

LEGISLATIVE HISTORY CHECKLIST

NJSA 52:13D-12 et al "New Jersey Conflict of Interest Law--Amends"

LAWS 1987 **CHAPTER** 432

Bill No. S2580

Sponsor (s) Contillo and others

Date Introduced September 22, ~~1988~~ 1986

Committee: Assembly State Government

Senate State Government & Federal & Interstate Relations & Veterans Affairs.

Amended during passage Yes Amendments during passage denoted by asterisks

Date of Passage: Assembly January 11, 1988

Senate October 30, 1986

Date of approval January 15, 1988

Following statements are attached if available:

Sponsor statement: Yes Attached: Assembly amendments, adopted 1-7-88 (with statement)

Committee Statement: Assembly Yes

Senate Yes

Fiscal Note No

Veto Message No

Message on signing Yes

Following were printed:

Reports No

Hearings No

See newspaper clipping--attached:"Ethics law raises question of volunteers..... " 3-6-88 Star Ledger " Kean enacts tighter ethics code...., 1-6-88 Star Ledger

[SECOND OFFICIAL COPY REPRINT]

SENATE, No. 2580

STATE OF NEW JERSEY

INTRODUCED SEPTEMBER 22, 1986

By Senators CONTILLO, FELDMAN and DiFRANCESCO

Referred to Committee on State Government and Federal and
Interstate Relations and Veterans Affairs

AN ACT concerning conflicts of interest and amending the title
and body of P. L. 1971, c. 182.

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. The title of P. L. 1971, c. 182 is amended to read as follows:
2 AN ACT for the more effectual regulation of the conduct of State
3 officers and employees, *special State officers and employees*
4 and members of the Legislature, repealing the "New Jersey
5 Conflicts of Interest Law" (P. L. 1967, c. 229), and supple-
6 menting Title 52 of the Revised Statutes.

1 2. Section 2 of P. L. 1971, c. 182 (C. 52:13D-13) is amended to
2 read as follows:

3 2. As used in this act, and unless a different meaning clearly
4 appears from the context, the following terms shall have the fol-
5 lowing meaning:

6 a. "State agency" means any of the principal departments in
7 the Executive Branch of the State Government, and any division,
8 board, bureau, office, commission or other instrumentality within
9 or created by such department, the Legislature of the State and any
10 office, board, bureau or commission within or created by the Legis-
11 lative Branch, *and, to the extent consistent with law, any inter-*
12 *state agency to which New Jersey is a party* and any independent
13 State authority, commission, instrumentality or agency. A county
14 or municipality shall not be deemed an agency or instrumentality
15 of the State.

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill
is not enacted and is intended to be omitted in the law.

Matter printed in italics *thus* is new matter.

Matter enclosed in asterisks or stars has been adopted as follows:

*—Senate committee amendments adopted October 20, 1986.

**—Assembly amendments adopted January 7, 1988.

16 b. "State officer or employee" means any person, other than
 17 a **[member of the Legislature,]** *special State officer or employee*
 18 *(1) holding an office or employment in a State agency. [excluding*
 19 *special State officers or employees as defined in subsection e. of*
 20 *this section.] excluding an interstate agency, other than a member*
 21 *of the Legislature or (2) appointed as a New Jersey member to an*
 22 *interstate agency.*

23 c. "Member of the Legislature" means any person elected to
 24 serve in the General Assembly or the Senate.

25 d. "Head of a State agency" means (1) in the case of the
 26 Executive Branch of government, *except with respect to interstate*
 27 *agencies,* the department head or, if the agency is not assigned to
 28 a department, the Governor, and (2) in the case of the Legislative
 29 Branch, the chief presiding officer of each House of the Legislature.

30 e. "Special State officer or employee" means (1) any person
 31 holding an office or employment in a State agency, *excluding an*
 32 *interstate agency,* for which office or employment no compensation
 33 is authorized or provided by law, or no compensation other than a
 34 sum in reimbursement of expenses, whether payable per diem or
 35 per annum, is authorized or provided by law; **[and]** (2) any per-
 36 son, not a member of the Legislature, holding a part-time elective
 37 or appointive office or employment in **[the Legislative branch]**
 38 *a State agency, excluding an interstate agency, or (3) any person*
 39 *appointed as a New Jersey member to an interstate agency the*
 40 *duties of which membership are not full-time.*

41 f. "Person" means any natural person, association or corpo-
 42 ration.

43 g. "Interest" means (1) the ownership or control of more than
 44 10% of the profits or assets of a firm, association, or partnership,
 45 or more than 10% of the stock in a corporation for profit other
 46 than a professional service corporation organized under the "Pro-
 47 fessional Service Corporation **[Act]**" (N. J. S. 14A:17-1 et seq.)
 48 *Act," P. L. 1969, c. 232 (C. 14A:17-1 et seq.);* or (2) the ownership
 49 or control of more than 1% of the profits of a firm, association, or
 50 partnership, or more than 1% of the stock in any corporation,
 51 which is the holder of, or an applicant for, a casino license or in
 52 any holding or intermediary company with respect thereto, as
 53 defined by the "Casino Control Act," P. L. 1977, c. 110 (C.
 54 5:12-1 et seq.). The provisions of this act governing the conduct
 55 of individuals are applicable to shareholders, associates or profes-
 56 sional employees of a professional service corporation regardless
 57 of the extent or amount of their shareholder interest in such a cor-
 58 poration.

