

52:32-39.1 et al.
LEGISLATIVE HISTORY CHECKLIST
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LAWS OF: 2018 **CHAPTER:** 127

NJSA: 52:32-39.1 et al. (Provides for prompt payment of public contracts for purchase of goods and services.)

BILL NO: A3808 (Substituted for S2418)

SPONSOR(S) Greenwald and others

DATE INTRODUCED: 4/5/2018

COMMITTEE: **ASSEMBLY:** State & Local Government

SENATE: ---

AMENDED DURING PASSAGE: Yes

DATE OF PASSAGE: **ASSEMBLY:** 9/27/2018

SENATE: 9/27/2018

DATE OF APPROVAL: 10/4/2018

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL (Second Reprint enacted) Yes

A3808

SPONSOR'S STATEMENT: (Begins on page 5 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

S2418

SPONSOR'S STATEMENT: (Begins on page 5 of introduced bill) Yes

COMMITTEE STATEMENT: **ASSEMBLY:** No

SENATE: Yes

(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: Yes

LEGISLATIVE FISCAL ESTIMATE: No

(continued)

VETO MESSAGE: Yes

GOVERNOR'S PRESS RELEASE ON SIGNING: Yes

FOLLOWING WERE PRINTED:

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REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: No

RH/CL

§1 - C.52:32-39.1
§2 –
C.40A:11-19.1
§3 –
C.18A:18A-10.1
§4 - Note

P.L. 2018, CHAPTER 127, *approved October 4, 2018*
Assembly, No. 3808 (*Second Reprint*)

1 AN ACT concerning prompt payment on certain public contracts and
2 ²[amending and]² supplementing various parts of the statutory
3 law.
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:
7

8 ²[1. Section 3 of P.L.1987, c.184 (C.52:32-34) is amended to
9 read as follows:

10 3. a. Interest shall be paid on the amount due to a business
11 concern pursuant to a properly executed State invoice, when required,
12 if the required payment is not made on or before the required payment
13 date.

14 b. **[The]** Unless otherwise provided for in the contract, the
15 required payment date shall be **[60]** 45 calendar days from the date
16 specified in the contract or if no required payment date is specified in
17 the contract, then the required payment date shall be **[60]** 45 calendar
18 days from the receipt of a properly executed State invoice, or **[60]** 45
19 calendar days from the receipt of goods or services, whichever is later.
20 Interest shall not be paid unless goods and services are rendered.

21 c. Unless otherwise provided for in the contract, the using agency
22 shall have **[35]** 25 calendar days from the receipt of a properly
23 executed State invoice or **[35]** 25 calendar days from the receipt and
24 acceptance of delivery of goods or services, whichever is later, to
25 submit the request for payment to the division. The division shall have
26 **[25]** ¹**[13]** 20¹ calendar days from the date the request for payment is
27 submitted by the using agency to make the required payment to a
28 business concern.

29 (cf: P.L.1991, c.64, s.2)]²
30

31 ²[2. Section 5 of P.L.1987, c.184 (C.52:32-36) is amended to
32 read as follows:

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 May 24, 2018.

²Assembly amendments adopted in accordance with Governor's
recommendations August 27, 2018.

1 a. The director shall adopt rules and regulations to effectuate
2 the purposes of this act pursuant to the "Administrative Procedure
3 Act," P.L.1968, c.410 (C.52:14B-1 et seq.), except that any rules
4 and regulations affecting payments under the "New Jersey Medical
5 Assistance and Health Services Act," P.L.1968, c.413 (C.30:4D-1 et
6 seq.) shall have the approval and consent of the Commissioner of
7 Human Services.

8 b. The director shall by regulation provide that:

9 (1) Separate required payment dates shall exist for property or
10 services provided in a series of partial executions or deliveries to
11 the extent the contract provides for separate payment for each
12 partial execution or delivery;

13 (2) The using agency shall notify the business concern within
14 **[30]** 17 calendar days of any defect or impropriety in any invoice
15 submitted or of any defect or impropriety in goods or services
16 provided which would prevent the running of the time period
17 specified in section 3 of **[this act]** P.L.1987, c.184 (C.52:32-34).

