

52:25-24.2

LEGISLATIVE HISTORY CHECKLIST

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LAWS OF: 2016 **CHAPTER:** 43

NJSA: 52:25-24.2 (Provides that certain corporations bidding for public contracts may submit federal Securities and Exchange Commission filings to comply with requirement to disclose certain interest holders; requires submission by limited liability companies)

BILL NO: A3540 (Substituted for S2310)

SPONSOR(S) Holley and others

DATE INTRODUCED: April 4, 2016

COMMITTEE: **ASSEMBLY:** State and Local Government
 SENATE: ---

AMENDED DURING PASSAGE: Yes

DATE OF PASSAGE: **ASSEMBLY:** June 16, 2016
 SENATE: June 23, 2016

DATE OF APPROVAL: August 31, 2016

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL (First Reprint enacted)

A3540

SPONSOR'S STATEMENT: (Begins on page 3 of introduced bill)	Yes
COMMITTEE STATEMENT:	ASSEMBLY: Yes
	SENATE: No

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT:	No
LEGISLATIVE FISCAL ESTIMATE:	No

S2310

SPONSOR'S STATEMENT: (Begins on page 3 of introduced bill)	Yes
COMMITTEE STATEMENT:	ASSEMBLY: No
	SENATE: Yes

FLOOR AMENDMENT STATEMENT:	No
LEGISLATIVE FISCAL ESTIMATE:	No

(continued)

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: No

FOLLOWING WERE PRINTED:

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REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: No

LAW/RWH

P.L.2016, CHAPTER 43, *approved August 31, 2016*
Assembly, No. 3540 (*First Reprint*)

1 AN ACT concerning disclosure of those holding interest in certain
2 ¹~~corporations~~ business organizations¹ bidding for public
3 contracts and amending P.L.1977, c.33.

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

7
8 1. Section 1 of P.L.1977, c.33 (C.52:25-24.2) is amended to
9 read as follows:

10 1. No corporation ¹~~or~~ ¹partnership ¹, or limited liability
11 company¹ shall be awarded any contract nor shall any agreement be
12 entered into for the performance of any work or the furnishing of
13 any materials or supplies, the cost of which is to be paid with or out
14 of any public funds, by the State, or any county, municipality or
15 school district, or any subsidiary or agency of the State, or of any
16 county, municipality or school district, or by any authority, board,
17 or commission which exercises governmental functions, unless
18 prior to the receipt of the bid or accompanying the bid, of said
19 corporation ¹~~or~~ ¹said partnership, ¹or said limited liability
20 company¹ there is submitted a statement setting forth the names and
21 addresses of all stockholders in the corporation ¹~~or partnership~~¹
22 who own ¹~~10%~~ ¹10 percent¹ or more of its stock, of any class ¹,¹
23 or of all individual partners in the partnership who own a ¹~~10%~~
24 ¹10 percent¹ or greater interest therein, ¹or of all members in the
25 limited liability company who own a 10 percent or greater interest
26 therein.¹ as the case may be. If one or more such stockholder or
27 partner ¹or member¹ is itself a corporation or partnership ¹or limited
28 liability company¹, the stockholders holding ¹~~10%~~ ¹10 percent¹ or
29 more of that corporation's stock, or the individual partners owning
30 ¹~~10%~~ ¹10 percent¹ or greater interest in that partnership, ¹or the
31 members owning 10 percent or greater interest in that limited
32 liability company.¹ as the case may be, shall also be listed. The
33 disclosure shall be continued until names and addresses of every
34 noncorporate stockholder, and individual partner, ¹and member.¹
35 exceeding the ¹~~10%~~ ¹10 percent¹ ownership criteria established in
36 this act, has been listed.

37 To comply with this section, a bidder ¹~~whose~~ ¹with any¹ direct
38 or indirect parent entity ¹which¹ is publicly traded ¹~~shall~~ ¹may¹
39 submit the name and address of ¹~~the~~ ¹each¹ publicly traded entity
40 and the name and address of each person that holds a ¹~~10%~~ ¹10

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly ASL committee amendments adopted June 6, 2016.

1 percent¹ or greater beneficial interest in the publicly traded entity as
2 of the last annual filing with the federal Securities and Exchange
3 Commission or the foreign equivalent, and, if there is any person
4 that holds a ¹**[10%]** 10 percent¹ or greater beneficial interest,
5 ¹**[submits the link]** also shall submit links¹ to the ¹**[website]**
6 websites¹ containing the last annual ¹**[filing]** filings¹ with the
7 federal Securities and Exchange Commission or the foreign
8 equivalent and the relevant page ¹**[number]** numbers¹ of the
9 ¹**[filing]** filings¹ that ¹**[contains]** contain¹ the information on each
10 person that holds a ¹**[10%]** 10 percent¹ or greater beneficial
11 interest.

