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New and Amended Pay-to-Play Regulations Effective April 19, 2010

At its meeting on March 23, 2010, the Commission adopted new and amended pay-to-play regulations as described below. These regulations will become effective on April 19, 2010. For more information, please review the proposal and adoption notices on the Commission's website under "Legal Resources."

New Rule N.J.A.C. 19:25-26.10, Recordkeeping; Period of Retention for Business Entities

A business entity, which receives \$50,000 or more in the aggregate through agreements or contracts with a public entity or public entities, must file an annual disclosure statement with the Commission pursuant to N.J.S.A. 19:44A-20.27, see also N.J.A.C. 19:25-26.4. N.J.S.A. 19:44A-20.27(e) provides penalties for a business entity that fails to comply with the reporting requirements. **The Commission has adopted new rule N.J.A.C. 19:25-26.10, Recordkeeping; period of retention, to provide that a business entity that is required to file an annual disclosure statement must make or obtain and maintain records for a period of not less than four years after the date the annual report was filed, or a period of not less than four years after the due date for the annual report, whichever is longer.**

Amendments to N.J.A.C. 19:25-24.1, 25.1 and 26.1, Definitions to Require Reporting of Currency Contributions

N.J.S.A. 19:44A-11.8, enacted as P.L. 2004, c. 28, effective January 1, 2005, requires reporting of every currency contribution, regardless of amount, received by a candidate, candidate committee, joint candidates committee, political committee, continuing political committee, political party committee, legislative leadership committee or other person or group required to report a contribution to the Commission. Reports of currency contributions include the name and mailing address of each contributor, occupation and employer information and the amount of the currency contribution. The Commission has amended the definition sections in the following subchapters: Subchapter 24, State Contractor Contributions Prohibited; Subchapter 25, Legislative, County and Municipal Contractor Contributions Prohibited; and Subchapter 26, Contribution Disclosure for For-Profit and Non-profit Entities, to include currency contributions in the definitions defining "contribution reportable by recipient." **As a result, the making of a currency contribution in any amount will trigger the pay-to-play prohibition and disclosure provisions.**

Amendments to N.J.A.C. 19:25-26.1, Non-profit Entities Excluded from Pay-to-Play Disclosure Requirements

P.L. 2005, c. 271 (Chapter 271), added a comprehensive disclosure component to the pay-to-play reform initiative. Shortly thereafter, the Commission adopted rules specifically requiring both for-profit and non-profit entities to comply with disclosure rules; see 38 N.J.R. 1864(a), 1867. Amendments to Section 3 of Chapter 271, were enacted in 2008, which specify that a “business entity” for purposes of pay-to-play disclosure legislation means a “for-profit entity.” See P.L. 2007, c. 304. **The Commission has adopted amendments to N.J.A.C. 19:25-26.1, Definitions, and to the heading of Subchapter 26, to delete reference to non-profit entities, in order to conform with the recent statutory amendments.**