.19
11 (C.19:44A-20.2 through C.19:44A-20.12):

12 "business entity" means any natural or legal person, sole
13 proprietorship, business corporation, professional services
14 corporation, limited liability company, partnership and any partner
15 thereof, limited partnership and any partner thereof, limited liability
16 partnership and any partner thereof, business trust, association or
17 any other legal commercial entity organized under the laws of this
18 State or of any other state or foreign jurisdiction including any
19 principal, officer or partner thereof. The definition of a business
20 entity includes: (i) any subsidiaries directly or indirectly controlled
21 by the business entity; (ii) any political organization organized
22 under section 527 of the Internal Revenue Code (26 U.S.C.A. §527)
23 that is directly or indirectly controlled by the business entity, other
24 than a candidate committee, election fund, or political party
25 committee; and (iii) if a business entity is a natural person, that
26 person's spouse or child, residing therewith, are also included
27 within this definition, except that: a) such individuals shall not be
28 so included if the natural person complies with section 7 of P.L.
29 2005, c.51 (C.19:44A-20.19); and b) the spouse or child residing
30 with a natural person who is a business entity shall be permitted to
31 make a reportable contribution to a candidate, holder of elective
32 public office or committee in the county or municipality, provided
33 such an individual may vote for the individual responsible for
34 awarding the contract;

35 "interest" means the ownership or control of more than 10% of
36 the profits or assets of a business entity or 10% of the stock in the
37 case of a business entity that is a corporation for profit, as
38 appropriate;

39 **【**"fair and open process" means, at a minimum, that the contract
40 shall be: publicly advertised in newspapers or on the Internet
41 website maintained by the public entity in sufficient time to give
42 notice in advance of the contract; awarded under a process that
43 provides for public solicitation of proposals or qualifications and
44 awarded and disclosed under criteria established in writing by the
45 public entity prior to the solicitation of proposals or qualifications;
46 and publicly opened and announced when awarded. The decision of

1 a public entity as to what constitutes a fair and open process shall
2 be final.】

3 "State agency in the Legislative Branch" means the Legislature
4 of the State and any office, board, bureau or commission within or
5 created by the Legislative Branch.
6 (cf: P.L.2005, c.51, s.14)
7

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

10 7. a. Prior to awarding any contract, 【except a contract that is
11 awarded pursuant to a fair and open process,】 a State agency in the
12 Legislative Branch, a county, or a municipality shall require the
13 business entity to which the contract is to be awarded to provide a
14 written certification that it has not made a contribution that would
15 bar the award of a contract pursuant to this act.

16 b. A business entity shall have a continuing duty to report to
17 the Election Law Enforcement Commission any contributions that
18 constitute a violation of this act that are made during the duration of
19 a contract.

20 c. All provisions adopted prior to the effective date of P.L. ,
21 c. (C.) (pending before the Legislature as this bill) by a unit of
22 local government limiting the awarding of public contracts by such
23 a unit to business entities that have made a contribution pursuant to
24 P.L.1973, c.83 (C.19:44A-1 et seq.) and limiting the contributions
25 that the holders of a contract can make during the terms of a
26 contract shall be void on that effective date and the unit shall
27 henceforth be prohibited from adopting any ordinance, resolution or
28 regulation, as may be appropriate, that supplements, alters,
29 supersedes or preempts the provisions of P.L.2004, c.19 (C.19:44A-
30 20.3 et seq.), as amended or supplemented.
31 (cf: P.L.2005, c.51, s.15)
32

33 18. Section 8 of P.L.2004, c.19 (C.19:44A-20.9) is amended to
34 read as follows:

35 8. If a business entity makes a contribution that would cause it
36 to be ineligible to receive a public contract or, in the case of a
37 contribution made during the term of a public contract, that would
38 constitute a violation of this act, the business entity may request, in
39 writing, within 【60】 30 days of the date on which the contribution
40 was made, that the recipient thereof repay the contribution and, if
41 repayment is received within those 【60】 30 days, the business
42 entity would again be eligible to receive a contract or would no
43 longer be in violation, as appropriate. It shall be presumed that
44 contributions made within 60 days of a election of candidates for
45 elective public office in a county or municipality were not made
46 inadvertently and shall not be eligible for full reimbursement and

1 the entity making the contribution would no longer be eligible to
2 receive a contract.