18 c. The director may by regulation provide that the required
19 payment date shall be within a specified number of days after the
20 date of delivery in the case of contracts for the provision of
21 perishable goods.

22 (cf: P.L.1991, c.64, s.4)²

23

24 ²**[3.]** 1.² (New section) An independent State authority shall pay
25 interest on the amount due a business concern pursuant to a
26 properly executed invoice, when required, if the required payment
27 is not made on or before the required payment date.

28 Unless otherwise provided for in the contract, the required
29 payment date shall be ²**[45]** 60² calendar days from the date
30 specified in the contract or if no required payment is specified in
31 the contract, then the required payment date shall be ²**[45]** 60²
32 calendar days from the receipt of a properly executed invoice, or
33 ²**[45]** 60² calendar days from the receipt of goods or services,
34 whichever is later. Interest shall not be paid unless goods and
35 services are rendered.

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

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

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

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

47 As used in this section:

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

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

12
13 ²[4.] 2.² (New section) A contracting unit, as defined in section
14 2 of P.L.1971, c.198 (C.40A:11-2), shall pay interest on the amount
15 due a business concern pursuant to a properly executed invoice,
16 when required, if the required payment is not made on or before the
17 required payment date.

18 Unless otherwise provided for in the contract, the required
19 payment date shall be ²[45] 60² calendar days from the date
20 specified in the contract or if no required payment is specified in
21 the contract, then the required payment date shall be ²[45] 60²
22 calendar days from the receipt of a properly executed invoice, or
23 ²[45] 60² calendar days from the receipt of goods or services,
24 whichever is later. Interest shall not be paid unless goods and
25 services are rendered.

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

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

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

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

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

45
46 ²[5.] 3.² (New section) A board of education, as defined in
47 N.J.S.18A:18A-2, shall pay interest on the amount due a business

1 concern pursuant to a properly executed invoice, when required, if
2 the required payment is not made on or before the required payment
3 date.

4 Unless otherwise provided for in the contract, the required
5 payment date shall be ²[45] 90² calendar days from the date
6 specified in the contract or if no required payment is specified in
7 the contract, then the required payment date shall be ²[45] 90²
8 calendar days from the receipt of a properly executed invoice, or
9 ²[45] 90² calendar days from the receipt of goods or services,
10 whichever is later. Interest shall not be paid unless goods and
11 services are rendered.

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

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

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

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

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

30

31 ²[6.] 4.² This act shall take effect ²[immediately] 120 days
32 following enactment².

33

34

35

36

37 Provides for prompt payment of public contracts for purchase of
38 goods and services.

ASSEMBLY, No. 3808

STATE OF NEW JERSEY

218th LEGISLATURE

INTRODUCED APRIL 5, 2018

Sponsored by:

Assemblyman LOUIS D. GREENWALD

District 6 (Burlington and Camden)

Assemblyman JON M. BRAMNICK

District 21 (Morris, Somerset and Union)

Assemblywoman CAROL A. MURPHY

District 7 (Burlington)

SYNOPSIS

Provides for prompt payment of public contracts for purchase of goods and services.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 5/11/2018)

A3808 GREENWALD

2

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

3

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

6

7 1. Section 3 of P.L.1987, c.184 (C.52:32-34) is amended to
8 read as follows:

9 3. a. Interest shall be paid on the amount due to a business
10 concern pursuant to a properly executed State invoice, when
11 required, if the required payment is not made on or before the
12 required payment date.

13 b. **【The】** Unless otherwise provided for in the contract, the
14 required payment date shall be **【60】** 45 calendar days from the date
15 specified in the contract or if no required payment date is specified
16 in the contract, then the required payment date shall be **【60】** 45
17 calendar days from the receipt of a properly executed State invoice,
18 or **【60】** 45 calendar days from the receipt of goods or services,
19 whichever is later. Interest shall not be paid unless goods and
20 services are rendered.