12 (cf: P.L.1977, c.33, s.1)

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14 2. This act shall take effect immediately.

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19 Provides that certain corporations bidding for public contracts
20 may submit federal Securities and Exchange Commission filings to
21 comply with requirement to disclose certain interest holders;
22 requires submission by limited liability companies.

ASSEMBLY, No. 3540

STATE OF NEW JERSEY 217th LEGISLATURE

INTRODUCED APRIL 4, 2016

Sponsored by:

Assemblyman JAMEL C. HOLLEY

District 20 (Union)

Assemblyman GARY S. SCHAER

District 36 (Bergen and Passaic)

Assemblyman JAMES J. KENNEDY

District 22 (Middlesex, Somerset and Union)

Co-Sponsored by:

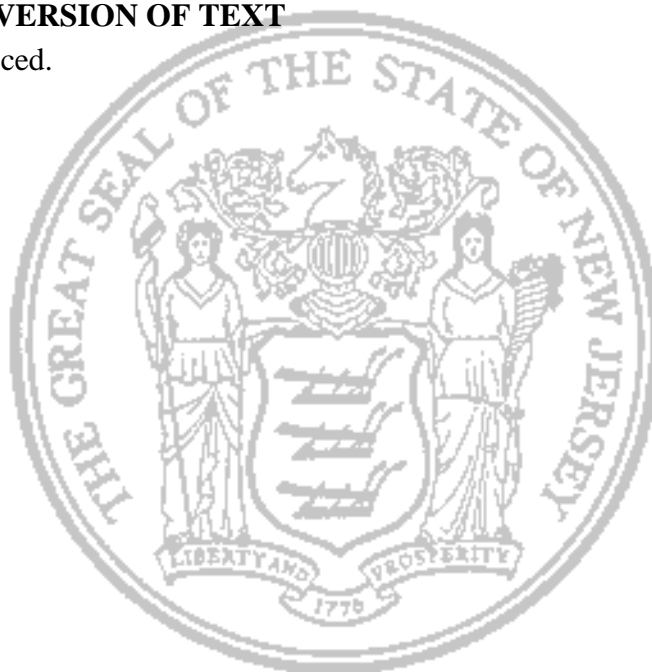
Assemblyman Eustace

SYNOPSIS

Provides that certain corporations bidding for public contracts may submit federal Securities and Exchange Commission filing to comply with requirement to disclose certain interest holders.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/3/2016)

1 AN ACT concerning disclosure of those holding interest in certain
2 corporations bidding for public contracts and amending
3 P.L.1977, c.33.

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

7
8 1. Section 1 of P.L.1977, c.33 (C.52:25-24.2) is amended to read
9 as follows:

10 1. No corporation or partnership shall be awarded any contract
11 nor shall any agreement be entered into for the performance of any
12 work or the furnishing of any materials or supplies, the cost of
13 which is to be paid with or out of any public funds, by the State, or
14 any county, municipality or school district, or any subsidiary or
15 agency of the State, or of any county, municipality or school
16 district, or by any authority, board, or commission which exercises
17 governmental functions, unless prior to the receipt of the bid or
18 accompanying the bid, of said corporation or said partnership, there
19 is submitted a statement setting forth the names and addresses of all
20 stockholders in the corporation or partnership who own 10% or
21 more of its stock, of any class or of all individual partners in the
22 partnership who own a 10% or greater interest therein, as the case
23 may be. If one or more such stockholder or partner is itself a
24 corporation or partnership, the stockholders holding 10% or more of
25 that corporation's stock, or the individual partners owning 10% or
26 greater interest in that partnership, as the case may be, shall also be
27 listed. The disclosure shall be continued until names and addresses
28 of every noncorporate stockholder, and individual partner,
29 exceeding the 10% ownership criteria established in this act, has
30 been listed.

31 To comply with this section, a bidder whose direct or indirect
32 parent entity is publicly traded shall submit the name and address of
33 the publicly traded entity and the name and address of each person
34 that holds a 10% or greater beneficial interest in the publicly traded
35 entity as of the last annual filing with the federal Securities and
36 Exchange Commission or the foreign equivalent, and, if there is any
37 person that holds a 10% or greater beneficial interest, submits the
38 link to the website containing the last annual filing with the federal
39 Securities and Exchange Commission or the foreign equivalent and
40 the relevant page number of the filing that contains the information
41 on each person that holds a 10% or greater beneficial interest.

42 (cf: P.L.1977, c.33, s.1)

43
44 2. This act shall take effect immediately.

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.