3 (cf: P.L.2004, c.19, s.8)

4
5 19. Section 10 of P.L.2004, c.19 (C.19:44A-20.11) is amended
6 to read as follows:

7 10. Any person who is determined by the Election Law
8 Enforcement Commission to have willfully and intentionally
9 accepted a contribution in violation of the provisions of sections 1
10 through 4 of this act shall be liable to a penalty for each such
11 violation equal to the penalties set forth in subsection e. of section
12 22 of P.L.1973, c.83 (C.19:44A-22).

13 Unless remedied in accordance with section 8 of P.L.2004, c.19
14 (C.19:44A-20.9), a violation of the provisions this act shall:

15 (1) be considered a material breach of the contract; and

16 (2) result in the contractor being banned for a period of five
17 years from entering into a subsequent contracting agreement with
18 the county or municipality, any agency or department thereof or an
19 independent authority or board thereof, if the contractor is found to
20 have knowingly violated the law.

21 (cf: P.L.2004, c.19, s.10)

22
23 20. Section 11 of P.L.2004, c.19 (C.19:44A-20.12) is amended
24 to read as follows:

25 11. Nothing contained in this act shall be construed as
26 prohibiting the awarding of a contract when the public exigency
27 requires the immediate delivery of goods or performance of
28 emergency services as determined in writing by the State Treasurer,
29 county or municipal administrator, school district superintendent or
30 fire district administrator, as may be appropriate, explaining the
31 specific reason for the emergency, the finding of facts upon which
32 the reasoning is based, and any limitations of the waiver.

33 (cf: P.L.2004, c.19, s.11)

34
35 21. Section 2 of P.L.2005, c.51 (C.19:44A-20.14) is amended to
36 read as follows:

37 2. The State or any of its purchasing agents or agencies or
38 those of its independent authorities, as the case may be, shall not
39 enter into an agreement or otherwise contract to procure from any
40 business entity services or any material, supplies or equipment, or
41 to acquire, sell, or lease any land or building, where the value of the
42 transaction exceeds \$17,500, if that business entity has solicited or
43 made any contribution of money, or pledge of contribution,
44 including in-kind contributions to a candidate committee or election
45 fund of any candidate or holder of the public office of Governor or
46 of Lieutenant Governor, or to any **【State or county】** political party
47 committee or legislative leadership committee 【:】 that in the

1 aggregate exceeds \$300 per year to an individual within the area
2 affected by the contract, or that in the aggregate exceeds \$5,000 per
3 year to an entity within the area affected by the contract.

4 The provisions of this section shall apply: (i) within the eighteen
5 months immediately preceding the commencement of negotiations
6 for the contract or agreement; (ii) during the term of office of a
7 Governor and a Lieutenant Governor, in the case of contributions to
8 a candidate committee or election fund of the holder of one of those
9 offices, or to any **【State or county】** political party committee **【of a**
10 **political party】** nominating such Governor and Lieutenant Governor
11 in the last gubernatorial election preceding the commencement of
12 such term; or (iii) within the eighteen months immediately
13 preceding the last day of the term of office of Governor and
14 Lieutenant Governor, in which case such prohibition shall continue
15 through the end of the next immediately following term of the
16 office of Governor and Lieutenant Governor, in the case of
17 contributions to a candidate committee or election fund of the
18 holder of one of those offices, or to any **【State or county】** political
19 party committee **【of a political party】** nominating such Governor
20 and Lieutenant Governor in the last gubernatorial election
21 preceding the commencement of the latter term.

22 As used in this section, “individual within the area affected by
23 the contract” means all candidates for the office of Governor or
24 Lieutenant Governor and holders of such offices; and “entity within
25 the area affected by the contract” means every political party
26 committee and every legislative leadership committee that makes a
27 contribution to a candidate for the office of Governor or Lieutenant
28 Governor and the holders of such offices.