21 c. Unless otherwise provided for in the contract, the using
22 agency shall have **【35】** 25 calendar days from the receipt of a
23 properly executed State invoice or **【35】** 25 calendar days from the
24 receipt and acceptance of delivery of goods or services, whichever
25 is later, to submit the request for payment to the division. The
26 division shall have **【25】** 13 calendar days from the date the request
27 for payment is submitted by the using agency to make the required
28 payment to a business concern.

29 (cf: P.L.1991, c.64, s.2)

30

31 2. Section 5 of P.L.1987, c.184 (C.52:32-36) is amended to
32 read as follows:

33 a. The director shall adopt rules and regulations to effectuate
34 the purposes of this act pursuant to the "Administrative Procedure
35 Act," P.L.1968, c.410 (C.52:14B-1 et seq.), except that any rules
36 and regulations affecting payments under the "New Jersey Medical
37 Assistance and Health Services Act," P.L.1968, c.413 (C.30:4D-1 et
38 seq.) shall have the approval and consent of the Commissioner of
39 Human Services.

40 b. The director shall by regulation provide that:

41 (1) Separate required payment dates shall exist for property or
42 services provided in a series of partial executions or deliveries to
43 the extent the contract provides for separate payment for each
44 partial execution or delivery;

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.

1 (2) The using agency shall notify the business concern within
2 **【30】 17** calendar days of any defect or impropriety in any invoice
3 submitted or of any defect or impropriety in goods or services
4 provided which would prevent the running of the time period
5 specified in section 3 of **【this act】 P.L.1987, c.184 (C.52:32-34).**

6 c. The director may by regulation provide that the required
7 payment date shall be within a specified number of days after the
8 date of delivery in the case of contracts for the provision of
9 perishable goods.

10 (cf: P.L.1991, c.64, s.4)

11

12 3. (New section) An independent State authority shall pay
13 interest on the amount due a business concern pursuant to a
14 properly executed invoice, when required, if the required payment
15 is not made on or before the required payment date.

16 Unless otherwise provided for in the contract, the required
17 payment date shall be 45 calendar days from the date specified in
18 the contract or if no required payment is specified in the contract,
19 then the required payment date shall be 45 calendar days from
20 the receipt of a properly executed invoice, or 45 calendar days from
21 the receipt of goods or services, whichever is later. Interest shall
22 not be paid unless goods and services are rendered.

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

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

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

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

34 As used in this section:

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

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

46

47 4. (New section) A contracting unit, as defined in section 2 of
48 P.L.1971, c.198 (C.40A:11-2), shall pay interest on the amount due

A3808 GREENWALD

1 a business concern pursuant to a properly executed invoice, when
2 required, if the required payment is not made on or before the
3 required payment date.

4 Unless otherwise provided for in the contract, the required
5 payment date shall be 45 calendar days from the date specified in
6 the contract or if no required payment is specified in the contract,
7 then the required payment date shall be 45 calendar days from the
8 receipt of a properly executed invoice, or 45 calendar days from the
9 receipt of goods or services, whichever is later. Interest shall not be
10 paid unless goods and services are rendered.

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

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

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

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

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

30

31 5. (New section) A board of education, as defined in
32 N.J.S.18A:18A-2, shall pay interest on the amount due a business
33 concern pursuant to a properly executed invoice, when required, if
34 the required payment is not made on or before the required payment
35 date.

36 Unless otherwise provided for in the contract, the required
37 payment date shall be 45 calendar days from the date specified in
38 the contract or if no required payment is specified in the contract,
39 then the required payment date shall be 45 calendar days from the
40 receipt of a properly executed invoice, or 45 calendar days from the
41 receipt of goods or services, whichever is later. Interest shall not be
42 paid unless goods and services are rendered.

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

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

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

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

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

13

14 6. This act shall take effect immediately.