59 h. "Cause, proceeding, application or other matter" means a
 60 specific cause, proceeding or matter and does not mean or include
 61 determinations of general applicability or the preparation or re-
 62 view of legislation, which is no longer pending before the Legisla-
 63 ture or the Governor.

64 i. "Member of the immediate family" of any person means the
 65 person's spouse, child, parent or sibling residing in the same
 66 household.

1 3. Section 5 of P. L. 1971, c. 182 (C. 52:13D-16) is amended to
 2 read as follows:

3 5. a. No special State officer or employee, nor any partnership,
 4 firm or corporation in which he has an interest, nor any partner,
 5 officer or employee of any such partnership, firm or corporation,
 6 shall represent, appear for, or negotiate on behalf of, or agree to
 7 represent, appear for or negotiate on behalf of, any person or
 8 party other than the State in connection with any cause, proceeding,
 9 application or other matter pending before the particular office,
 10 bureau, board, council, commission, authority, agency, fund or
 11 system in which such special State officer or employee holds office
 12 or employment.

13 b. No State officer or employee or member of the Legislature,
 14 nor any partnership, firm or corporation in which he has an inter-
 15 est, nor any partner, officer or employee of any such partnership,
 16 firm or corporation, shall represent, appear for, or negotiate on be-
 17 half of, or agree to represent, appear for, or negotiate on behalf of,
 18 any person or party other than the State in connection with any
 19 cause, proceeding, application or other matter pending before any
 20 State agency; provided, however, this subsection shall not be
 21 deemed to prohibit a member of the Legislature from making an
 22 inquiry for information on behalf of a constituent, if no fee,
 23 reward, or other thing of value is promised to, given to or ac-
 24 cepted by the member of the Legislature, whether directly or in-
 25 directly nor shall anything contained herein be deemed to pro-
 26 hibit any such partnership, firm or corporation from appearing on
 27 its own behalf.

28 c. Nothing contained in this section shall be deemed to prohibit
 29 any legislator, or any State officer or employee or special State
 30 officer or employee from representing, appearing for or negotiating
 31 on behalf of, or agreeing to represent, appear for, or negotiate on
 32 behalf of, any person or party other than the State in connection
 33 with any proceeding: **[pending]**

34 (1) *Pending* before any court of record of this State, **[any pro-**
 35 **ceeding in]**

36 (2) *In* regard to a claim for compensation arising under chap-
 37 ter 15 of Title 34 of the Revised Statutes (Workers' Compensa-
 38 tion), **[any proceeding in]**

39 (3) *In* connection with the determination or review of transfer
 40 inheritance or estate taxes, **[any proceeding in]**

41 (4) *In* connection with the filing of corporate or other docu-
 42 ments in the office of the Secretary of State, **[any proceeding be-**
 43 **fore]**

44 (5) *Before* the Division on Civil Rights or *any successor thereof*,

45 (6) *Before* the New Jersey State Board of Mediation or *any*
 46 *successor thereof*,

47 (7) *Before* the New Jersey Public Employment Relations Com-
 48 mission or *any successor thereof*,

49 (8) *Before* the Unsatisfied Claim and Judgment Fund Board
 50 or *any successor thereof* solely for the purpose of filing a notice
 51 of intention pursuant to to P. L. 1952, c. 174, § 5 (C. 39:6-65), or
 52 **[any successor thereof or any proceeding]**

53 (9) *Before any State agency* on behalf of a county, municipality
 54 or school district, or any authority, agency or commission of any
 55 thereof except where the State is an adverse party in the proceed-
 56 ing and provided he is not holding any office or employment in
 57 the State agency in which any such proceeding is pending.

1 4. Section 6 of P. L. 1971, c. 182 (C. 52:13D-17) is amended to
 2 read as follows:

3 6. No State officer or employee or special State officer or em-
 4 ployee, subsequent to the termination of his office or employment
 5 in any State agency, shall represent, appear for **[or]**, negotiate on
 6 behalf of, or *provide information* ****[or services]**** *not generally*
 7 *available to members of the public* ****or services**** *to*, or agree to
 8 represent, appear for, **[or]** negotiate on behalf of, or *provide*
 9 *information* ****[or services]**** *not generally available to members*
 10 *of the public* ****or services**** *to*, whether by himself or through any
 11 partnership, firm or corporation in which he has an interest or
 12 through any partner, officer or employee thereof, any person or
 13 party other than the State in connection with any cause, proceeding,
 14 application or other matter with respect to which such State officer
 15 or employee or special State officer or employee shall have made
 16 any investigation, rendered, any ruling, given any opinion, or been
 17 otherwise substantially and directly involved at any time during
 18 the course of his office or employment. Any person who willfully
 19 violates the provisions of this section is a disorderly person, and
 20 shall be subject to a fine not to exceed \$500.00 or imprisonment not
 21 to exceed six months, or both.

