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New Law Expands Business Registration Certificate Requirement On Public Work

By Edward J. Frisch and Greg Vitali

As you are aware, about three years ago the State of New Jersey began requiring all State vendors to provide proof of registration before receiving a State contract. Recent legislation has extended this requirement to contracts with any “contracting agency” as defined in the law.

Contracting Agency is defined under the new law to include, among others:

- Boards of Education;
- Counties;
- Municipalities;
- State Colleges, Universities and County Colleges;
- All agencies of the Executive Branch of State Government; and
- State Authorities.

Contractors Must Submit Certificate With Bid

The law affects all business organizations that bid on public projects and seek to do business with a “contracting agency.” Under this new law, contractors that bid on a public project for a contracting agency must provide a Business Registration Certificate with their bid. *(over →)*



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Failure to submit the Business Registration Certificate at the time of bidding will be deemed a fatal mandatory non-waivable defect resulting in the automatic rejection of the bid. The bidder will not be allowed to cure this defect after bid submission.

Bids Must Include Subs'/Suppliers' Certificates

The new law also extends the business registration certificate requirement to subcontractors and suppliers. First, whenever a bid or request for proposal requires the listing of a subcontractor, the contractor must obtain and submit with its bid a copy of the subcontractor's Business Registration Certificate.

Second, once work on the project begins, all unnamed subcontractors, suppliers and sub-subcontractors through every tier of the project must provide their Business Registration Certificates to the contractor, who in turn shall provide them to the contracting agency.

Every contractor, subcontractor and sub-subcontractor must maintain copies of the Business Registration Certificates obtained from their subcontractors and suppliers.

Contactors Must Maintain Updated Subcontractor List

The new law also requires the contractor to submit to the contracting agency a list of subcontractors and their addresses that may be updated from time to time during the course of the contract performance. At the conclusion of the project, the contractor is required to submit a final updated subcontractor list to the contracting agency as a condition precedent to final payment.

To Obtain The Business Registration Certificate

Contractors and subcontractors may obtain a Business Registration Certificate by requesting an application from:

**Client Registration Bureau
P.O. Box 252
Trenton, New Jersey 08646-0252**

You can also apply online at:

www.nj.gov/treasury/revenue/taxreg.htm



If you have any questions concerning this new legislation and the requirements for a Business Registration Certificate, please contact Edward J. Frisch, Esq. (efrisch@lindabury.com) or Greg K. Vitali, Esq. (gvitali@lindabury.com). For biographical information on our attorneys, see our web site at www.lindabury.com.