15

16

17

STATEMENT

18

19 This bill amends the "New Jersey Prompt Payment Act" to
20 require a State agency that is delinquent in making payment to a
21 business concern that provides goods or services to make a penalty
22 payment to that firm after 45 days following the required payment
23 date instead of after 60 days as at present. The bill also extends this
24 prompt payment policy to independent State authorities, local
25 government contracting units, and boards of education. A penalty
26 will consist of interest on the late payment, at a rate established by
27 the State Treasurer, to be paid to the business concern for the period
28 beginning on the day after the required payment date and ending on
29 the date on which the check for payment is drawn. Interest may be
30 paid by separate payment to a business concern, but must be paid
31 within 30 days of the late payment. A public entity may waive the
32 interest payment for a delinquency due to circumstances beyond the
33 entity's control, including but not limited to strikes or natural
34 disasters.

ASSEMBLY STATE AND LOCAL GOVERNMENT
COMMITTEE

STATEMENT TO
ASSEMBLY, No. 3808

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 23, 2018

The Assembly State and Local Government Committee reports favorably and with committee amendments Assembly Bill No. 3808.

As amended, this bill amends the “New Jersey Prompt Payment Act” to require a State agency that is delinquent in making payment to a business concern that provides goods or services to make a penalty payment to that firm after 45 days following the required payment date instead of after 60 days as at present. The bill also extends this prompt payment policy to independent State authorities, local government contracting units, and boards of education. A penalty will consist of interest on the late payment, at a rate established by the State Treasurer, to 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 may be paid by separate payment to a business concern, but must be paid within 30 days of the late payment. A public entity may waive the interest payment for a delinquency due to circumstances beyond the entity’s control, including but not limited to strikes or natural disasters.

COMMITTEE AMENDMENTS

The committee amended the bill to provide that division will have 20, rather than 13, calendar days from the date the request for payment is submitted by the using agency to make the required payment to a business concern. This gives the using agency and the division the full 45 days allotted in subsection b. of section 1 of the bill to make the required payment to a business concern.

SENATE, No. 2418

STATE OF NEW JERSEY
218th LEGISLATURE

INTRODUCED APRIL 5, 2018

Sponsored by:

Senator TROY SINGLETON

District 7 (Burlington)

Senator STEVEN V. OROHO

District 24 (Morris, Sussex and Warren)

SYNOPSIS

Provides for prompt payment of public contracts for purchase of goods and services.

CURRENT VERSION OF TEXT

As introduced.



S2418 SINGLETON, OROHO

2

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2 amending and supplementing various parts of the statutory law.

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4 **BE IT ENACTED** by the Senate and General Assembly of the State
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12 required payment date.

13 b. **【The】** Unless otherwise provided for in the contract, the
14 required payment date shall be **【60】** 45 calendar days from the date
15 specified in the contract or if no required payment date is specified
16 in the contract, then the required payment date shall be **【60】** 45
17 calendar days from the receipt of a properly executed State invoice,
18 or **【60】** 45 calendar days from the receipt of goods or services,
19 whichever is later. Interest shall not be paid unless goods and
20 services are rendered.

21 c. Unless otherwise provided for in the contract, the using
22 agency shall have **【35】** 25 calendar days from the receipt of a
23 properly executed State invoice or **【35】** 25 calendar days from the
24 receipt and acceptance of delivery of goods or services, whichever
25 is later, to submit the request for payment to the division. The
26 division shall have **【25】** 13 calendar days from the date the request
27 for payment is submitted by the using agency to make the required
28 payment to a business concern.

29 (cf: P.L.1991, c.64, s.2)

30

31 2. Section 5 of P.L.1987, c.184 (C.52:32-36) is amended to read
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33 a. The director shall adopt rules and regulations to effectuate the
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35 P.L.1968, c.410 (C.52:14B-1 et seq.), except that any rules and
36 regulations affecting payments under the "New Jersey Medical
37 Assistance and Health Services Act," P.L.1968, c.413 (C.30:4D-1 et
38 seq.) shall have the approval and consent of the Commissioner of
39 Human Services.

40 b. The director shall by regulation provide that:

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44 partial execution or delivery;

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.

1 (2) The using agency shall notify the business concern within
2 **【30】 17** calendar days of any defect or impropriety in any invoice
3 submitted or of any defect or impropriety in goods or services
4 provided which would prevent the running of the time period
5 specified in section 3 of **【this act】 P.L.1987, c.184 (C.52:32-34)**.

