

**ASSEMBLY, No. 1478**

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**STATE OF NEW JERSEY**

**219th LEGISLATURE**

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PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

**Sponsored by:**

**Assemblyman PAUL D. MORIARTY**

**District 4 (Camden and Gloucester)**

**Assemblyman DANIEL R. BENSON**

**District 14 (Mercer and Middlesex)**

**Assemblyman GORDON M. JOHNSON**

**District 37 (Bergen)**

**SYNOPSIS**

Provides State agencies will not enter into contracts with business entities that require persons or public entities to submit disputes to binding arbitration.

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel.



1 AN ACT concerning the award of State contracts to certain business  
2 entities that require binding arbitration and supplementing  
3 P.L.2003, c.95 (C.2A:23B-1 et seq.).  
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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. a. As used in this section:

9 "Business entity" means any natural or legal person, business  
10 corporation, professional services corporation, limited liability  
11 company, partnership, limited partnership, business trust,  
12 association, or any other legal commercial entity organized under the  
13 laws of this State or of any other state or foreign jurisdiction.

14 "State agency" means any of the principal departments in the  
15 Executive Branch of the State government, and any division, board,  
16 bureau, office, commission, or other instrumentality within or created  
17 by such department, and any independent State authority,  
18 commission, instrumentality, or agency.

19 b. A State agency shall not enter into a contract or agreement  
20 with a business entity that requires any person or public entity, as a  
21 condition of doing business with that business entity, to submit a  
22 dispute arising after the signing of the contract to binding arbitration,  
23 thereby denying those persons or public entities their rights and  
24 remedies in a court of law.

25 c. The provisions of this section shall not apply to any contract  
26 or agreement:

27 (1) in effect on the effective date of P.L. , c. (C. ) (pending  
28 before the Legislature as this bill);

29 (2) necessary to address a public emergency; or

30 (3) that the State agency determines is unlikely to attract a  
31 number of qualified business entities sufficient to ensure a level of  
32 competition that will result in a contract price that is in the best  
33 interest of the State.  
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35 2. This act shall take effect immediately.  
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38 STATEMENT  
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40 The bill prohibits a State agency from entering into a contract or  
41 agreement with a business entity that requires any person or public  
42 entity, as a condition of doing business with that business entity, to  
43 submit a dispute arising after the signing of the contract to binding  
44 arbitration. These provisions deny those persons or public entities their  
45 rights and remedies in a court of law.

46 The provisions of this bill do not apply to any contract or agreement in  
47 effect on the bill's effective date, that is necessary to address a public  
48 emergency, or that the State agency determines is unlikely to attract a

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- 1 number of qualified business entities sufficient to ensure a level of
- 2 competition that will result in a contract price that is in the best interest of
- 3 the State.