

[First Reprint]  
SENATE, No. 913

STATE OF NEW JERSEY

INTRODUCED MARCH 7, 1996

By Senator KYRILLOS

1 AN ACT concerning certain construction contracts and supplementing  
2 P.L.1971, c.198 (C.40A:11-1 et seq.).

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

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7 1. Every construction contract entered into in accordance with the  
8 provisions of P.L.1971, c.198 (C.40A:11-1 et seq.) after the effective  
9 date of P.L. , c. (C. ) (pending before the  
10 Legislature as this bill) shall provide that disputes arising under or  
11 related to the contract shall <sup>1</sup>first be submitted to mediation pursuant  
12 to the American Arbitration Association, or to another mediation  
13 procedure as agreed to by the contracting parties. If the dispute is not  
14 resolved by mediation, then the dispute shall either<sup>1</sup> be submitted to  
15 <sup>1</sup>binding<sup>1</sup> arbitration pursuant to the Construction Industry Arbitration  
16 Rules of the American Arbitration Association<sup>1</sup>; or to another binding  
17 alternate dispute resolution procedure as agreed to by the contracting  
18 parties.

19 Notwithstanding industry rules or any provision of law to the  
20 contrary, whenever a dispute concerns more than one contract, such  
21 as when a dispute in a contract involving construction relates to a  
22 contract involving design, architecture, engineering or management,  
23 upon the demand of a contracting party, other interested parties to the  
24 dispute shall be joined unless the arbitrator or person appointed to  
25 resolve the dispute determines that such joinder is inappropriate.  
26 Notwithstanding industry rules or any provision of law to the contrary,  
27 whenever more than one dispute of a similar nature arises under a  
28 construction contract, or related construction contracts, upon the  
29 demand of a contracting party, the disputes shall be joined unless the  
30 arbitrator or person appointed to resolve the dispute determines that  
31 the disputes are inappropriate for joinder.

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup> Senate floor amendments adopted December 1, 1997.

1 Once a binding decision is rendered in connection to a dispute,  
2 either party may move to have the award vacated or modified by the  
3 court in accordance with N.J.S.2A:24-1 et seq.

4 For the purposes of this section, the term "construction contract"  
5 means a contract involving construction, or a contract related thereto  
6 concerning architecture, engineering or construction management<sup>1</sup>.

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8 2. This act shall take effect immediately.

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14 Requires construction disputes under the "Local Public Contracts  
15 Law" be submitted to mediation; if not resolved, to arbitration or  
another binding alternate dispute resolution procedure.