

18A: 18A-40.3

LEGISLATIVE HISTORY CHECKLIST
Compiled by the NJ State Law Library

(School contracts--withholding a percentage of amount due pending completion--amend)

NJSA: 18A:18A-40.3

LAWS OF: 1993 CHAPTER: 18

BILL NO: S102

SPONSOR(S) Ewing

DATE INTRODUCED: Pre-filed

COMMITTEE: ASSEMBLY: Education

SENATE: Education

AMENDED DURING PASSAGE: Yes Amendments during passage denoted by asterisks

DATE OF PASSAGE: ASSEMBLY: December 17, 1992

SENATE: June 11, 1992

DATE OF APPROVAL: January 22, 1993

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: ASSEMBLY: Yes

SENATE: Yes

FISCAL NOTE: No

VETO MESSAGE: No

MESSAGE ON SIGNING: No

FOLLOWING WERE PRINTED:

REPORTS: No

HEARINGS: No

KBG:pp

[SECOND REPRINT]

SENATE, No. 102

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1992 SESSION

By Senator EWING

1 AN ACT concerning public school contracts and amending
2 P.L.1987, c.343.

3

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

6 1. Section 3 of P.L.1987, c.343 (C.18A:18A-40.3) is amended
7 to read as follows:

8 3. With respect to any contract or agreement entered into by a
9 board of education pursuant to section 1 of [this act] P.L.1987,
10 c.343 (C.18A:18A-40.1) for which the contractor shall agree to
11 the withholding of payments pursuant to section 2 of [this act]
12 P.L.1987, c.343 (C.18A:18A-40.2), [2%] 5% of the amount due on
13 each partial payment shall be withheld by the board of education
14 pending completion of the contract or agreement ¹if the
15 contractor ²[is not bonded] does not have a performance bond² .
16 If the contractor ²[is bonded] does have a performance bond² ,
17 2% of the amount due on each partial payment shall be withheld
18 by the board of education when the outstanding balance of the
19 contract exceeds \$500,000, and 5% of the amount due on each
20 partial payment shall be withheld by the board of education when
21 the outstanding balance of the contract is \$500,000 or less¹.

22 (cf: P.L.1987, c.343, s.3)

23 2. This act shall take effect immediately.

24

25

26

27

28 Requires boards of education to withhold specified percentages of
29 amounts due pending completion of certain contracts or
30 agreements.

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:

¹ Senate SED committee amendments adopted March 5, 1992.

² Assembly AED committee amendments adopted September 14, 1992.

SENATE, No. 102
STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel
PRE-FILED FOR INTRODUCTION IN THE 1992 SESSION

By Senator EWING

1 AN ACT concerning public school contracts and amending
2 P.L.1987, c.343.

3
4 BE IT ENACTED *by the Senate and General Assembly of the*
5 *State of New Jersey:*

6 1. Section 3 of P.L.1987, c.343 (C.18A:18A-40.3) is amended
7 to read as follows:

8 3. With respect to any contract or agreement entered into by a
9 board of education pursuant to section 1 of [this act] P.L.1987,
10 c.343 (C.18A:18A-40.1) for which the contractor shall agree to
11 the withholding of payments pursuant to section 2 of [this act]
12 P.L.1987, c.343 (C.18A:18A-40.2), [2%] 5% of the amount due on
13 each partial payment shall be withheld by the board of education
14 pending completion of the contract or agreement.

15 (cf: P.L.1987, c.343, s.3)

16 2. This act shall take effect immediately.

17
18
19
20

STATEMENT

21 This bill increases from 2 percent to 5 percent the amount
22 which shall be withheld on each partial payment due by a board of
23 education pending completion of a contract or agreement. The
24 contract or agreement must be for the construction,
25 reconstruction, alteration, or maintenance of any building or
26 facility or other improvement to real property and in an amount
27 in excess of \$100,000.

28
29
30
31

32 Requires boards of education to withhold 5 percent of the amount
33 due pending completion of certain contracts or agreements.

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.

ASSEMBLY EDUCATION COMMITTEE

STATEMENT TO

[FIRST REPRINT]

SENATE, No. 102

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: SEPTEMBER 14, 1992

The Assembly Education Committee reports favorably Senate Bill No. 102 (1R) with committee amendments.

This bill, as amended, increases from 2 percent to 5 percent the amount which shall be withheld on each partial payment due from a board of education pending completion of certain construction contracts or agreements if the contractor does not have a performance bond. If the contractor does have a performance bond, 2 percent of the amount due on each partial payment shall be withheld by the board of education when the outstanding balance of the contract exceeds \$500,000, and 5 percent of the amount due on each partial payment shall be withheld when the outstanding balance of the contract is \$500,000 or less. The bill would only apply to a contract or agreement for the construction, reconstruction, alteration, or maintenance of any building or facility or other improvement to real property in an amount exceeding \$100,000.

The committee amendments clarify that the bond required under the bill is a performance bond.

This bill is identical to Assembly Bill No. 1058 of 1992 with committee amendments.

A representative of the New Jersey Association of School Business Officials, New Jersey Department of Education and New Jersey Building Contractors testified in favor of the bill.

SENATE EDUCATION COMMITTEE

STATEMENT TO

SENATE, No. 102

with committee amendments

STATE OF NEW JERSEY

DATED: MARCH 5, 1992

The Senate Education Committee favorably reports this bill with committee amendments.

This bill, as amended, increases from 2 percent to 5 percent the amount which shall be withheld on each partial payment due by a board of education pending completion of a contract or agreement if the contractor is not bonded. If the contractor is bonded, 2 percent of the amount due on each partial payment shall be withheld by the board of education when the outstanding balance of the contract exceeds \$500,000, and 5 percent of the amount due on each partial payment shall be withheld when the outstanding balance of the contract is \$500,000 or less. The contract or agreement must be for the construction, reconstruction, alteration, or maintenance of any building or facility or other improvement to real property and in an amount in excess of \$100,000.

The committee adopted amendments to provide for the withholding of 5 percent if the contractor is not bonded or when the outstanding balance is \$500,000 or less, and the withholding of 2 percent when the outstanding balance exceeds \$500,000.

This bill was pre-filed for introduction in the 1992 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.