6 c. The director may by regulation provide that the required
7 payment date shall be within a specified number of days after the
8 date of delivery in the case of contracts for the provision of
9 perishable goods.

10 (cf: P.L.1991, c.64, s.4)

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12 3. (New section) An independent State authority shall pay
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14 properly executed invoice, when required, if the required payment
15 is not made on or before the required payment date.

16 Unless otherwise provided for in the contract, the required
17 payment date shall be 45 calendar days from the date specified in
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19 then the required payment date shall be 45 calendar days from
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24 the period beginning on the day after the required payment date and
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27 for State late payments to business concerns pursuant to section 4 of
28 P.L.1987,c.184 (C.52:32-35).

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30 but shall be paid within 30 days of the late payment.

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

34 As used in this section:

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36 business, including a private nonprofit entity operating as an
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42 "independent State authority" means a public authority, board,
43 commission, committee, council, instrumentality, or agency which
44 is a body corporate and politic established by law having the power
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47 4. (New section) A contracting unit, as defined in section 2 of
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S2418 SINGLETON, OROHO

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3 required payment date.

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5 payment date shall be 45 calendar days from the date specified in
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14 Interest shall be paid at the rate specified by the State Treasurer
15 for State late payments to business concerns pursuant to section 4 of
16 P.L.1987, c.184 (C.52:32-35).

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

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

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

30

31 5. (New section) A board of education, as defined in
32 N.J.S.18A:18A-2, shall pay interest on the amount due a business
33 concern pursuant to a properly executed invoice, when required, if
34 the required payment is not made on or before the required payment
35 date.

36 Unless otherwise provided for in the contract, the required
37 payment date shall be 45 calendar days from the date specified in
38 the contract or if no required payment is specified in the contract,
39 then the required payment date shall be 45 calendar days from the
40 receipt of a properly executed invoice, or 45 calendar days from the
41 receipt of goods or services, whichever is later. Interest shall not be
42 paid unless goods and services are rendered.

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

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

S2418 SINGLETON, OROHO

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

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

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

13

14 6. This act shall take effect immediately.

15

16

17

STATEMENT

18

19 This bill amends the "New Jersey Prompt Payment Act" to
20 require a State agency that is delinquent in making payment to a
21 business concern that provides goods or services to make a penalty
22 payment to that firm after 45 days following the required payment
23 date instead of after 60 days as at present. The bill also extends this
24 prompt payment policy to independent State authorities, local
25 government contracting units, and boards of education. A penalty
26 will consist of interest on the late payment, at a rate established by
27 the State Treasurer, to be paid to the business concern for the period
28 beginning on the day after the required payment date and ending on
29 the date on which the check for payment is drawn. Interest may be
30 paid by separate payment to a business concern, but must be paid
31 within 30 days of the late payment. A public entity may waive the
32 interest payment for a delinquency due to circumstances beyond the
33 entity's control, including but not limited to strikes or natural
34 disasters.

SENATE STATE GOVERNMENT, WAGERING, TOURISM &
HISTORIC PRESERVATION COMMITTEE

STATEMENT TO

SENATE, No. 2418

STATE OF NEW JERSEY

DATED: MAY 14, 2018

The Senate State Government, Wagering, Tourism and Historic Preservation Committee reports favorably Senate Bill No. 2418.

This bill amends the “New Jersey Prompt Payment Act” to require a State agency that is delinquent in making payment to a business concern that provides goods or services to make a penalty payment to that firm after 45 days following the required payment date instead of after 60 days as at present. The bill also extends this prompt payment policy to independent State authorities, local government contracting units, and boards of education. A penalty will consist of interest on the late payment, at a rate established by the State Treasurer, to 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 may be paid by separate payment to a business concern, but must be paid within 30 days of the late payment. A public entity may waive the interest payment for a delinquency due to circumstances beyond the entity’s control, including but not limited to strikes or natural disasters.