1 5. Section 8 of P. L. 1971, c. 182 (C. 52:13D-19) is amended to
2 read as follows:

3 S. a. No member of the Legislature or State officer or employee
4 shall knowingly himself, or by his partners or through any corpo-
5 ration which he controls or in which he owns or controls more than
6 ~~10%~~ 1% of the stock, or by any other person for his use or bene-
7 fit or on his account, undertake or execute, in whole or in part, any
8 contract, agreement, sale or purchase of the value of \$25.00 or
9 more, made, entered into, awarded or granted by any State
10 agency~~;~~ provided, however, that the~~],~~ *except as provided in sub-*
11 *section b. of this section. No special State officer or employee*
12 *having any duties or responsibilities in connection with the pur-*
13 *chase or acquisition of property or services by the State agency*
14 *where he is employed or an officer shall knowingly himself, by his*
15 *partners or through any corporation which he controls or in which*
16 *he owns or controls more than 1% of the stock, or by any other*
17 *person for his use or benefit or on his account, undertake or ex-*
18 *ecute, in whole or in part, any contract, agreement, sale or pur-*
19 *chase of the value of \$25.00 or more, made, entered into, awarded*
20 *or granted by that State agency, except as provided in subsection*
21 *b. of this section. **The restriction contained in this subsection*
21A *shall apply to the contracts of interstate agencies to the extent*
21B *consistent with law only if the contract, agreement, sale or purchase*
21C *is undertaken or executed by a New Jersey member to that agency*
21D *or by his partners or a corporation in which he owns or controls*
21E *more than 1% of the stock.***

22 b. The provisions of subsection a. of this section shall not apply
23 to (a) purchases, contracts, agreements or sales which (1) are
24 made or let after public notice and competitive bidding or which
25 (2), pursuant to section 5 of chapter 48 of the laws of 1944 (C.
26 52:34-10) ***or such other similar provisions contained in the public*
27 *bidding laws or regulations applicable to other State agencies***,
28 may be made, negotiated or awarded without public advertising
29 or bids, or (b) any contract of insurance entered into by the
30 Director of the Division of Purchase and Property pursuant
30A to section 10 of article 6 of chapter 112 of the laws of 1944
30B (C. 52:27B-62), if such purchases, contracts or agreements,
31 including change orders and amendments thereto, shall receive
32 prior approval of the Joint Legislative Committee on Ethical
33 Standards if a member of the Legislature or State officer or em-
34 ployee *or special State officer or employee* in the Legislative
35 Branch has an interest therein ~~]~~ *which would otherwise be for-*
36 *bidden by this section], or the Executive Commission on Ethical*

37 Standards if a State officer or employee *or special State officer or*
 38 *employee* in the Executive Branch has an interest therein [which
 39 would otherwise be forbidden by this section].

1 6. Section 12 of P. L. 1971, c. 182 (C. 52:13D-23) is amended to
 2 read as follows:

3 12. (a) The head of each State agency, or the principal officer in
 4 charge of a division, board, bureau, commission or other instru-
 5 mentality within a department of State Government designated
 6 by the head of such department for the purposes hereinafter set
 7 forth, shall within six months from the date of enactment, promul-
 8 gate a code of ethics to govern and guide the conduct of the mem-
 9 bers of the Legislature [or], the State officers and employees *or*
 10 *the special State officers and employees* in the agency to which
 11 said code is applicable. Such code shall conform to the general
 12 standards hereinafter set forth in this section, but is shall be
 13 formulated with respect to the particular needs and problems of
 14 the agency to which said code is to apply. *Notwithstanding any*
 15 *other provisions of this section, the New Jersey members to any*
 16 *interstate agency to which New Jersey is a party and the officers*
 17 *and employees of any State agency which fails to promulgate a*
 18 *code of ethics shall be deemed to be subject to a code of ethics*
 19 *the provisions of which shall be paragraphs (1) through (6) of*
 20 *subsection (e) of this section.*

21 (b) A code of ethics formulated pursuant to this section to gov-
 22 ern and guide the conduct of the State officers and employees *or*
 23 *the special State officers and employees* in any State agency in the
 24 Executive Branch, or any portion of such a code, shall not be effec-
 25 tive unless it has first been approved by the Executive Commis-
 26 sion on Ethical Standards. When a proposed code is submitted
 27 to the said commission it shall be accompanied by an opinion of
 28 the Attorney General as to its compliance with the provisions of
 29 this act and any other applicable provision of law. Nothing con-
 30 tained herein shall prevent officers of State agencies in the Execu-
 31 tive Branch from consulting with the Attorney General or with
 32 the Executive Commissions on Ethical Standards at any time in
 33 connection with the preparation or revision of such codes of ethics.

34 (c) A code of ethics formulated pursuant to this section to gov-
 35 ern and guide the conduct of the members of the Legislature [and],
 36 State officers and employees *or special State officers and employees*
 37 in any State agency in the Legislative Branch, or any portion of
 38 such code, shall not be effective unless it has first been approved
 39 by the Legislature by concurrent resolution. When a proposed
 40 code is submitted to the Legislature for approval it shall be ac-

41 accompanied by an opinion of the chief counsel as to its compliance
42 with the provisions of this act and any other applicable provisions
43 of law. Nothing contained herein shall prevent officers of State
44 agencies in the Legislative Branch from consulting with the Chief
45 Legislative Counsel or the Joint Legislative Committee on Ethical
46 Standards at any time in connection with the preparation or re-
47 vision of such codes of ethics.

48 (d) Violations of a code of ethics promulgated pursuant to this
49 section shall be cause for removal, suspension, demotion or other
50 disciplinary action by the State officer or agency having the power
51 of removal or discipline. When a person who is in the classified civil
52 service is charged with a violation of such a code of ethics, the
53 procedure leading to such removal or discipline shall be governed
54 by any applicable provisions of the Civil Service Law and the Rules
55 of the Department of Civil Service. No action for removal or dis-
56 cipline shall be taken under this subsection except upon the re-
57 ferral or with the approval of the Executive Commission on Ethical
58 Standards or the Joint Legislative Committee on Ethical Stan-
59 dards, whichever is authorized to exercise jurisdiction with respect
60 to the complaint upon which such action for removal or discipline
61 is to be taken.

