

52:25-24.2

LEGISLATIVE HISTORY CHECKLIST

NJSA 52:25-24.2

Laws of 1977 Chapter 33 (Public contracts--require
bidders to disclose major
stockholders)
Bill No. A22

Sponsor(s) Newman & Doyle

Date Introduced Pre-filed

Committee: Assembly Municipal Government

Senate State Gov't, Federal & Interstate Relations and
Veterans Affairs

Amended during passage Yes ~~No~~ Amendments during passage
denoted by asterisks

Date of passage: Assembly May 20, 1976

Senate Dec. 14, 1976

Date of approval March 8, 1977

Following statements are attached if available:

Sponsor statement Yes ~~x/No~~

Committee Statement: Assembly Yes ~~x/No~~

Senate Yes ~~x/No~~

Fiscal Note ~~x/Yes~~ No

Veto message ~~x/Yes~~ No

Message on signing Yes ~~x/No~~

Following were printed:

Reports ~~x/Yes~~ No

Hearings ~~x/Yes~~ No

Checked card catalog under:
NJ--Corporations
NJ--Public contracts
NJ--Contracts

1977

10/4/76

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3/8/77

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ASSEMBLY, No. 22

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1976 SESSION

By Assemblymen NEWMAN and DOYLE

AN ACT requiring corporate **and partnership** bidders for State, county, municipal or school district contracts to submit a list of the names and addresses of all stockholders owning 10% or more of their stock or 10% or more of the stock of their corporate stockholders **or in the case of a partnership, the names and addresses of those partners owning a 10% or greater interest therein**.

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

1 1. No corporation **or partnership** shall be awarded any con-
2 tract nor shall any agreement be entered into for the performance
3 of any work or the furnishing of any materials or supplies, the
4 cost of which is to be paid with or out of any public funds, by the
5 State, or any county, municipality or school district, or any sub-
6 sidiary or agency of the State, or of any county, municipality or
7 school district, or by any authority, board, or commission which
8 exercises governmental functions, unless prior to the receipt of the
9 bid ***[of said corporation]*** or accompanying the bid, **of said*
10 *corporation or said partnership,** there is submitted a statement
11 setting forth the names and addresses of all stockholders in the
12 corporation **or partnership** who own 10% or more of its stock, of
13 any class **or of all individual partners in the partnership who own*
14 *a 10% or greater interest therein, as the case may be**. If one or
15 more such stockholder **or partner** is itself a corporation **or*
16 *partnership**, the stockholders holding 10% or more of that corpo-
17 ration's stock*, *or the individual partners owning 10% or greater*
18 *interest in that partnership, as the case may be,** shall also be listed.
19 The disclosure shall be continued until names and addresses of

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

20 every ***[**stockholder owning 10% of the stock of the bidding corpo-
21 ration or 10% of the stock of a corporate stockholder owning 10%
22 of the stock of the bidding corporation or their corporate stock-
23 holders are submitted]***** **noncorporate stockholder, and individual*
24 *partner, exceeding the 10% ownership criteria established in this*
25 *act, has been listed.**

1 2. This act shall take effect immediately.

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AN ACT requiring corporate bidders for State, county, municipal or school district contracts to submit a list of the names and addresses of all stockholders owning 10% or more of their stock or 10% or more of the stock of their corporate stockholders.

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

1 1. No corporation shall be awarded any contract nor shall any
2 agreement be entered into for the performance of any work or the
3 furnishing of any materials or supplies, the cost of which is to be
4 paid with or out of any public funds, by the State, or any county,
5 municipality or school district, or any subsidiary or agency of
6 the State, or of any county, municipality or school district, or by
7 any authority, board, or commission which exercises governmental
8 functions, unless prior to the receipt of the bid of said corporation
9 or accompanying the bid, there is submitted a statement setting
10 forth the names and addresses of all stockholders in the corporation
11 who own 10% or more of its stock, of any class. If one or more
12 such stockholder is itself a corporation, the stockholders holding
13 10% or more of that corporation's stock shall also be listed. The
14 disclosure shall be continued until names and addresses of every
15 stockholder owning 10% of the stock of the bidding corporation or
16 10% of the stock of a corporate stockholder owning 10% of the
17 stock of the bidding corporation or their corporate stockholders are
18 submitted.

1 2. This act shall take effect immediately.

STATEMENT

The purpose of this bill is to make certain that all members of a governing body or agency are made aware of the real parties in interest with whom they are doing business. It will also assist in identifying for the general public as well as public officials any real or potential conflicts of interest arising out of the awarding of public contracts.

ASSEMBLY MUNICIPAL GOVERNMENT COMMITTEE

STATEMENT TO

ASSEMBLY, No. 22

STATE OF NEW JERSEY

DATED: APRIL 5, 1976

This bill would require all corporations submitting bids for State, county, municipal, or school district contracts to submit a statement setting forth the names and addresses of all stockholders who own 10% or more of the corporation's stock. The bill includes bid contracts of subsidiaries and agencies of the above mentioned governmental units, as well as the contracts of any authority, board or commission which exercises governmental functions. If any stockholder who owns more than 10% of such corporation's stock is itself a corporation, that corporation in turn would have to submit a list of its stockholders owning 10% or more of its stock. This statement containing the list would have to be submitted with the bid or prior thereto. The committee considered it the intention of the legislation that any bill not containing such a statement could not be considered a valid bid.

