

CHAPTER 127

AN ACT concerning prompt payment on certain public contracts and supplementing various parts of the statutory law.

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

C.52:32-39.1 Payment of interest by independent State authority; definitions.

1. An independent State authority shall pay interest on the amount due a business concern pursuant to a properly executed invoice, when required, if the required payment is not made on or before the required payment date.

Unless otherwise provided for in the contract, the required payment date shall be 60 calendar days from the date specified in the contract or if no required payment is specified in the contract, then the required payment date shall be 60 calendar days from the receipt of a properly executed invoice, or 60 calendar days from the receipt of goods or services, whichever is later. Interest shall not be paid unless goods and services are rendered.

Interest on amounts due shall be paid to the business concern for the period beginning on the day after the required payment date and ending on the date on which the check for payment is drawn.

Interest shall be paid at the rate specified by the State Treasurer for State late payments to business concerns pursuant to section 4 of P.L.1987, c.184 (C.52:32-35).

Interest may be paid by separate payment to a business concern, but shall be paid within 30 days of the late payment.

An independent State authority may waive the interest payment for a delinquency due to circumstances beyond the control of the authority, including but not limited to a strike or natural disaster.

As used in this section:

“business concern” means any person engaged in a trade or business, including a private nonprofit entity operating as an independent contractor, providing goods or services directly to an independent State authority or to a designated third party and operating pursuant to a contract with a contracting unit which requires either a single payment or multiple payments, but shall not include a “public utility” as defined in R.S.48:2-13; and

"independent State authority" means a public authority, board, commission, committee, council, instrumentality, or agency which is a body corporate and politic established by law having the power to sue or be sued and to issue bonds.

C.40A:11-19.1 Payment of interest by contracting unit; definitions.

2. A contracting unit, as defined in section 2 of P.L.1971, c.198 (C.40A:11-2), shall pay interest on the amount due a business concern pursuant to a properly executed invoice, when required, if the required payment is not made on or before the required payment date.

Unless otherwise provided for in the contract, the required payment date shall be 60 calendar days from the date specified in the contract or if no required payment is specified in the contract, then the required payment date shall be 60 calendar days from the receipt of a properly executed invoice, or 60 calendar days from the receipt of goods or services, whichever is later. Interest shall not be paid unless goods and services are rendered.

Interest on amounts due shall be paid to the business concern for the period beginning on the day after the required payment date and ending on the date on which the check for payment is drawn.

Interest shall be paid at the rate specified by the State Treasurer for State late payments to business concerns pursuant to section 4 of P.L.1987, c.184 (C.52:32-35).

Interest may be paid by separate payment to a business concern, but shall be paid within 30 days of the late payment.

A contracting unit may waive the interest payment for a delinquency due to circumstances beyond the control of the contracting unit, including but not limited to a strike or natural disaster.

As used in this section, "business concern" means any person engaged in a trade or business, including a private nonprofit entity operating as an independent contractor, providing goods or services directly to a contracting unit or to a designated third party and operating pursuant to a contract with a contracting unit which requires either a single payment or multiple payments, but shall not include a "public utility" as defined in R.S.48:2-13.

C.18A:18A-10.1 Payment of interest by board of education; definitions.

3. A board of education, as defined in N.J.S.18A:18A-2, shall pay interest on the amount due a business concern pursuant to a properly executed invoice, when required, if the required payment is not made on or before the required payment date.

Unless otherwise provided for in the contract, the required payment date shall be 90 calendar days from the date specified in the contract or if no required payment is specified in the contract, then the required payment date shall be 90 calendar days from the receipt of a properly executed invoice, or 90 calendar days from the receipt of goods or services, whichever is later. Interest shall not be paid unless goods and services are rendered.

Interest on amounts due shall be paid to the business concern for the period beginning on the day after the required payment date and ending on the date on which the check for payment is drawn.

Interest shall be paid at the rate specified by the State Treasurer for State late payments to business concerns pursuant to section 4 of P.L.1987, c.184 (C.52:32-35).

Interest may be paid by separate payment to a business concern, but shall be paid within 30 days of the late payment.

A board of education may waive the interest payment for a delinquency due to circumstances beyond the control of the board of education, including but not limited to a strike or natural disaster.

As used in this section, "business concern" means any person engaged in a trade or business, including a private nonprofit entity operating as an independent contractor, providing goods or services directly to a board of education or to a designated third party and operating pursuant to a contract with a board of education which requires either a single payment or multiple payments, but shall not include a "public utility" as defined in R.S.48:2-13.

4. This act shall take effect 120 days following enactment.

Approved October 4, 2018.