# ASSEMBLY, No. 3496

# STATE OF NEW JERSEY

## 222nd LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2026 SESSION

**Sponsored by:**
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**District 19 (Middlesex)**
**Assemblywoman LINDA S. CARTER**
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**Co-Sponsored by:**
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**SYNOPSIS**

Requires State agencies to make good faith effort to increase awarding of contracts procured without advertisement to minority- and women-owned businesses.

**CURRENT VERSION OF TEXT**

As reported by the Assembly Community Development and Women's Affairs Committee with technical review.

**(Sponsorship Updated As Of: 5/28/2026)**

**AN ACT** concerning certain State contract requirements, and amending R.S.52:25-23 and P.L.1954, c.48.

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

1. R.S.52:25-23 is amended to read as follows:

52:25-23. The Director of the Division of Purchase and Property may, by written order, delegate purchasing authority to the using agencies for purchases or contracts not in excess of $150,000 beginning on the effective date of P.L.2021, c.412, $200,000 beginning on January 1, 2023, and $250,000 beginning on January 1, 2024 and thereafter; except that:

a. Purchases or contracts shall not be divided to circumvent the dollar limit imposed by this section;

b. Prior to issuing purchase orders pursuant to this section, a using agency shall verify the existence of funds for the purchase or contract and shall verify that the article or service to be purchased or contracted for is not available under any of the contracts issued by the Division of Purchase and Property; and

c. Records of all purchases made or contracts negotiated under this section shall be maintained by the using agency and made available for audit by or under the direction of the Director of the Division of Purchase and Property and shall include proper proof that the purchase or contract was made or negotiated competitively, where competition is practicable.

The Director of the Division of Purchase and Property may, by written order, rescind or reduce the level of purchasing authority delegated to any using agency determined by the director to have violated the provisions of the delegated authorization.

d. The director may, by written order, delegate purchasing authority to a specific agency for advertisement of purchases or contracts not in excess of $1,000,000, subject to the requirements set forth in this section;

(1) when the director has determined that such purchases or contracts are for the procurement of goods or services which are unique to the operations of that particular using agency and are not common or similar to goods or services used by other State agencies and, therefore, are not suitable for leveraging with other State agency procurements; or

(2) when a public exigency exists, such as when a public health emergency, pursuant to the "Emergency Health Powers Act," P.L.2005, c.222 (C.26:13-1 et seq.), or a state of emergency, pursuant to P.L.1942, c.251 (C.App.A:9-33 et seq.), has been declared by the Governor and is in effect.

**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 <u>thus</u> is new matter.**

Using agencies that utilize the delegated purchasing authority shall make a good faith effort to achieve a goal of increasing the awarding of goods and services contracts to certified minority-owned and women-owned businesses by 30 percent in the aggregate within five years of the effective date of P.L. , c. (pending before the legislature as this bill).

The State Treasurer shall develop guidelines and directives for using agencies that shall be used toward the effort to achieve such goal. The guidelines and directives shall provide for such actions to be taken as are in compliance with State and federal law, to the maximum extent permissible.

The State Treasurer shall submit a report in writing every six months, beginning after the effective date of P.L. , c. (pending before the legislature as this bill), to the Governor and to the Legislature, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), detailing the implementation of the guidelines and directives, the actions taken by using agencies, and the impact of implementation and those actions toward achieving the goal. Using agencies shall submit a written report every 30 days to the State Treasurer detailing the implementation of the guidelines and directives, the actions taken by the using agency, and the impact of those actions toward achieving the goal.

(cf: P.L.2021, c.412, s.1)

2. Section 2 of P.L.1954, c.48 (C.52:34-7) is amended to read as follows:

2. a. Any such purchase, contract or agreement may be made, negotiated, or awarded by the Director of the Division of Purchase and Property or the Director of the Division of [Building] Property Management and Construction, as the case may be, without advertising, in any manner which the director may deem effective to promote full and free competition whenever competition is practicable, if: (1) in the case of purchases for goods or services, the aggregate amount involved does not exceed $150,000 beginning on the effective date of P.L.2021, c.412, $200,000 beginning on January 1, 2023, and $250,000 beginning on January 1, 2024 and thereafter, or the amount determined pursuant to subsection b. of this section, whichever is greater; or (2) (Deleted by amendment, P.L.1985, c.107) or (3) the aggregate amount involved including labor and construction materials does not exceed $25,000.00 or the amount determined pursuant to subsection b. of this section in the case of contracts or agreements for the erection, construction, alteration, or repair of any public building or facility.

When the aggregate amount involved does not exceed the amount specified in paragraph (1) of subsection a. of this section, or the amount specified in paragraph (3) of subsection a. of this section or the amount determined pursuant to subsection b. of this section, the Director of the Division of Purchase and Property or the

Director of the Division of ⟦Building⟧ Property Management and Construction may, at the director's discretion, delegate to the appropriate State department or using agency the director's authority to make, negotiate, or award a contract or agreement without advertising.

The Director of the Division of Purchase and Property or the Director of the Division of ⟦Building⟧ Property Management and Construction, as the case may be, shall establish, in accordance with the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), rules and regulations concerning procedural requirements for the making, negotiating or awarding of purchases, contracts or agreements pursuant to this section, at the director's discretion.

The Director of the Division of Purchase and Property or the Director of the Division of Property Management and Construction, as the case may be, shall make a good faith effort to achieve a goal of increasing the awarding of goods and services contracts that are not advertised to certified minority-owned and women-owned businesses by 30 percent in the aggregate within five years of the effective date of P.L. , c. (pending before the legislature as this bill).

The State Treasurer shall develop guidelines and directives for the Director of the Division of Purchase and Property or the Director of the Division of Property Management and Construction, as the case may be, that shall be used toward the effort to achieve such goal. The guidelines and directives shall provide for such actions to be taken as are in compliance with State and federal law, to the maximum extent permissible.

The State Treasurer shall submit a report in writing every six months, beginning after the effective date of P.L. , c. (pending before the legislature as this bill), to the Governor and to the Legislature, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), detailing the implementation of the guidelines and directives, the actions taken by the Director of the Division of Purchase and Property or the Director of the Division of Property Management and Construction, as the case may be, and the impact of implementation and those actions toward achieving the goal.

b. The Governor, in consultation with the Department of the Treasury, shall, no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L.1999, c.440 takes effect, adjust the threshold amount set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L.1971, c.198 (C.40A:11-2), and shall round the adjustment to the nearest $1,000. The Governor shall, no later than June 1 of every fifth year, notify the Director of the Division of Purchase and Property and the Director of the Division of ⟦Building⟧ Property Management and Construction of

the adjustment. The adjustment shall become effective on July 1 of the year in which it is made.
(cf: P.L.2021, c.412, s.2)

3. This act shall take effect immediately.