62 (e) A code of ethics for officers and employees of a State agency
63 shall conform to the following general standards:

64 (1) No State officer or employee *or special State officer or em-*
65 *ployee* should have any interest, financial or otherwise, direct or
66 indirect, or engage in any business or transaction or professional
67 activity, which is in substantial conflict with the proper discharge
68 of his duties in the public interest.

69 (2) No State officer or employee *or special State officer or em-*
70 *ployee* should engage in any particular business, profession, trade
71 or occupation which is subject to licensing or regulations by a
72 specific agency of State Government without promptly filing notice
73 of such activity with the Executive Commission on Ethical Stan-
74 dards, if he is an officer or employee in the Executive Branch, or
75 with the Joint Legislative Committee on Ethical Standards, if he
76 is an officer or employee in the Legislative Branch.

77 (3) No State officer or employee *or special State officer or em-*
78 *ployee* should use or attempt to use his official position to secure
79 unwarranted privileges or advantages for himself or others.

80 (4) No State officer or employee *or special State officer or em-*
81 *ployee* should act in his official capacity in any matter wherein he
82 has a direct or indirect personal financial interest that might rea-

83 sonably be expected to impair his objectivity or independence of
84 judgment.

85 (5) No State officer or employee *or special State officer or em-*
86 *ployee* should undertake any employment or service, whether com-
87 pensated or not, which might reasonably be expected to impair
88 his objectivity and independence of judgment in the exercise of his
89 official duties.

90 (6) No State officer or employee *or special State officer or em-*
91 *ployee* should accept any gift, favor,, service or other thing of
92 value under circumstances from which it might be reasonably in-
93 ferred: that such gift, service or other thing of value was given or
94 offered for the purpose of influencing him in the discharge of his
95 official duties.

96 (7) No State officer or employee *or special State officer or em-*
97 *ployee* should knowingly act in any way that might reasonably be
98 expected to create an impression or suspicion among the public
99 having knowledge of his acts that he may be engaged in conduct
100 violative of his trust as a State officer or employee *or special State*
101 *officer or employee.*

102 (8) Rules of conduct adopted pursuant to these principles should
103 recognize that under our democratic form of government public
104 officials and employees should be drawn from all of our society, that
105 citizens who serve in government can not and should not be ex-
106 pected to be without any personal interest in the decisions and
107 policies of government; that citizens who are government officials
108 and employees have a right to private interests of a personal,
109 financial and economic nature; that standards of conduct should
110 separate those conflicts of interest which are unavoidable in a free
111 society from those conflicts of interest which are substantial and
112 material, or which bring government into disrepute.

113 (f) The code of ethics for members of the Legislature shall
114 conform to subsection (e) hereof as nearly as may be possible.

1 7. This act shall take effect on the ***[90th]*** **30th** day after
2 **the date of** enactment.

ETHICS AND FINANCIAL DISCLOSURE
Amends the "New Jersey Conflicts of Interest Law."

STATE OF NEW JERSEY

INTRODUCED SEPTEMBER 22, 1986

By Senators CONTILLO, FELDMAN and DiFRANCESCO

Referred to Committee on State Government and Federal and
Interstate Relations and Veterans Affairs

AN ACT concerning conflicts of interest and amending the title
and body of P. L. 1971, c. 182.

1 BE IT ENACTED *by the Senate and General Assembly of the State*
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5 Conflicts of Interest Law" (P. L. 1967, c. 229), and supple-
6 menting Title 52 of the Revised Statutes.

1 2. Section 2 of P. L. 1971, c. 182 (C. 52:13D-13) is amended to
2 read as follows:

3 2. As used in this act, and unless a different meaning clearly
4 appears from the context, the following terms shall have the fol-
5 lowing meaning:

6 a. "State agency" means any of the principal departments in
7 the Executive Branch of the State Government, and any division,
8 board, bureau, office, commission or other instrumentality within
9 or created by such department, the Legislature of the State and any
10 office, board, bureau or commission within or created by the Legis-
11 lative Branch, *and, to the extent consistent with law, any inter-*
12 *state agency to which New Jersey is a party* and any independent
13 State authority, commission, instrumentality or agency. A county
14 or municipality shall not be deemed an agency or instrumentality
15 of the State.

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill
is not enacted and is intended to be omitted in the law.

Matter printed in italics thus is new matter.

16 b. "State officer or employee" means any person, other than
17 a [member of the Legislature,] *special State officer or employee*
18 (1) holding an office or employment in a State agency, [excluding
19 special State officers or employees as defined in subsection e. of
20 this section] *excluding an interstate agency, other than a member*
21 *of the Legislature or (2) appointed as a New Jersey member to an*
22 *interstate agency.*

23 c. "Member of the Legislature" means any person elected to
24 serve in the General Assembly or the Senate.

25 d. "Head of a State agency" means (1) in the case of the
26 Executive Branch of government, *except with respect to interstate*
27 *agencies*, the department head or, if the agency is not assigned to
28 a department, the Governor, and (2) in the case of the Legislative
29 Branch, the chief presiding officer of each House of the Legislature.