STATEMENT TO
SENATE, No. 2418

with Senate Floor Amendments
(Proposed by Senators SINGLETON and OROHO)

ADOPTED: JUNE 7, 2018

This Senate Amendment provides that the division will have 20, rather than 13, calendar days from the date the request for payment is submitted by the using agency to make the required payment to a business concern. This gives the using agency and the division the full 45 days allotted in subsection b. of section 1 of the bill to make the required payment to a business concern.

ASSEMBLY BILL NO. 3808
(First Reprint)

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Assembly Bill No. 3808 (First Reprint) with my recommendations for reconsideration.

The goods and services provided by our vendors are often a critical necessity in enabling our State departments, agencies, authorities, and school boards to perform properly and effectively the governmental functions needed to serve the people of New Jersey. It is important for us to ensure that the vendors we use, including small businesses, are paid in a timely manner, as unwarranted payment delays may adversely affect their ability to provide services and undercut their effectiveness and viability. This bill recognizes not only the importance of the role vendors play but the fairness inherent in fostering prompt payment, and expands the application of vendor payment schedules - which, under current law, are applicable only to State agencies and departments - to the State's independent authorities and school boards of education.

State agencies and departments have operated under the payment schedules dictated by law for many years. The vast majority of all State invoices are timely paid within the currently prescribed 60-day period. While I understand from our vendors' perspective their interest in further expediting invoice payments, I am sensitive to the additional burdens that shortening those payment deadlines may place on governmental entities. And, of course, should a governmental entity fail to meet the statutory payment schedule, the fiscal burden of that failure falls not on the entity itself but must be borne by the taxpayers of this State. As such, I am recommending that no change be made to the established payment period that has been effectively utilized by vendors and State agencies.

For independent authorities, local entities and school boards, which will be operating under a newly-implemented payment schedule, I am recommending a more flexible payment schedule than is prescribed in the bill. These entities meet infrequently at times, and as a result may be unable to routinely adhere to tighter payment schedules. This is especially true for school boards that may recess during the summer months, where board approval is required for processing of invoice payments. As such, I am recommending a 90-day payment schedule for school boards. Independent authorities and local entities, which have never been on a statutorily-mandated payment schedule, should be subject to the same 60-day payment schedule currently mandated for State agencies.

I commend the sponsors for advocating on behalf of the State's vendors and mandating that independent authorities and school boards comply with payment schedules, but the schedules need to take into account the operating realities of both.

Accordingly, I herewith return Assembly Bill No. 3808 (First Reprint) and recommend that it be amended as follows:

<u>Page 2, Title, Line 2:</u>	Delete "amending and"
<u>Page 2, Section 1, Lines 7-28:</u>	Delete in their entirety
<u>Page 2, Section 2, Lines 30-43:</u>	Delete in their entirety
<u>Page 3, Section 2, Lines 1-10:</u>	Delete in their entirety
<u>Page 3, Section 3, Line 12:</u>	Delete "3." and insert "1."
<u>Page 3, Section 3, Line 17:</u>	Delete "45" and insert "60"
<u>Page 3, Section 3, Line 19:</u>	Delete "45" and insert "60"
<u>Page 3, Section 3, Line 20:</u>	Delete "45" and insert "60"
<u>Page 3, Section 4, Line 47:</u>	Delete "4." and insert "2."
<u>Page 4, Section 4, Line 5:</u>	Delete "45" and insert "60"
<u>Page 4, Section 4, Line 7:</u>	Delete "45" and insert "60"
<u>Page 4, Section 4, Line 8:</u>	Delete "45" and insert "60"
<u>Page 4, Section 5, Line 31:</u>	Delete "5." and insert "3."

<u>Page 4, Section 5, Line 37:</u>	Delete "45" and insert "90"
<u>Page 4, Section 5, Line 39:</u>	Delete "45" and insert "90"
<u>Page 4, Section 5, Line 40:</u>	Delete "45" and insert "90"
<u>Page 5, Section 6, Line 14:</u>	Delete "6." and insert "4."
<u>Page 5, Section 6, Line 14:</u>	Delete "immediately" and insert "120 days following enactment"

Respectfully,

[seal]

/s/ Philip D. Murphy

Governor

Attest:

/s/ Matthew J. Platkin

Chief Counsel to the Governor



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Newark, N.J.

