

# SENATE, No. 3025

## STATE OF NEW JERSEY 212th LEGISLATURE

INTRODUCED DECEMBER 17, 2007

**Sponsored by:**

**Senator RAYMOND J. LESNIAK**

**District 20 (Union)**

**Senator JOSEPH M. KYRILLOS, JR.**

**District 13 (Middlesex and Monmouth)**

**Assemblywoman JOAN M. QUIGLEY**

**District 32 (Bergen and Hudson)**

**Assemblyman JOSEPH CRYAN**

**District 20 (Union)**

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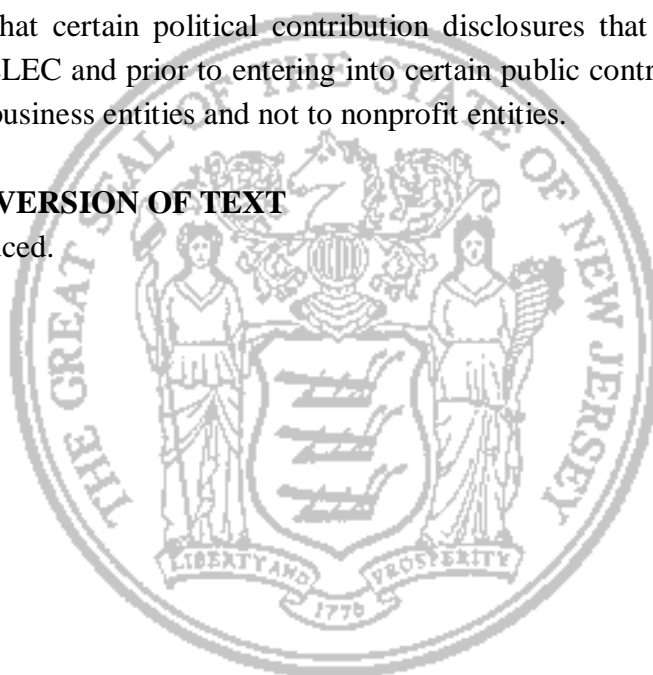
**Assemblymen Prieto, Chivukula, Assemblywomen Jasey and Lampitt**

**SYNOPSIS**

Clarifies that certain political contribution disclosures that must be made annually to ELEC and prior to entering into certain public contracts apply only to for-profit business entities and not to nonprofit entities.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 1/8/2008)**

1 AN ACT concerning certain political contribution disclosures made  
2 annually to ELEC and prior to entering into certain public  
3 contracts and amending P.L.2005, c.271.

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

7  
8 1. Section 2 of P.L.2005, c.271 (C.19:44A-20.26) is amended  
9 to read as follows:

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

37 The provisions of this section shall not apply to a contract when  
38 a public emergency requires the immediate delivery of goods or  
39 services.

40 b. When a business entity is a natural person, a contribution by  
41 that person's spouse or child, residing therewith, shall be deemed to  
42 be a contribution by the business entity. When a business entity is  
43 other than a natural person, a contribution by any person or other  
44 business entity having an interest therein shall be deemed to be a  
45 contribution by the business entity. When a business entity is other

**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 than a natural person, a contribution by: all principals, partners,  
2 officers, or directors of the business entity or their spouses; any  
3 subsidiaries directly or indirectly controlled by the business entity;  
4 or any political organization organized under section 527 of the  
5 Internal Revenue Code that is directly or indirectly controlled by  
6 the business entity, other than a candidate committee, election fund,  
7 or political party committee, shall be deemed to be a contribution  
8 by the business entity.