30 e. "Special State officer or employee" means (1) any person
31 holding an office or employment in a State agency, *excluding an*
32 *interstate agency*, for which office or employment no compensation
33 is authorized or provided by law, or no compensation other than a
34 sum in reimbursement of expenses, whether payable per diem or
35 per annum, is authorized or provided by law; [and] (2) any per-
36 son, not a member of the Legislature, holding a part-time elective
37 or appointive office or employment in [the Legislative branch]
38 *a State agency, excluding an interstate agency, or (3) any person*
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40 *duties of which membership are not full-time.*

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47 fessional Service Corporation [Act" (N. J. S. 14A:17-1 et seq.)]
48 *Act," P. L. 1969, c. 232 (C. 14A:17-1 et seq.)*; or (2) the ownership
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 65 person's spouse, child, parent or sibling residing in the same
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1 3. Section 5 of P. L. 1971, c. 182 (C. 52:13D-16) is amended to
 2 read as follows:

3 5. a. No special State officer or employee, nor any partnership,
 4 firm or corporation in which he has an interest, nor any partner,
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 6 shall represent, appear for, or negotiate on behalf of, or agree to
 7 represent, appear for or negotiate on behalf of, any person or
 8 party other than the State in connection with any cause, proceeding,
 9 application or other matter pending before the particular office,
 10 bureau, board, council, commission, authority, agency, fund or
 11 system in which such special State officer or employee holds office
 12 or employment.

13 b. No State officer or employee or member of the Legislature,
 14 nor any partnership, firm or corporation in which he has an inter-
 15 est, nor any partner, officer or employee of any such partnership,
 16 firm or corporation, shall represent, appear for, or negotiate on be-
 17 half of, or agree to represent, appear for, or negotiate on behalf of,
 18 any person or party other than the State in connection with any
 19 cause, proceeding, application or other matter pending before any
 20 State agency; provided, however, this subsection shall not be
 21 deemed to prohibit a member of the Legislature from making an
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 31 on behalf of, or agreeing to represent, appear for, or negotiate on
 32 behalf of, any person or party other than the State in connection
 33 with any proceeding: **[pending]**

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 7 *to members of the public to*, or agree to represent, appear for, [or]
 8 negotiate on behalf of, or *provide information or services not gen-*
 9 *erally available to members of the public to*, whether by himself
 10 or through any partnership, firm or corporation in which he has
 11 an interest or through any partner, officer or employee thereof,
 12 any person or party other than the State in connection with any
 13 cause, proceeding, application or other matter with respect to
 14 which such State officer or employee or special State officer or em-
 15 ployee shall have made any investigation, rendered, any ruling,
 16 given any opinion, or been otherwise substantially and directly
 17 involved at any time during the course of his office or employment.
 18 Any person who willfully violates the provisions of this section is
 19 a disorderly person, and shall be subject to a fine not to exceed
 20 \$500.00 or imprisonment not to exceed six months, or both.

1 5. Section 8 of P. L. 1971, c. 182 (C. 52:13D-19) is amended to
 2 read as follows:

3 8. a. No member of the Legislature or State officer or employee
 4 shall knowingly himself, or by his partners or through any corpo-
 5 ration which he controls or in which he owns or controls more than
 6 ~~10%~~ 1% of the stock, or by any other person for his use or bene-
 7 fit or on his account, undertake or execute, in whole or in part, any
 8 contract, agreement, sale or purchase of the value of \$25.00 or
 9 more, made, entered into, awarded or granted by any State
 10 agency~~;~~ provided, however, that the~~],~~ *except as provided in sub-*
 11 *section b. of this section. No special State officer or employee*
 12 *having any duties or responsibilities in connection with the pur-*
 13 *chase or acquisition of property or services by the State agency*
 14 *where he is employed or an officer shall knowingly himself, by his*
 15 *partners or through any corporation which he controls or in which*
 16 *he owns or controls more than 1% of the stock, or by any other*
 17 *person for his use or benefit or on his account, undertake or ex-*
 18 *ecute, in whole or in part, any contract, agreement, sale or pur-*
 19 *chase of the value of \$25.00 or more, made, entered into, awarded*
 20 *or granted by that State agency, except as provided in subsection*
 21 *b. of this section.*

22 b. The provisions of subsection a. of this section shall not apply
 23 to (a) purchases, contracts, agreements or sales which (1) are
 24 made or let after public notice and competitive bidding or which
 25 (2), pursuant to section 5 of chapter 48 of the laws of 1944 (C.
 26 52:34-10), may be made, negotiated or awarded without public
 27 advertising or bids, or (b) any contract of insurance entered
 28 into by the Director of the Division of Purchase and Property
 29 pursuant to section 10 of article 6 of chapter 112 of the laws of
 30 1944 (C. 52:27B-62), if such purchases, contracts or agreements,
 31 including change orders and amendments thereto, shall receive
 32 prior approval of the Joint Legislative Committee on Ethical
 33 Standards if a member of the Legislature or State officer or em-
 34 ployee *or special State officer or employee* in the Legislative
 35 Branch has an interest therein ~~which would otherwise be for-~~
 36 ~~bidden by this section],~~ or the Executive Commission on Ethical
 37 Standards if a State officer or employee *or special State officer or*
 38 *employee* in the Executive Branch has an interest therein ~~which~~
 39 ~~would otherwise be forbidden by this section].~~

1 6. Section 12 of P. L. 1971, c. 182 (C. 52:13D-23) is amended to
 2 read as follows:

3 12. (a) The head of each State agency, or the principal officer in
 4 charge of a division, board, bureau, commission or other instru-
 5 mentality within a department of State Government designated
 6 by the head of such department for the purposes hereinafter set