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STATEMENT

Current law requires a corporation or partnership that is awarded a public contract, which is paid with or out of any public funds, by the State, a local government, or a school district, or by any authority, board, or commission thereof, to submit the names and addresses of all stockholders in the corporation who own 10% or more of the stock, or of all individual partners in a partnership who own a 10% or greater interest. If a stockholder or partner is itself a corporation or partnership, the stockholder owning 10% or more of that corporation's stock, or the partner owning a 10% or greater interest in that partnership is also to be listed.

To comply with this requirement, this bill requires a bidder whose direct or indirect parent entity is publicly traded to submit the name and address of the publicly traded entity and the name and address of each person that holds a 10% or greater beneficial interest in the publicly traded entity as of the last annual filing with the federal Securities and Exchange Commission or the foreign equivalent, and, if there is any person that holds a 10% or greater beneficial interest, submit the link to the website containing the last annual filing with the federal Securities and Exchange Commission or the foreign equivalent and the relevant page number of the filing that contains the information on each person that holds a 10% or greater beneficial interest.

This bill would allow publicly traded companies to more efficiently comply with the law's requirement while also maintaining the transparency that is the law's purpose.

ASSEMBLY STATE AND LOCAL GOVERNMENT
COMMITTEE

STATEMENT TO
ASSEMBLY, No. 3540

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 6, 2016

The Assembly State and Local Government Committee reports favorably and with committee amendments Assembly Bill No. 3540.

Current law requires a corporation or partnership that is awarded a public contract, which is paid with or out of any public funds, by the State, a local government, or a school district, or by any authority, board, or commission thereof, to submit the names and addresses of all stockholders in the corporation who own 10 percent or more of the stock, or of all individual partners in a partnership who own a 10 percent or greater interest. If a stockholder or partner is itself a corporation or partnership, the stockholder owning 10 percent or more of that corporation's stock, or the partner owning a 10 percent or greater interest in that partnership is also to be listed. As amended, the bill requires that a limited liability company that is awarded a public contract, which is paid with or out of any public funds, by the State, a local government, or a school district, or by any authority, board, or commission thereof, to submit the names and addresses of all members in the limited liability company who own a 10 percent or greater interest therein.

To comply with this requirement, this bill, as amended, permits a bidder whose direct or indirect parent entity is publicly traded to submit the name and address of the publicly traded entity and the name and address of each person that holds a 10 percent or greater beneficial interest in the publicly traded entity as of the last annual filing with the federal Securities and Exchange Commission or the foreign equivalent, and, if there is any person that holds a 10 percent or greater beneficial interest, submit the link to the website containing the last annual filing with the federal Securities and Exchange Commission or the foreign equivalent and the relevant page number of the filing that contains the information on each person that holds a 10 percent or greater beneficial interest.

COMMITTEE AMENDMENTS

The committee amended the bill to make minor technical changes, and to require that a limited liability company that is awarded a public contract, which is paid with or out of any public funds, by the State, a local government, or a school district, or by any authority, board, or commission thereof, to submit the names and addresses of all members in the limited liability company who own a 10 percent or greater interest therein.

The amendments also provide that compliance via submission of the last annual filings with the federal Securities and Exchange Commission is permissive rather than mandatory.

SENATE, No. 2310

STATE OF NEW JERSEY 217th LEGISLATURE

INTRODUCED JUNE 6, 2016

Sponsored by:

Senator PATRICK J. DIEGNAN, JR.

District 18 (Middlesex)

Senator STEVEN V. OROHO

District 24 (Morris, Sussex and Warren)

SYNOPSIS

Provides that certain corporations bidding for public contracts may submit federal Securities and Exchange Commission filing to comply with requirement to disclose certain interest holders.

CURRENT VERSION OF TEXT

As introduced.



S2310 DIEGNAN, OROHO

2

1 AN ACT concerning disclosure of those holding interest in certain
2 corporations bidding for public contracts and amending
3 P.L.1977, c.33.

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

7
8 1. Section 1 of P.L.1977, c.33 (C.52:25-24.2) is amended to read
9 as follows:

10 1. No corporation or partnership shall be awarded any contract
11 nor shall any agreement be entered into for the performance of any
12 work or the furnishing of any materials or supplies, the cost of
13 which is to be paid with or out of any public funds, by the State, or
14 any county, municipality or school district, or any subsidiary or
15 agency of the State, or of any county, municipality or school
16 district, or by any authority, board, or commission which exercises
17 governmental functions, unless prior to the receipt of the bid or
18 accompanying the bid, of said corporation or said partnership, there
19 is submitted a statement setting forth the names and addresses of all
20 stockholders in the corporation or partnership who own 10% or
21 more of its stock, of any class or of all individual partners in the
22 partnership who own a 10% or greater interest therein, as the case
23 may be. If one or more such stockholder or partner is itself a
24 corporation or partnership, the stockholders holding 10% or more of
25 that corporation's stock, or the individual partners owning 10% or
26 greater interest in that partnership, as the case may be, shall also be
27 listed. The disclosure shall be continued until names and addresses
28 of every noncorporate stockholder, and individual partner,
29 exceeding the 10% ownership criteria established in this act, has
30 been listed.