Governor Murphy Takes Action on Legislation

08/27/2018

TRENTON – Today, Governor Phil Murphy announced that he has conditionally vetoed the following bills:

A-764/S-365 (Caputo, Tucker, Quijano, Vainieri Huttle, Sumter, McKnight, Conaway, Houghtaling/Rice, Ruiz, Bucco) – "Alyssa's Law"; requires public school buildings to be equipped with panic alarm linked to local law enforcement.

[Copy of Statement on A764](#)

A-1053/S-1429 (Houghtaling, Taliaferro, Andrzejczak/Van Drew) – Revises and expands laws on trespass and vandalism on agricultural and horticultural lands.

[Copy of Statement on A1053](#)

A-2762/S-1317 (Greenwald, Mukherji, Conaway/Ruiz, Singleton) – Revises law concerning temporary disability leave.

[Copy of Statement on A2762](#)

A-2763/S-342 (Greenwald, Downey/Cruz-Perez) – Requires additional data in annual temporary disability and family leave insurance reports.

[Copy of Statement on A2763](#)

A-3676/S-2307 (Mazzeo, Armato, Giblin/Sweeney, Van Drew, C.A. Brown) – Creates Garden State Growth Zone at Atlantic City International Airport and surrounding area; adjusts full-time employee designation requirements.

[Copy of Statement on A3676](#)

A-3683/S-2416 (Murphy, McKnight, Jones/Madden, Vitale) – Authorizes parking privileges for certain healthcare workers who render care at patients' home residences.

[Copy of Statement on A3683](#)

A-3703/S-2549 (DeAngelo/Cryan, Sweeney) – Revises ownership standards and exemptions under HVACR license law.

[Copy of Statement on A3703](#)

A-3754/S-2510 (McKnight, Speight, Barclay/Madden, Pennacchio) – Exempts persons providing hair braiding services from licensure requirement, requires registration of hair braiding establishments.

[Copy of Statement on A3754](#)

A-3808/S-2418 (Greenwald, Bramnick, Murphy/Singleton, Oroho) – Provides for prompt payment of public contracts for purchase of goods and services.

[Copy of Statement on A3808](#)

A-4118/S-1838 (Swain, Tully, Murphy/Ruiz, Diegnan) – Permits individuals to submit TDI and family temporary disability leave claims to DOLWD prior to commencement of leave under certain circumstances and requires timely payment of benefits for such claims.

[Copy of Statement on A4118](#)

ACS for A-4181/S-2722 (Jones, Murphy/Cruz-Perez) – Requires establishment of common enrollment system in renaissance school district; expands definition of urban campus area; clarifies that employees of renaissance school projects are in State-administered retirement systems.

[Copy of Statement on A4181](#)

A-4230/S-2752 (Burzichelli, Mukherji, Houghtaling, Downey/Gopal, Sarlo) – Changes use of certain revenue derived from sports wagering at racetracks.

[Copy of Statement on A4230](#)

A-4261/S-2794 (Burzichelli, Moriarty, Conaway/Sweeney, Singleton) – Provides for collection of sales tax from certain remote sellers.

[Copy of Statement on A4261](#)

A-4262/S-2795 (Pintor Marin/Sweeney) – Decouples certain provisions of corporation business tax from Internal Revenue Code; alters dividends received deduction; revises tax base of surtax on corporation business income; repeals tax on certain dividends.

[Copy of Statement on A4262](#)

S-250/A-3190 (Van Drew, Gopal/Land, Andrzejczak, Armato) – Provides tax credit eligibility for qualified businesses at certain airports under Grow New Jersey Assistance Program.

[Copy of Statement on S250](#)

S-844/A-1980 (Turner, Cruz-Perez/Sumter, Mukherji, Pintor Marin, Wimberly) – Establishes a partial return to work TDI program.

