

ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, No. 584

STATE OF NEW JERSEY
218th LEGISLATURE

ADOPTED MARCH 7, 2019

Sponsored by:

Assemblyman PAUL D. MORIARTY

District 4 (Camden and Gloucester)

Assemblyman DANIEL R. BENSON

District 14 (Mercer and Middlesex)

Assemblyman GORDON M. JOHNSON

District 37 (Bergen)

SYNOPSIS

Provides State agencies will not enter into contracts with business entities that require persons or public entities to submit disputes to binding arbitration.

CURRENT VERSION OF TEXT

Substitute as adopted by the Assembly Consumer Affairs Committee.



1 AN ACT concerning the award of State contracts to certain business
2 entities that require binding arbitration and supplementing
3 P.L.2003, c.95 (C.2A:23B-1 et seq.).
4

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

8 1. a. As used in this section:

9 "Business entity" means any natural or legal person, business
10 corporation, professional services corporation, limited liability
11 company, partnership, limited partnership, business trust,
12 association, or any other legal commercial entity organized under
13 the laws of this State or of any other state or foreign jurisdiction.

14 "State agency" means any of the principal departments in the
15 Executive Branch of the State government, and any division, board,
16 bureau, office, commission, or other instrumentality within or
17 created by such department, and any independent State authority,
18 commission, instrumentality, or agency.

19 b. A State agency shall not enter into a contract or agreement
20 with a business entity that requires any person or public entity, as a
21 condition of doing business with that business entity, to submit a
22 dispute arising after the signing of the contract to binding
23 arbitration, thereby denying those persons or public entities their
24 rights and remedies in a court of law.

25 c. The provisions of this section shall not apply to any contract
26 or agreement:

27 (1) in effect on the effective date of P.L. , c. (C.) (pending
28 before the Legislature as this bill);

29 (2) necessary to address a public emergency; or

30 (3) that the State agency determines is unlikely to attract a
31 number of qualified business entities sufficient to ensure a level of
32 competition that will result in a contract price that is in the best
33 interest of the State.
34

35 2. This act shall take effect immediately.