29 (cf: P.L.2009, c.66, s.34)

30
31 22. Section 3 of P.L.2005, c.51 (C.19:44A-20.15) is amended to
32 read as follows:

33 3. No business entity which agrees to any contract or
34 agreement with the State or any department or agency thereof or its
35 independent authorities either for the rendition of services or
36 furnishing of any material, supplies or equipment or for the
37 acquisition, sale, or lease of any land or building, if the value of the
38 transaction exceeds \$17,500, shall knowingly solicit or make any
39 contribution of money, or pledge of a contribution, including in-
40 kind contributions, to a candidate committee or election fund of any
41 candidate or holder of the public office of Governor or Lieutenant
42 Governor or to any **【State or county】** political party committee or
43 legislative leadership committee prior to the completion of the
44 contract or agreement.

45 (cf: P.L.2009, c.66, s.35)

1 23. Section 5 of P.L.2005, c.51 (C.19:44A-20.17) is amended to
2 read as follows:

3 5. For the purposes of this act, a "business entity" means any
4 natural or legal person, sole proprietorship, business corporation,
5 professional services corporation, limited liability company,
6 partnership and any partner thereof, limited partnership and any
7 partner thereof, limited liability partnership and any partner thereof,
8 business trust, association or any other legal commercial entity
9 organized under the laws of this State or any other state or foreign
10 jurisdiction including any principal, officer or partner thereof. The
11 definition of a business entity includes: (i) **all principals who own**
12 **or control more than 10 percent of the profits or assets of a business**
13 **entity or 10 percent of the stock in the case of a business entity that**
14 **is a corporation for profit, as appropriate; (ii)** any subsidiaries
15 directly or indirectly controlled by the business entity; **[(iii)]** **(ii)**
16 any political organization organized under section 527 of the
17 Internal Revenue Code (26 U.S.C.A. §527) that is directly or
18 indirectly controlled by the business entity, other than a candidate
19 committee, election fund, or political party committee; and **[(iv)]**
20 **(iii)** if a business entity is a natural person, that person's spouse or
21 child, residing therewith, are also included within this definition,
22 except that: a) such individuals shall not be so included if the
23 natural person complies with section 7 of P.L.2005, c.51
24 (C.19:44A-20.19); and b) the spouse or child residing with a natural
25 person who is a business entity shall be permitted to make a
26 reportable contribution to a candidate for or holder of the public
27 office of Governor or Lieutenant Governor or to any State or county
28 political party committee, provided such an contributor may vote
29 for the individual responsible for awarding the contract.
30 (cf: P.L.2005, c.51, s.5)

31
32 24. Section 8 of P.L.2005, c.51 (C.19:44A-20.20) is amended to
33 read as follows:

34 8. If a business entity inadvertently makes a contribution that
35 would otherwise bar it from receiving a contract or makes a
36 contribution during the term of a contract in violation of this act, the
37 entity may request a full reimbursement from the recipient and, if
38 such reimbursement is received within 30 days after the date on
39 which the contribution was made, the business entity would again
40 be eligible to receive a contract or would no longer be in violation,
41 as appropriate. It shall be presumed that contributions made within
42 60 days of a gubernatorial primary or general election were not
43 made inadvertently and shall not be eligible for full reimbursement
44 and the entity making the contribution would no longer be eligible
45 to receive a contract.
46 (cf: P.L.2005, c.51, s.8)

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

3 9. It shall be a breach of the terms of the government contract
4 for a business entity to: (i) make or solicit a contribution in
5 violation of this act; (ii) knowingly conceal or misrepresent a
6 contribution given or received; (iii) make or solicit contributions
7 through intermediaries for the purpose of concealing or
8 misrepresenting the source of the contribution; (iv) make or solicit
9 any contribution on the condition or with the **【agreement】**
10 understanding that it will be contributed to a campaign committee
11 of any candidate or holder of the public office of Governor or
12 Lieutenant Governor, or to any **【State or county】** political party
13 committee or legislative leadership committee; (v) engage or
14 employ a lobbyist or consultant with the intent or understanding
15 that such lobbyist or consultant would make or solicit any
16 contribution, which if made or solicited by the business entity itself,
17 would subject that entity to the restrictions of this act; (vi) fund
18 contributions made by third parties, including consultants,
19 attorneys, family members, and employees; (vii) engage in any
20 exchange or contributions to circumvent the intent of this act; or
21 (viii) directly or indirectly, through or by any other person or
22 means, do any act which would subject that entity to the restrictions
23 of this act.
24 (cf: P.L.2009, c.66, s.36)