[Copy of Statement on S844](#)

S-866/A-3294 (Sweeney, Vitale/Vainieri Huttel, Mukherji) – Extends eligibility for certain individuals for emergency assistance.

[Copy of Statement on S866](#)

S-2293/A-3902 (Sweeney, Oroho, Gordon, A.R. Bucco/Benson, Burzichelli, Lampitt) – "Securing Our Children's Future Bond Act"; authorizes issuance of \$1,000,000,000 in general obligation bonds to finance certain school, school district, and county college capital projects; appropriates \$5,000.

[Copy of Statement on S2293](#)

S-2758/A-4212 (Vitale, Ruiz/Coughlin) – Increases financial resources provided through Medicaid program for certain hospitals; Establishes County Option Hospital Fee Pilot Program.

[Copy of Statement on S2758](#)

Governor Murphy announced that he has absolute vetoed the following bills:

A-3267/S-2600 (Vainieri Huttle, Pinkin, McKeon/Ruiz, Smith, Weinberg) – Establishes fee on single-use carryout bags used in certain stores and dedicates fee revenue to "Healthy Schools and Community Lead Abatement Fund."

[Copy of Statement on A3267](#)

S-878/A-3084 (Madden, Sweeney, Singleton/Greenwald, Moriarty, Jones) – Restricts authority to terminate reciprocal personal income tax agreements with other states.

[Copy of Statement on S878](#)

S-2662/A-4113 (Sweeney, Bateman/Burzichelli) – Limits liability for persons who deliver heating oil to unregulated tanks for discharges from that tank under certain circumstances.

[Copy of Statement on S2662](#)

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Newark, N.J.

Governor Murphy Takes Action on Legislation

10/4/2018

TRENTON – Today, Governor Phil Murphy signed the following bills into law:

A1053 w/GR (Houghtaling, Taliaferro, Andrzejczak/Van Drew) – Revises and expands laws on trespass and vandalism on agricultural and horticultural lands.

A2762 w/GR (Greenwald, Mukherji, Conaway/Ruiz, Singleton) – Revises law concerning temporary disability leave.

[Copy of Statement on A2762 w/GR](#)

A2763 w/GR (Greenwald, Downey, Pintor Marin/Cruz-Perez) – Requires additional data in annual temporary disability and family leave insurance reports.

[Copy of Statement on A2763 w/GR](#)

A3683 w/GR (Murphy, McKnight, Jones/Madden, Vitale) – Authorizes parking privileges for certain healthcare workers who render care at patients' home residences.

A3703 w/GR (DeAngelo/Cryan, Sweeney) – Revises ownership standards and exemptions under HVACR license law.

A3754 w/GR (McKnight, Speight, Barclay/Madden) – Exempts persons providing hair braiding services from licensure requirement, requires registration of hair braiding establishments.

A3808 w/GR (Greenwald, Bramnick, Murphy/Singleton, Oroho) – Provides for prompt payment of public contracts for purchase of goods and services.

A4118 w/GR (Swain, Tully, Murphy/Ruiz, Diegnan) – Permits individuals to submit TDI and family temporary disability leave claims to DOLWD prior to commencement of leave under certain circumstances and requires timely payment of benefits for such claims.

[Copy of Statement on A4118 w/GR](#)

A4181 w/GR (Jones, Murphy/Cruz-Perez) – Clarifies that employees of renaissance school projects are in State administered retirement systems.

[Copy of Statement on A4181 w/GR](#)

A4230 w/GR (Burzichelli, Mukherji, Houghtaling, Downey/Gopal, Sarlo) – Changes use of certain revenue derived from sports wagering at racetracks.

A4495 (Pintor Marin/Sarlo, Singleton) – Amends provisions regarding tax base and operative dates relative to CBT and combined reporting; provides CBT deduction in amount of certain foreign-related income; clarifies tax treatment of certain tax credits awarded by EDA.
[Copy of Statement on A4495](#)

A4496 (Burzichelli, Moriarty/Singleton) – Provides for collection of sales tax by marketplace facilitators and certain remote sellers, and clarifies collection of taxes related to hotel and transient accommodation occupancies.

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