7 forth, shall within six months from the date of enactment, promul-
8 gate a code of ethics to govern and guide the conduct of the mem-
9 bers of the Legislature [or], the State officers and employees or
10 *the special State officers and employees* in the agency to which
11 said code is applicable. Such code shall conform to the general
12 standards hereinafter set forth in this section, but is shall be
13 formulated with respect to the particular needs and problems of
14 the agency to which said code is to apply. *Notwithstanding any*
15 *other provisions of this section, the New Jersey members to any*
16 *interstate agency to which New Jersey is a party and the officers*
17 *and employees of any State agency which fails to promulgate a*
18 *code of ethics shall be deemed to be subject to a code of ethics*
19 *the provisions of which shall be paragraphs (1) through (6) of*
20 *subsection (e) of this section.*

21 (b) A code of ethics formulated pursuant to this section to gov-
22 ern and guide the conduct of the State officers and employees or
23 *the special State officers and employees* in any State agency in the
24 Executive Branch, or any portion of such a code, shall not be effec-
25 tive unless it has first been approved by the Executive Commis-
26 sion on Ethical Standards. When a proposed code is submitted
27 to the said commission it shall be accompanied by an opinion of
28 the Attorney General as to its compliance with the provisions of
29 this act and any other applicable provision of law. Nothing con-
30 tained herein shall prevent officers of State agencies in the Execu-
31 tive Branch from consulting with the Attorney General or with
32 the Executive Commissions on Ethical Standards at any time in
33 connection with the preparation or revision of such codes of ethics.

34 (c) A code of ethics formulated pursuant to this section to gov-
35 ern and guide the conduct of the members of the Legislature [and],
36 State officers and employees or *special State officers and employees*
37 in any State agency in the Legislative Branch, or any portion of
38 such code, shall not be effective unless it has first been approved
39 by the Legislature by concurrent resolution. When a proposed
40 code is submitted to the Legislature for approval it shall be ac-
41 companied by an opinion of the chief counsel as to its compliance
42 with the provisions of this act and any other applicable provisions
43 of law. Nothing contained herein shall prevent officers of State
44 agencies in the Legislative Branch from consulting with the Chief
45 Legislative Counsel or the Joint Legislative Committee on Ethical
46 Standards at any time in connection with the preparation or re-
47 vision of such codes of ethics.

48 (d) Violations of a code of ethics promulgated pursuant to this
49 section shall be cause for removal, suspension, demotion or other

50 disciplinary action by the State officer or agency having the power
51 of removal or discipline. When a person who is in the classified civil
52 service is charged with a violation of such a code of ethics, the
53 procedure leading to such removal or discipline shall be governed
54 by any applicable provisions of the Civil Service Law and the Rules
55 of the Department of Civil Service. No action for removal or dis-
56 cipline shall be taken under this subsection except upon the re-
57 ferral or with the approval of the Executive Commission on Ethical
58 Standards or the Joint Legislative Committee on Ethical Stan-
59 dards, whichever is authorized to exercise jurisdiction with respect
60 to the complaint upon which such action for removal or discipline
61 is to be taken.

62 (e) A code of ethics for officers and employees of a State agency
63 shall conform to the following general standards:

64 (1) No State officer or employee or *special State officer or em-*
65 *ployee* should have any interest, financial or otherwise, direct or
66 indirect, or engage in any business or transaction or professional
67 activity, which is in substantial conflict with the proper discharge
68 of his duties in the public interest.

69 (2) No State officer or employee or *special State officer or em-*
70 *ployee* should engage in any particular business, profession, trade
71 or occupation which is subject to licensing or regulations by a
72 specific agency of State Government without promptly filing notice
73 of such activity with the Executive Commission on Ethical Stan-
74 dards, if he is an officer or employee in the Executive Branch, or
75 with the Joint Legislative Committee on Ethical Standards, if he
76 is an officer or employee in the Legislative Branch.

77 (3) No State officer or employee or *special State officer or em-*
78 *ployee* should use or attempt to use his official position to secure
79 unwarranted privileges or advantages for himself or others.

80 (4) No State officer or employee or *special State officer or em-*
81 *ployee* should act in his official capacity in any matter wherein he
82 has a direct or indirect personal financial interest that might rea-
83 sonably be expected to impair his objectivity or independence of
84 judgment.

85 (5) No State officer or employee or *special State officer or em-*
86 *ployee* should undertake any employment or service, whether com-
87 pensated or not, which might reasonably be expected to impair
88 his objectivity and independence of judgment in the exercise of his
89 official duties.

90 (6) No State officer or employee or *special State officer or em-*
91 *ployee* should accept any gift, favor, service or other thing of
92 value under circumstances from which it might be reasonably in-

93 ferred: that such gift, service or other thing of value was given or
 94 offered for the purpose of influencing him in the discharge of his
 95 official duties.

96 (7) No State officer or employee or *special State officer or em-*
 97 *ployee* should knowingly act in any way that might reasonably be
 98 expected to create an impression or suspicion among the public
 99 having knowledge of his acts that he may be engaged in conduct
 100 violative of his trust as a State officer or employee or *special State*
 101 *officer or employee*.

102 (8) Rules of conduct adopted pursuant to these principles should
 103 recognize that under our democratic form of government public
 104 officials and employees should be drawn from all of our society, that
 105 citizens who serve in government can not and should not be ex-
 106 pected to be without any personal interest in the decisions and
 107 policies of government; that citizens who are government officials
 108 and employees have a right to private interests of a personal,
 109 financial and economic nature; that standards of conduct should
 110 separate those conflicts of interest which are unavoidable in a free
 111 society from those conflicts of interest which are substantial and
 112 material, or which bring government into disrepute.

113 (f) The code of ethics for members of the Legislature shall
 114 conform to subsection (e) hereof as nearly as may be possible.

1 7. This act shall take effect on the 90th day after enactment.

