

EXECUTIVE ORDER NO. 118

WHEREAS, the residents of New Jersey are entitled to a government that is effective, efficient, and free from corruption, favoritism, and waste; and

WHEREAS, in pursuit of those goals, a series of actions have been taken in New Jersey since 2004 - through legislation, executive order, and regulation - to protect the integrity of government contractual decisions and increase the public's confidence in government by prohibiting the awarding of government contracts to business entities that also are contributors to certain candidates and political parties; and

WHEREAS, government decisions regarding redevelopment projects often involve substantial sums of money, and the procedures regarding such decisions can be less rigorous than those governing other types of procurement activities; and

WHEREAS, as demonstrated in the recent report of the Inspector General regarding the Encap redevelopment project, the integrity of government decisions regarding a redevelopment project can be called into question by virtue of the timing of political contributions and the nature of government actions benefiting or relating to a redevelopment project; and

WHEREAS, the Constitution of this State requires the Governor to manage the operations of State government effectively and fairly, uphold the law to ensure public order and prosperity, and confront and uproot malfeasance in whatever form it may take; and

WHEREAS, it is the Governor's responsibility to safeguard the integrity of decision-making regarding State redevelopment projects by imposing restrictions on State agencies and independent authorities to insulate such decision-making from

political contributions that pose the risk of improper influence, purchase of access, or the appearance thereof;

NOW, THEREFORE, I, JON S. CORZINE, Governor of the State of New Jersey, by virtue of the authority vested in me by the Constitution and by the Statutes of this State, do hereby ORDER and DIRECT:

1. For the purposes of this Order:

a. "Business entity" means:

(i) a for-profit entity as follows:

(A) in the case of a corporation: the corporation, any officer of the corporation, and any person or business entity that owns or controls 10% or more of the stock of the corporation;

(B) in the case of a general partnership: the partnership and any partner;

(C) in the case of a limited partnership: the limited partnership and any partner;

(D) in the case of a professional corporation: the professional corporation and any shareholder or officer;

(E) in the case of a limited liability company: the limited liability company and any member;

(F) in the case of a limited liability partnership: the limited liability partnership and any partner;

(G) in the case of a sole proprietorship: the proprietor; and

(H) in the case of any other form of entity organized under the laws of this State or

any other state or foreign jurisdiction:
 the entity and any principal, officer, or
 partner thereof;

(ii) any subsidiary directly or indirectly controlled
 by the business entity;

(iii) any political organization organized under
 section 527 of the Internal Revenue Code that is
 directly or indirectly controlled by the business
 entity, other than a candidate committee,
 election fund, or political party committee; and

(iv) with respect to an individual who is included
 within the definition of business entity, that
 individual's spouse or civil union partner, and
 any child residing with the individual, provided,
 however, that this Order shall not apply to a
 contribution made by such spouse, civil union
 partner, or child to a candidate for whom the
 contributor is entitled to vote or to a political
 party committee within whose jurisdiction the
 contributor resides unless such contribution is
 in violation of Paragraph 7 of this Order.

b. "Contribution" means a contribution reportable by the
 recipient under "The New Jersey Campaign Contributions
 and Expenditures Reporting Act," P.L.1973, c.83
 (C.19:44A-1 et seq.) made on or after the effective
 date of this Order.

c. "Redeveloper" means any business entity that enters
 into or proposes to enter into a redevelopment
 agreement, and includes (i) a subsidiary business
 entity directly or indirectly controlled by the
 redeveloper; and (ii) a business entity that contracts

with the redeveloper to perform professional, consulting, or lobbying services in connection with the redevelopment project.

- d. "Redevelopment agreement" means an agreement or contract with a State redevelopment entity for the redevelopment or rehabilitation of an area in need of redevelopment, or an area in need of rehabilitation, or any part thereof, or other work forming a part of a redevelopment or rehabilitation project.
- e. "State redevelopment entity" means any State agency, including any principal department in the Executive Branch and any division, board, bureau, office, commission, or other instrumentality within or created by such department, and any independent State authority, board, commission, instrumentality, or agency that is authorized by law to implement a redevelopment project and carry out a redevelopment plan. The State Treasurer shall prepare and publish a list of the State entities included under this definition.

2. State redevelopment entities shall use a competitive process, to include public issuance of a request for proposal, a request for qualifications, or similar solicitation, for selecting a redeveloper.