9 c. As used in this section:

10 "business entity" means a for-profit entity that is a natural or  
11 legal person, business corporation, professional services  
12 corporation, limited liability company, partnership, limited  
13 partnership, business trust, association or any other legal  
14 commercial entity organized under the laws of this State or of any  
15 other state or foreign jurisdiction;

16 "interest" means the ownership or control of more than 10% of  
17 the profits or assets of a business entity or 10% of the stock in the  
18 case of a business entity that is a corporation for profit, as  
19 appropriate; and

20 "State agency" means any of the principal departments in the  
21 Executive Branch of the State Government, and any division, board,  
22 bureau, office, commission or other instrumentality within or  
23 created by such department, the Legislature of the State and any  
24 office, board, bureau or commission within or created by the  
25 Legislative Branch, and any independent State authority,  
26 commission, instrumentality or agency.

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

32 (cf: P.L.2005, c.271, s.2)

33

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

36 3. a. Any business entity making a contribution of money or  
37 any other thing of value, including an in-kind contribution, or  
38 pledge to make a contribution of any kind to a candidate for or the  
39 holder of any public office having ultimate responsibility for the  
40 awarding of public contracts, or to a political party committee,  
41 legislative leadership committee, political committee or continuing  
42 political committee, which has received in any calendar year  
43 \$50,000 or more in the aggregate through agreements or contracts  
44 with a public entity, shall file an annual disclosure statement with  
45 the New Jersey Election Law Enforcement Commission, established  
46 pursuant to section 5 of P.L.1973, c.83 (C.19:44A-5), setting forth  
47 all such contributions made by the business entity during the 12  
48 months prior to the reporting deadline.

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

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

7       (2) the name of the candidate for or the holder of any public  
8 office having ultimate responsibility for the awarding of public  
9 contracts, candidate committee, joint candidates committee,  
10 political party committee, legislative leadership committee, political  
11 committee or continuing political committee receiving the  
12 contribution; and

13       (3) the amount of money the business entity received from the  
14 public entity through contract or agreement, the dates, and  
15 information identifying each contract or agreement and describing  
16 the goods, services or equipment provided or property sold.

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

19       d. When a business entity is a natural person, a contribution by  
20 that person's spouse or child, residing therewith, shall be deemed to  
21 be a contribution by the business entity. When a business entity is  
22 other than a natural person, a contribution by any person or other  
23 business entity having an interest therein shall be deemed to be a  
24 contribution by the business entity. When a business entity is other  
25 than a natural person, a contribution by: all principals, partners,  
26 officers, or directors of the business entity, or their spouses; any  
27 subsidiaries directly or indirectly controlled by the business entity;  
28 or any political organization organized under section 527 of the  
29 Internal Revenue Code that is directly or indirectly controlled by  
30 the business entity, other than a candidate committee, election fund,  
31 or political party committee, shall be deemed to be a contribution  
32 by the business entity.

33       As used in this section:

34       "business entity" means a for-profit entity that is a natural or  
35 legal person, business corporation, professional services  
36 corporation, limited liability company, partnership, limited  
37 partnership, business trust, association or any other legal  
38 commercial entity organized under the laws of this State or of any  
39 other state or foreign jurisdiction; and

40       "interest" means the ownership or control of more than 10% of  
41 the profits or assets of a business entity or 10% of the stock in the  
42 case of a business entity that is a corporation for profit, as  
43 appropriate.

44       e. Any business entity that fails to comply with the provisions  
45 of this section shall be subject to a fine imposed by the New Jersey  
46 Election Law Enforcement Commission in an amount to be

1 determined by the commission which may be based upon the  
2 amount that the business entity failed to report.

3 (cf: P.L.2005, c.271, s.3)

4

5 3. This act shall take effect immediately.

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STATEMENT

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10 This bill amends N.J.S.A.19:44A-20.27 to clarify that only for-  
11 profit business entities, and therefore not nonprofit entities, that  
12 receive \$50,000 or more in public contracts are required to file  
13 annual disclosure statements of political contributions with the  
14 Election Law Enforcement Commission (ELEC). It also amends  
15 N.J.S.A.19:44A-20.26 to clarify that the disclosure of certain  
16 political contributions that must be made prior to entering into  
17 certain public contracts apply to for-profit business entities and,  
18 therefore, do not apply to nonprofit entities.