STATEMENT

This bill amends and supplements the "New Jersey Conflicts of Interest Law," P. L. 1971, c. 182 (C. 52:13D-12 et seq.), hereinafter referred to as the Conflicts Law, as follows:

Section 1 amends the long title of the Conflicts Law to broaden its scope to include special State officers and employees.

Section 2 amends the definition section of the Conflicts Law. The definition of "State agency" is amended to include interstate agencies to which New Jersey is a party. The definition of "head of a State agency" is amended to specifically exclude the head of an interstate agency to avoid imposing obligations on persons who may not be subject to the jurisdiction of this State. The definitions of "State officer or employee" and "special State officer or employee" are amended to include New Jersey members to interstate agencies who serve full-time and part-time respectively. Employees of interstate agencies would not be included. The definition of "special State officer or employee" is further amended to reclassify compensated, part-time elective or appointive officers or employees in the Executive Branch as special State officers or employees instead of State officers or employees. The definition of

“interest” is amended solely to correct a technical error in the citation to the “Professional Service Corporation Act.”

Section 3 amends the Conflicts Law to authorize representation of local public entities in court, even where the State is an adverse party by clarifying that the State adversity restriction applies only in a proceeding before a State agency.

Section 4 amends the Conflicts Law to broaden the post employment restriction in current law to prohibit a State officer or employee or special State officer or employee from providing confidential information or services, either individually or through the entity in which he has an interest, to anyone other than the State in connection with any matter in which he was substantially and directly involved during the course of his employment.

Section 5 amends the Conflicts Law to reduce from 10% to 1% the stock ownership or control of a corporation by a member of the Legislature or a State officer or employee which precludes the corporation from contracting with the State for anything having a value of \$25.00 or more where the contract is not publicly bid or subject to any of the other enumerated exceptions.

This section is further amended to prohibit special State officers or employees serving as purchasers for a State agency to contract with that State agency for anything with a value of \$25.00 or more personally, through a partner or other person or through a corporation in which he controls or owns more than 1% of the stock. The exceptions to the application of this section would be the same and would apply to the special State officers or employees as well.

Section 6 amends the Conflicts Law to require the codes of ethics promulgated by both the Executive and Legislative Branches to govern and guide the conduct of special State officers and employees in addition to the conduct of members of the Legislature and State officers and employees. The section also amends the law to provide that New Jersey members to any interstate agency and officers and employees of any State agency which fails to promulgate a code of ethics shall be deemed to be subject to a code of ethics the provisions of which shall be paragraphs (1) through (6) of subsection (e) of the section. Interstate agencies would be exempt from the requirement of promulgating a code of ethics for New Jersey appointees.

Section 7 provides that the act shall take effect on the 90th day after enactment.

ETHICS AND FINANCIAL DISCLOSURE

Amends the “New Jersey Conflicts of Interest Law.”

STATE OF NEW JERSEY

INTRODUCED SEPTEMBER 22, 1986

By Senators CONTILLO, FELDMAN and DiFRANCESCO

Referred to Committee on State Government and Federal and
Interstate Relations and Veterans Affairs

AN ACT concerning conflicts of interest and amending the title
and body of P. L. 1971, c. 182.

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. The title of P. L. 1971, c. 182 is amended to read as follows:
2 AN ACT for the more effectual regulation of the conduct of State
3 officers and employees, *special State officers and employees*
4 and members of the Legislature, repealing the "New Jersey
5 Conflicts of Interest Law" (P. L. 1967, c. 229), and supple-
6 menting Title 52 of the Revised Statutes.

1 2. Section 2 of P. L. 1971, c. 182 (C. 52:13D-13) is amended to
2 read as follows:

3 2. As used in this act, and unless a different meaning clearly
4 appears from the context, the following terms shall have the fol-
5 lowing meaning:

6 a. "State agency" means any of the principal departments in
7 the Executive Branch of the State Government, and any division,
8 board, bureau, office, commission or other instrumentality within
9 or created by such department, the Legislature of the State and any
10 office, board, bureau or commission within or created by the Legis-
11 lative Branch, *and, to the extent consistent with law, any inter-*
12 *state agency to which New Jersey is a party* and any independent
13 State authority, commission, instrumentality or agency. A county
14 or municipality shall not be deemed an agency or instrumentality
15 of the State.

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill
is not enacted and is intended to be omitted in the law.

Matter printed in italics *thus* is new matter.

Matter enclosed in asterisks or stars has been adopted as follows:

*—Senate committee amendments adopted October 20, 1986.

16 b. "State officer or employee" means any person, other than
17 a **[member of the Legislature,]** *special State officer or employee*
18 *(1) holding an office or employment in a State agency. [excluding*
19 *special State officers or employees as defined in subsection e. of*
20 *this section]* *excluding an interstate agency, other than a member*
21 *of the Legislature or (2) appointed as a New Jersey member to an*
22 *interstate agency.*

23 c. "Member of the Legislature" means any person elected to
24 serve in the General Assembly or the Senate.

25 d. "Head of a State agency" means (1) in the case of the
26 Executive Branch of government, *except with respect to interstate*
27 *agencies*, the department head or, if the agency is not assigned to
28 a department, the Governor, and (2) in the case of the Legislative
29 Branch, the chief presiding officer of each House of the Legislature.