31 To comply with this section, a bidder whose direct or indirect
32 parent entity is publicly traded shall submit the name and address of
33 the publicly traded entity and the name and address of each person
34 that holds a 10% or greater beneficial interest in the publicly traded
35 entity as of the last annual filing with the federal Securities and
36 Exchange Commission or the foreign equivalent, and, if there is any
37 person that holds a 10% or greater beneficial interest, submits the
38 link to the website containing the last annual filing with the federal
39 Securities and Exchange Commission or the foreign equivalent and
40 the relevant page number of the filing that contains the information
41 on each person that holds a 10% or greater beneficial interest.

42 (cf: P.L.1977, c.33, s.1)

43
44 2. This act shall take effect immediately.

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

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STATEMENT

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Current law requires a corporation or partnership that is awarded a public contract, which is paid with or out of any public funds, by the State, a local government, or a school district, or by any authority, board, or commission thereof, to submit the names and addresses of all stockholders in the corporation who own 10% or more of the stock, or of all individual partners in a partnership who own a 10% or greater interest. If a stockholder or partner is itself a corporation or partnership, the stockholder owning 10% or more of that corporation's stock, or the partner owning a 10% or greater interest in that partnership is also to be listed.

To comply with this requirement, this bill requires a bidder whose direct or indirect parent entity is publicly traded to submit the name and address of the publicly traded entity and the name and address of each person that holds a 10% or greater beneficial interest in the publicly traded entity as of the last annual filing with the federal Securities and Exchange Commission or the foreign equivalent, and, if there is any person that holds a 10% or greater beneficial interest, submit the link to the website containing the last annual filing with the federal Securities and Exchange Commission or the foreign equivalent and the relevant page number of the filing that contains the information on each person that holds a 10% or greater beneficial interest.

This bill would allow publicly traded companies to more efficiently comply with the law's requirement while also maintaining the transparency that is the law's purpose.

SENATE STATE GOVERNMENT, WAGERING, TOURISM &
HISTORIC PRESERVATION COMMITTEE

STATEMENT TO
SENATE, No. 2310

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 9, 2016

The Senate State Government, Wagering, Tourism and Historic Preservation Committee reports favorably and with committee amendments Senate Bill No. 2310.

As amended, this bill would allow a corporation bidding for a public contract to comply with the State's requirement to disclose certain interest holders by submitting the corporation's latest annual filings with the Securities and Exchange Commission. Current law requires a corporation or partnership that is awarded a public contract, which is paid with or out of any public funds by the State, a local government, or a school district, to submit the names and addresses of all stockholders in the corporation who own 10 percent or more of the stock or of all individual partners who own a 10 percent or greater interest in the partnership. If a stockholder or partner is itself a corporation or partnership, then the disclosure must list all stockholders owning 10 percent or more of that corporation's stock or all partners owning a 10 percent or greater interest in that partnership. As amended, the bill requires limited liability companies bidding for public contracts to disclose the names and addresses of all members who own a 10 percent or greater interest in the limited liability company in the same manner as a corporation or partnership.

To comply with the disclosure requirement, this bill allows a bidder, whose direct or indirect parent entity is publicly traded, to submit the name and address of the publicly traded entity and the name and address of each person that holds a 10 percent or greater beneficial interest in the publicly traded entity as of the last annual filing with the federal Securities and Exchange Commission or the foreign equivalent. If there is any person that holds a 10 percent or greater beneficial interest, the bidder must submit a link to the website containing the last annual filing with the federal Securities and Exchange Commission, or the foreign equivalent, and the relevant page number of the filing that contains the information on each person that holds a 10 percent or greater beneficial interest.

COMMITTEE AMENDMENTS

The Senate State Government, Wagering, Tourism and Historic Preservation Committee amended the bill to require limited liability companies bidding for public contracts to disclose the names and addresses of all members who own a 10 percent or greater interest in the limited liability company. The amendments also provide that a publicly traded entity's compliance with the State's disclosure requirement via submission of its latest annual filings with the federal Securities and Exchange Commission, or foreign equivalent, is permissive rather than mandatory. The committee's adoption of the amendments makes Senate Bill No. 2310 identical to Assembly Bill No. 3540 (1R).