

P.L. 2007, CHAPTER 304, *approved January 13, 2008*
Senate, No. 3025

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.

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

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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)

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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)

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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.

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