The committee amended the bill to include partnerships as well as corporations within the provisions of the bid. Such inclusion was added for reasons of equity and universality. The committee also amended the bill to clarify the language of section 1, line 17. The committee wished to make clear that the disclosure process shall continue until the names of the corporate and partnership stockholders of a corporate or partnership stockholder of the original bidding corporation or partnership are disclosed, rather than continuing indefinitely.

The committee acknowledged that bids should be considered by governmental bodies principally on the basis of the amount of the bid and the past performance of the bidder. The committee also acknowledged that the names and addresses of corporation stockholders are generally available to the public even without this disclosure requirement. The committee, however, felt that this disclosure requirement was in the general interest of public oversight of governmental deliberations, and would provide in one statement information which the public or governmental agency might, otherwise, have to go to considerable time and expense to collect.

ASSEMBLY COMMITTEE AMENDMENTS TO

ASSEMBLY No. 22

STATE OF NEW JERSEY

ADOPTED APRIL 5, 1976

Amend page 1, Title, line 1, after "corporate", insert "and partnership".

Amend page 1, Title, line 4, after "stockholders", insert "or in the case of a partnership, the names and addresses of those partners owning a 10% or greater interest therein".

Amend page 1, section 1, line 1, after "corporation", insert "or partnership".

Amend page 1, section 1, line 8, omit "of said corporation".

Amend page 1, section 1, line 9, after "bid," insert "of said corporation or said partnership,".

Amend page 1, section 1, line 10, after "corporation", insert "or partnership".

Amend page 1, section 1, line 11, after "class", insert "or of all individual partners in the partnership who own a 10% or greater interest therein, as the case may be".

Amend page 1, section 1, line 12, after "stockholder", insert "or partner"; after "corporation", insert "or partnership".

Amend page 1, section 1, line 13, after "stock", insert "or the individual partners owning 10% or greater interest in that partnership, as the case may be,".

Amend page 1, section 1, line 15, delete lines 15 through 18 in their entirety, insert "noncorporate stockholder, and individual partner, exceeding the 10% ownership criteria established in this act, has been listed.".

SENATE STATE GOVERNMENT, FEDERAL AND
INTERSTATE RELATIONS AND VETERANS AFFAIRS
COMMITTEE

STATEMENT TO
ASSEMBLY No. 22

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STATE OF NEW JERSEY

DATED: NOVEMBER 8, 1976

This bill would require all corporations submitting bids for State, county, municipal, or school district contracts to submit a statement setting forth the names and addresses of all stockholders who own 10% or more of the corporation's stock. The bill includes bid contracts of subsidiaries and agencies of the above mentioned governmental units, as well as the contracts of any authority, board or commission which exercises governmental functions. Any stockholder owning more than 10% of such corporation's stock which is a corporate stockholder would also have to submit a list of its stockholders owning 10% or more of its stock. This statement containing the list would have to be submitted with the bid or prior thereto.

The bill was amended by the Assembly Municipal Government Committee to include partnerships as well as corporations within the provisions of the bid and to clarify the language of section 1, line 17. The bill mandates that the disclosure process shall continue until the names of the corporate and partnership stockholders of a corporate or partnership stockholder of the original bidding corporation or partnership are disclosed, rather than continuing indefinitely.

While it is true that the names and addresses of corporation stockholders are generally available to the public even without this disclosure requirement the committee felt that this additional disclosure would facilitate public oversight of governmental deliberations by providing in one statement information which the public or governmental agency might, otherwise, have to go to considerable time and expense to collect.

MARCH 8, 1977

FOR FURTHER INFORMATION

FOR IMMEDIATE RELEASE

KATHY FORSYTH

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Governor Brendan Byrne Tuesday signed the following bills into law:

A-22 - requires that stockholders holding 10 per cent or more of a corporation which is bidding on public contracts set forth their names and addresses prior to or accompanying the bid. It also requires partners in a partnership which is similarly bidding who own a 10 per cent or greater interest in the partnership to set forth their names and addresses.

The bill will assure that all members of a governing body or agency are aware of the real parties and interests with whom they are doing business. It is also aimed at identifying any real or potential conflicts of interest arising out of the awarding of contracts. The bill was sponsored by Assemblyman Daniel Newman, D-Ocean.

A-1237 - sponsored by former Assemblyman George Barbour, D-Burlington, permits a registered agent or officer to file a single change of address form for up to 25 corporations named in a certificate at one time.

A-1514 - requires that certain employees of public utilities wear photo identification badges.

The bill prohibits any utility employee from having access to a customer's premises or to any property furnished by the utility unless the employee is wearing a photo identification badge.

The bill was sponsored by Assemblyman C. Louis Bassano, R-Union.

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