



Legislation Details (With Text)

**File #:** 22-1110      **Version:** 1      **Name:** Ordinance - Responsible Party  
**Type:** Ordinance      **Status:** Adopted  
**File created:** 8/2/2022      **In control:** Law  
**On agenda:** 9/8/2022      **Final action:** 10/5/2022

**Title:** AN ORDINANCE AMENDING AND SUPPLEMENTING TITLE II, ADMINISTRATION, CHAPTER 2:4, GENERAL ADMINISTRATION, ARTICLE 2, CONTRACTS WITH THE CITY, OF THE REVISED GENERAL ORDINANCES OF THE CITY OF NEWARK, NEW JERSEY, 2000, AS AMENDED AND SUPPLEMENTED, BY CREATING A NEW SECTION XXX, RESPONSIBLE PARTY, WHICH WILL REQUIRE ANY BUSINESS ENTITY TO IDENTIFY AND DESIGNATE A RESPONSIBLE INDIVIDUAL FOR ANY CITY CONTRACT(S) OR AGREEMENT(S) IN WHICH THAT BUSINESS ENTITY RECEIVES A FINANCIAL INCENTIVE OR COMPENSATORY BENEFIT FROM THE CITY OF NEWARK.  
Deferred 6PSF-a 092122

**Sponsors:** Council of the Whole

**Indexes:**

**Code sections:**

Date	Ver.	Action By	Action	Result
10/5/2022	1	Municipal Council		
9/21/2022	1	Municipal Council	Maintained on Public Hearing and Deferred	Pass
9/8/2022	1	Municipal Council	Advanced and Adopted on First Reading as	Pass

**AN ORDINANCE AMENDING AND SUPPLEMENTING TITLE II, ADMINISTRATION, CHAPTER 2:4, GENERAL ADMINISTRATION, ARTICLE 2, CONTRACTS WITH THE CITY, OF THE REVISED GENERAL ORDINANCES OF THE CITY OF NEWARK, NEW JERSEY, 2000, AS AMENDED AND SUPPLEMENTED, BY CREATING A NEW SECTION XXX, RESPONSIBLE PARTY, WHICH WILL REQUIRE ANY BUSINESS ENTITY TO IDENTIFY AND DESIGNATE A RESPONSIBLE INDIVIDUAL FOR ANY CITY CONTRACT(S) OR AGREEMENT(S) IN WHICH THAT BUSINESS ENTITY RECEIVES A FINANCIAL INCENTIVE OR COMPENSATORY BENEFIT FROM THE CITY OF NEWARK.**

**Deferred 6PSF-a 092122**

**WHEREAS**, the City of Newark has a significant interest in ensuring business entities that enter into agreement(s) for a financial incentive and/or compensatory benefit with the City, which include, but are not limited to Redevelopment Agreements, Redevelopment Area Bonds, and Long Term Tax Exemption have designated a responsible individual to ensure compliance with all local regulations and ordinance; and

**WHEREAS**, it is a privilege and not a right for the City to enter into agreements and/or

contracts involving a financial incentive or compensatory benefit with business entities; and

**WHEREAS**, the City has an obligation to ensure the privilege afforded to those business entities are being properly complied and enforced.

**NOW, THEREFORE, BE IT ORDAINED BY THE MUNICIPAL COUNCIL OF THE CITY OF NEWARK, NEW JERSEY, THAT:**

**SECTION 1.** The Revised General Ordinances XXX of the City of Newark, New Jersey, 2000, as amended and supplemented, shall include the following:

**XXX a.** Definition.

“Responsible Party” means an individual who is an officer, shareholder, member, manager, partner or other person authorized by the Entity to make day-to-day decisions relating to its business affairs, who has or will benefit, directly or indirectly, from the Entity’s receipt.

**XXX b.** Statement of Policy.

The City of Newark has a significant interest in ensuring business entities that enter into agreement (s) for financial incentive and/or compensatory benefit(s) with the City have designated a responsible individual (herein referred to as “Responsible Party”) to ensure compliance with all local regulations and ordinances. Duties of the Responsible Party will also include, but are not limited to receiving service of process for fines, warrants, in addition to being personally held liable for any fine that is assessed, or any jail time that is imposed.

**XXX c.** Applicability.

1. Designation of a Responsible Party shall apply to any City contract or agreement in which a business entity receives a financial incentive or compensatory benefits.
2. Any agreement or contract which involves the entity receiving a financial incentive and/ or compensatory benefits (i.e. agreement including, but not limited to Redevelopment Agreements, Redevelopment Area Bonds, and Long Term Tax Exemption) shall include a provision requiring business entities to designate a Responsible Party.
3. The Responsible Party shall be an individual that is either an officer, shareholder, member, manager, partner or other person authorized by the business entity to make day-to-day decisions relating to its business affairs who has or will benefit, directly or indirectly, for purposes of: (i) receiving service of process for any notice of breach, default or a violation of any of the provisions of the Agreement; and (ii) being jointly and severally liable with the entity for the payment of any fines, penalties, costs or other assessments imposed by the City for such breach, default or a violation of any of the provisions of the Agreement.

4. A Responsible Party designation is not required for contracts or agreement procured under N.J.S.A. 40A:11-1 et al seq., Local Public Contracts Law.

**Section 3.** If any portion of this Ordinance shall be deemed unenforceable by a court of competent jurisdiction, the remainder of the Ordinance shall remain in full force and effect.

**Section 4.** This Ordinance shall take effect subject to its final passage and publication in accordance with the laws of the State of New Jersey.

### **STATEMENT**

This Ordinance creates a new section XXX, which will require business entities to designate a responsible individual for any city contract and/or agreement in which that entity receives a financial incentive or compensatory benefits from the City.