25
26 26. Section 12 of P.L.2005, c.51 (C.19:44A-20.24) is amended
27 to read as follows:

28 12. Every contract and bid application and specifications
29 promulgated in connection therewith covered by this act shall
30 contain:

- 31 a. a provision describing the requirements of this act **【and】**;
32 b. a statement that compliance with this act shall be a material
33 term and condition of said contract or bid application and binding
34 upon the parties thereto upon the entry of all applicable contracts;
35 and
36 c. a description of the penalties for which the signer of a
37 contract would be liable in the event of a breach of a government
38 contract or for failure to comply with the provisions of this act.

39 Unless remedied in accordance with section 8 of P.L.2005, c.51
40 (C.19:44A-20.20), a violation of the provisions this act shall:

- 41 (1) be considered a material breach of the contract, pursuant to
42 section 9 of P.L.2005, c.51 (C.19:44A-20-21); and
43 (2) result in the contractor being banned for a period of five
44 years from entering into a subsequent contracting agreement with
45 the State, any agency or department thereof or an independent State
46 authority or board thereof, if the developer is found to have

1 knowingly violated the law.

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

3

4 27. Section 2 of P.L.2005, c.271 (C.19:44A-20.26) is amended
5 to read as follows:

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

33 The provisions of this section shall not apply to a contract when
34 a public emergency requires the immediate delivery of goods or
35 services.

36 b. When a business entity is a natural person, a contribution by
37 that person's spouse or child, residing therewith, shall be deemed to
38 be a contribution by the business entity. When a business entity is
39 other than a natural person, a contribution by any person or other
40 business entity having an interest therein shall be deemed to be a
41 contribution by the business entity. When a business entity is other
42 than a natural person, a contribution by: all principals, partners,
43 officers, or directors of the business entity or their spouses; any
44 subsidiaries directly or indirectly controlled by the business entity;
45 or any political organization organized under section 527 of the
46 Internal Revenue Code that is directly or indirectly controlled by
47 the business entity, other than a candidate committee, election fund,

1 or political party committee, shall be deemed to be a contribution
2 by the business entity.

3 c. As used in this section:

4 "business entity" means a for-profit entity that is a natural or
5 legal person, sole proprietorship, business corporation, professional
6 services corporation, limited liability company, partnership and any
7 partner thereof, limited partnership and any partner thereof, limited
8 liability partnership and partner thereof, business trust, association
9 or any other legal commercial entity organized under the laws of
10 this State or of any other state or foreign jurisdiction including any
11 principal, officer or partner thereof. The definition of a business
12 entity includes: (i) any subsidiaries directly or indirectly controlled
13 by the business entity; (ii) any political organization organized
14 under section 527 of the Internal Revenue Code (26 U.S.C.A. §527)
15 that is directly or indirectly controlled by the business entity, other
16 than a candidate committee, election fund, or political party
17 committee; and (iii) if a business entity is a natural person, that
18 person's spouse or child, residing therewith, are also included
19 within this definition, except that: a) such individuals shall not be
20 so included if the natural person complies with section 7 of
21 P.L.2005, c.51 (C.19:44A-20.19); and b) the spouse or child
22 residing with a natural person who is a business entity shall be
23 permitted to make a reportable contribution to the appropriate
24 candidate, holder of elective public office or committee, provided
25 such an individual may vote for the individual responsible for
26 awarding the contract;

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

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

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

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

44

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

1 3. a. Any business entity making a contribution of money or
2 any other thing of value, including an in-kind contribution, or
3 pledge to make a contribution of any kind to: (1) a candidate for or
4 the holder of any public office having ultimate responsibility for the
5 awarding of public contracts, or to a political party committee,
6 legislative leadership committee, political committee or continuing
7 political committee, which has received in any calendar year
8 \$50,000 or more in the aggregate through agreements or contracts
9 with a public entity**【,】**; or (2) any political organization organized
10 under section 527 of the Internal Revenue Code (26 U.S.C.A. §527)
11 that also meets the definition of a "continuing political committee"
12 within the meaning of section 3 of P.L.1973, c.83 (C.19:44A-3)
13 shall file an annual disclosure statement with the New Jersey
14 Election Law Enforcement Commission, established pursuant to
15 section 5 of P.L.1973, c.83 (C.19:44A-5), setting forth all such
16 contributions made by the business entity during the 12 months
17 prior to the reporting deadline.