3. A State redevelopment entity shall not enter into or propose to enter into a redevelopment agreement with any redeveloper if, beginning after the public issuance of a request for proposal, a request for qualifications, or similar solicitation in accordance with Paragraph 2 of this Order, that redeveloper has made a contribution to (i) a candidate committee or election fund of any candidate for or holder of the public

office of Governor or Lieutenant Governor, (ii) a State, county, or municipal political party committee or a legislative leadership committee, or (iii) a candidate committee or election fund of any candidate for or holder of a State legislative, county, or municipal elective public office in a State legislative district, county, or municipality in which any property subject to the redevelopment agreement is situated.

4. A redeveloper that enters into a redevelopment agreement with a State redevelopment entity shall not make a contribution during the term of the redevelopment agreement to any committee or election fund identified in Paragraph 3 of this Order.

5. Prior to entering into a redevelopment agreement a State redevelopment entity shall require the redeveloper to report all contributions the redeveloper made during the preceding four years to any political organization organized under section 527 of the Internal Revenue Code that also meets the definition of a "continuing political committee" within the meaning of section 3 of P.L.1973, c.83 (C.19:44A-3), and, in the event the redeveloper enters into a contract with a business entity to perform professional, consulting, or lobbying services in connection with the redevelopment project after entering into the redevelopment agreement, the redeveloper shall supplement its report to include such contributions by that business entity. Such reports shall be subject to review by the State Treasurer. If the State Treasurer determines that any such contribution or any other act by the redeveloper would constitute a violation of this Order, the State Treasurer shall disqualify the redeveloper from being awarded the redevelopment agreement.

6. Prior to entering into a redevelopment agreement a State redevelopment entity shall require the redeveloper to provide a written certification that it has not made a contribution that would bar the award of the redevelopment agreement pursuant to this Order. The redeveloper shall have a continuing duty to report any contribution it makes during the term of the redevelopment agreement. Such reports shall be subject to review by the State Treasurer

7. A redeveloper shall not: (i) make a contribution in violation of this Order, unless such violation is remedied in accordance with Paragraph 8 of this Order; (ii) conceal or misrepresent a contribution given or received; (iii) make a contribution through an intermediary for the purpose of concealing or misrepresenting the source of the contribution; (iv) make a contribution on the condition or with the agreement that the recipient will in turn make a contribution that if made by the redeveloper itself would subject the redeveloper to the restrictions of this Order; (v) engage or employ a lobbyist, governmental affairs agent, or consultant with the intent or understanding that the lobbyist, governmental affairs agent, or consultant would make a contribution that if made by the redeveloper itself would subject the redeveloper to the restrictions of this Order; (vi) fund or direct contributions made by third parties, including consultants, attorneys, family members, and employees; (vii) engage in any exchange or contributions to circumvent the intent of this Order; or (viii) directly or indirectly, through or by any other person or means, do any act which would subject the redeveloper to the restrictions of this Order. A violation of the provisions of this Order shall be considered a material breach of the

redevelopment agreement unless remedied in accordance with Paragraph 8 of this Order.

8. Except for contributions made within 60 days of a June primary election or a general election, if a redeveloper makes a contribution that would otherwise bar it from entering into a redevelopment agreement with a State redevelopment entity or makes a contribution during the term of a redevelopment agreement in violation of this Order, the redeveloper may request a full reimbursement from the recipient and, if such reimbursement is received within 30 days after the date on which the contribution was made, the redeveloper would again be eligible to enter into the redevelopment agreement or would no longer be in violation, as appropriate.

9. Every request for qualifications, request for proposals, or any similar solicitation issued by a State redevelopment entity in connection with a redevelopment project shall contain a provision describing the requirements of this Order and a statement that compliance with this Order shall be a material term and condition of any redevelopment agreement with the State redevelopment entity and binding upon the parties thereto upon the execution of the redevelopment agreement.

10. To the extent that a term that is used in this Order requires interpretation or definition, resort shall be made to the relevant definition of the term in the "New Jersey Campaign Contributions and Expenditures Reporting Act," P.L.1973, c.83 (C.19:44A-1, et seq.) or to section 3 of P.L.1992, c.79 (C.40A:12A-3), as may be appropriate.

11. This Order shall take effect on November 15, 2008, and is intended to have prospective effect only. This Order shall apply to all redevelopment agreements entered into after November 15, 2008, but shall not affect any contribution made prior to November 15, 2008.

GIVEN, under my hand and seal
this 24th day of September,
Two Thousand and Eight, and
of the Independence of the
United States, the Two
Hundred and Thirty-Third.

/s/ Jon S. Corzine

Governor

[seal]

Attest:

/s/ Edward J. McBride, Jr.

Chief Counsel to the Governor