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

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

24 (2) the name of the candidate for or the holder of any public
25 office having ultimate responsibility for the awarding of public
26 contracts, candidate committee, joint candidates committee,
27 political party committee, legislative leadership committee, political
28 committee **【or】**, continuing political committee or political
29 organization organized under section 527 of the federal Internal
30 Revenue Code (26 U.S.C.A. §527) receiving the contribution; and

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

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

37 d. When a business entity is a natural person, a contribution by
38 that person's spouse or child, residing therewith, shall be deemed to
39 be a contribution by the business entity. When a business entity is
40 other than a natural person, a contribution by any person or other
41 business entity having an interest therein shall be deemed to be a
42 contribution by the business entity. When a business entity is other
43 than a natural person, a contribution by: all principals, partners,
44 officers, or directors of the business entity, or their spouses; any
45 subsidiaries directly or indirectly controlled by the business entity;
46 or any political organization organized under section 527 of the
47 Internal Revenue Code (26 U.S.C.A. §527) that is directly or

1 indirectly controlled by the business entity, other than a candidate
2 committee, election fund, or political party committee, shall be
3 deemed to be a contribution by the business entity.

4 As used in this section:

5 "business entity" means a for-profit entity that is a natural or
6 legal person, sole proprietorship, business corporation, professional
7 services corporation, limited liability company, partnership and any
8 partner thereof, limited partnership and any partner thereof, limited
9 liability partnerships and any partner thereof, business trust,
10 association or any other legal commercial entity organized under
11 the laws of this State or of any other state or foreign jurisdiction
12 including any principal, officer or partner thereof. The definition of
13 a business entity includes: (i) any subsidiaries directly or indirectly
14 controlled by the business entity; (ii) any political organization
15 organized under section 527 of the Internal Revenue Code (26
16 U.S.C.A. §527) that is directly or indirectly controlled by the
17 business entity, other than a candidate committee, election fund, or
18 political party committee; and (iii) if a business entity is a natural
19 person, that person's spouse or child, residing therewith, are also
20 included within this definition, except that: a) such individuals shall
21 not be so included if the natural person complies with section 7 of
22 P.L.2005, c.51 (C.19:44A-20.19); and b) the spouse or child
23 residing with a natural person who is a business entity shall be
24 permitted to make a reportable contribution to a candidate, holder
25 of elective public office or committee in the county or municipality,
26 provided such an individual may vote for the individual responsible
27 for awarding the contract; and

28 "interest" means the ownership or control of more than 10% of
29 the profits or assets of a business entity or 10% of the stock in the
30 case of a business entity that is a corporation for profit, as
31 appropriate.

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

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

38
39 29. (New section) No individual or business entity shall
40 knowingly make a contribution of money or any other thing of
41 value to a political committee, continuing political committee, or
42 legislative leadership committee that has knowingly made a
43 contribution of money or any other thing of value to another
44 political party committee, a candidate committee or a joint
45 candidates committee or legislative leadership committee that is
46 prohibited from making contributions to the holders of or
47 candidates for elective public office pursuant to P.L.2004, c.19

1 (C.19:44A-20.3 et seq.) or P.L.2005, c.51 (19:44A-20.13 et seq.).
2 No political committee, continuing political committee or
3 legislative leadership committee that has knowingly made a
4 contribution of money or any other thing of value to another
5 political party committee, a candidate committee or a joint
6 candidates committee or legislative leadership committee that is
7 prohibited from making contributions to the holders of or
8 candidates for elective public office pursuant to P.L.2004, c.19
9 (C.19:44A-20.3 et seq.) or P.L.2005, c.51 (19:44A-20.13 et seq.)
10 shall knowingly accept a contribution of money or any other thing
11 of value from an individual or a business entity.

12

13 30. Section 1 of P.L.2005, c.271 (C.40A:11-51) is repealed.

14

15 31. This act shall take effect on January 1 next following the day
16 of enactment.

17

18

19

STATEMENT

20

21 The purpose of this bill is to modify the current law regarding
22 the regulation of and restrictions on business entities that are
23 awarded public contracts and make campaign contributions to
24 certain holders of public offices, candidates and political
25 organizations. Specifically, the bill:

- 26 • codifies and expands the provisions of Executive Order #118
27 of 2008, to limit redevelopers from eligibility for
28 participation in a State or local redevelopment project if the
29 redeveloper has made a campaign contribution to any
30 candidate for the office of Governor or Lieutenant Governor,
31 a political party committee, a legislative leadership
32 committee, a candidate for or the holder of a State
33 legislative, county or municipal elective public office in a
34 State legislative district, county or municipality in which any
35 property subject to a redevelopment is situated;
- 36 • codifies the provisions of Executive Order #117 of 2008 to
37 provide that legislative leadership committees and municipal
38 political party committees would be unable to receive
39 contributions from entities seeking public contracts with
40 government entities in the municipalities affected by the
41 contract;
- 42 • removes the exception for contracts with a State agency in
43 the Legislative Branch, a county or a municipality awarded
44 pursuant to “a fair and open process;”
- 45 • includes sole proprietorship and any partner in any type of
46 partnership, including a limited liability partnership, in the
47 definition of business entity;

- 1 • expands definition of business entity to include: a) any
2 subsidiaries directly or indirectly controlled by the business
3 entity; b) any political organization organized under section
4 527 of the Internal Revenue Code (26 U.S.C.A. §527) that is
5 directly or indirectly controlled by the business entity, other
6 than a candidate committee, election fund, or political party
7 committee; and c) if a business entity is a natural person,
8 that person's spouse or child, residing therewith, with certain
9 exceptions;
- 10 • establishes limits on the amount of contributions that an
11 individual or business can make to candidates, office holders
12 and political party committees who have ultimate decision-
13 making authority over the awarding of public contracts to
14 State, county or municipal government, respectively, with a
15 limit of \$300 per year on individuals involved with State or
16 local government contracts, a limit of \$1,000 per year on
17 business entities involved with local government contracts,
18 and a limit of \$5,000 per year on business entities involved
19 with State government contracts;
- 20 • requires any business entities that makes a contribution to
21 any political organization organized under section 527 of the
22 federal Internal Revenue Code that also meets the definition
23 of continuing political committee under current law to file an
24 annual disclosure statement with the Election Law
25 Enforcement Commission;
- 26 • requires all contract and bid specifications to contain: (1) a
27 description of the requirements of N.J.S.A.19:44A-20.7 et
28 seq. or N.J.S.A.19:44A-20.13 et seq., as may be appropriate;
29 (2) a statement that compliance with those acts are binding;
30 and (3) a description of the penalties for which the signer of
31 a contract would be liable in the event of a breach of a
32 government contract or failure to comply with either act, as
33 may be appropriate, including a notice that provides that
34 unless cured, a violation of the law would: 1) be considered
35 a material breach of the contract; and 2) result in the
36 contractor being banned for a period of five years from
37 entering into a subsequent contracting agreement with the
38 State, county or municipality, any agency or department
39 thereof or an independent authority or board thereof, if the
40 contractor is found to have knowingly violated the law;
- 41 • bans a county committee of a political party from making a
42 contribution to any other county committee of a political
43 party;
- 44 • bans a county committee of a political party from making a
45 contribution to the State committee of a political party that
46 in the aggregate exceeds \$25,000 per year;

- 1 • bans a county committee of a political party from making a
2 contribution to a municipal committee of a political party
3 located outside of the county;
- 4 • bans a municipal committee of a political party from making
5 a contribution to any other municipal committee;
- 6 • prohibits contributions by individuals and business entities
7 to a political committee, continuing political committee or a
8 legislative leadership committee that has made a
9 contribution to a political party committee, a candidate
10 committee or a joint candidates committee or legislative
11 leadership committee that is prohibited from making
12 contributions to the holders of or candidates for elective
13 office by current law; and
- 14 • repeals N.J.S.40A:11-51, which permitted a county,
15 municipality, independent authority, board of education or
16 fire district from establishing measures limiting the awarding
17 of public contracts from such a local government unit to
18 business entities that have made a campaign contribution and
19 limiting the contributions that the holders of a contract can
20 make during the term of a contract.