30 e. "Special State officer or employee" means (1) any person
31 holding an office or employment in a State agency, *excluding an*
32 *interstate agency*, for which office or employment no compensation
33 is authorized or provided by law, or no compensation other than a
34 sum in reimbursement of expenses, whether payable per diem or
35 per annum, is authorized or provided by law; **[and]** (2) any per-
36 son, not a member of the Legislature, holding a part-time elective
37 or appointive office or employment in **[the Legislative branch]**
38 *a State agency, excluding an interstate agency, or (3) any person*
39 *appointed as a New Jersey member to an interstate agency the*
40 *duties of which membership are not full-time.*

41 f. "Person" means any natural person, association or corpo-
42 ration.

43 g. "Interest" means (1) the ownership or control of more than
44 10% of the profits or assets of a firm, association, or partnership,
45 or more than 10% of the stock in a corporation for profit other
46 than a professional service corporation organized under the "Pro-
47 fessional Service Corporation **[Act]**" (N. J. S. 14A:17-1 et seq.)
48 *Act," P. L. 1969, c. 232 (C. 14A:17-1 et seq.); or (2) the ownership*
49 *or control of more than 1% of the profits of a firm, association, or*
50 *partnership, or more than 1% of the stock in any corporation,*
51 *which is the holder of, or an applicant for, a casino license or in*
52 *any holding or intermediary company with respect thereto, as*
53 *defined by the "Casino Control Act," P. L. 1977, c. 110 (C.*
54 *5:12-1 et seq.). The provisions of this act governing the conduct*
55 *of individuals are applicable to shareholders, associates or profes-*
56 *sional employees of a professional service corporation regardless*
57 *of the extent or amount of their shareholder interest in such a cor-*
58 *poration.*

59 h. "Cause, proceeding, application or other matter" means a
 60 specific cause, proceeding or matter and does not mean or include
 61 determinations of general applicability or the preparation or re-
 62 view of legislation which is no longer pending before the Legisla-
 63 ture or the Governor.

64 i. "Member of the immediate family" of any person means the
 65 person's spouse, child, parent or sibling residing in the same
 66 household.

1 3. Section 5 of P. L. 1971, c. 182 (C. 52:13D-16) is amended to
 2 read as follows:

3 5. a. No special State officer or employee, nor any partnership,
 4 firm or corporation in which he has an interest, nor any partner,
 5 officer or employee of any such partnership, firm or corporation,
 6 shall represent, appear for, or negotiate on behalf of, or agree to
 7 represent, appear for or negotiate on behalf of, any person or
 8 party other than the State in connection with any cause, proceeding,
 9 application or other matter pending before the particular office,
 10 bureau, board, council, commission, authority, agency, fund or
 11 system in which such special State officer or employee holds office
 12 or employment.

13 b. No State officer or employee or member of the Legislature,
 14 nor any partnership, firm or corporation in which he has an inter-
 15 est, nor any partner, officer or employee of any such partnership,
 16 firm or corporation, shall represent, appear for, or negotiate on be-
 17 half of, or agree to represent, appear for, or negotiate on behalf of,
 18 any person or party other than the State in connection with any
 19 cause, proceeding, application or other matter pending before any
 20 State agency; provided, however, this subsection shall not be
 21 deemed to prohibit a member of the Legislature from making an
 22 inquiry for information on behalf of a constituent, if no fee,
 23 reward, or other thing of value is promised to, given to or ac-
 24 cepted by the member of the Legislature, whether directly or in-
 25 directly nor shall anything contained herein be deemed to pro-
 26 hibit any such partnership, firm or corporation from appearing on
 27 its own behalf.

28 c. Nothing contained in this section shall be deemed to prohibit
 29 any legislator, or any State officer or employee or special State
 30 officer or employee from representing, appearing for or negotiating
 31 on behalf of, or agreeing to represent, appear for, or negotiate on
 32 behalf of, any person or party other than the State in connection
 33 with any proceeding: **[pending]**

34 (1) *Pending* before any court of record of this State. **[any pro-**
 35 **ceeding in]**

36 (2) *In regard to a claim for compensation arising under chap-*
 37 *ter 15 of Title 34 of the Revised Statutes (Workers' Compensa-*
 38 *tion), [any proceeding in]*

39 (3) *In connection with the determination or review of transfer*
 40 *inheritance or estate taxes, [any proceeding in]*

41 (4) *In connection with the filing of corporate or other docu-*
 42 *ments in the office of the Secretary of State, [any proceeding be-*
 43 *fore]*

44 (5) *Before the Division on Civil Rights or any successor thereof,*

45 (6) *Before the New Jersey State Board of Mediation or any*
 46 *successor thereof,*

47 (7) *Before the New Jersey Public Employment Relations Com-*
 48 *mission or any successor thereof,*

49 (8) *Before the Unsatisfied Claim and Judgment Fund Board*
 50 *or any successor thereof solely for the purpose of filing a notice*
 51 *of intention pursuant to to P. L. 1952, c. 174, § 5 (C. 39:6-65), or*
 52 *[any successor thereof or any proceeding]*

53 (9) *Before any State agency on behalf of a county, municipality*
 54 *or school district, or any authority, agency or commission of any*
 55 *thereof except where the State is an adverse party in the proceed-*
 56 *ing and provided he is not holding any office or employment in*
 57 *the State agency in which any such proceeding is pending.*

1 4. Section 6 of P. L. 1971, c. 182 (C. 52:13D-17) is amended to
 2 read as follows:

3 6. No State officer or employee or special State officer or em-
 4 ployee, subsequent to the termination of his office or employment
 5 in any State agency, shall represent, appear for [or], negotiate on
 6 behalf of, or *provide information or services not generally available*
 7 *to members of the public to*, or agree to represent, appear for, [or]
 8 negotiate on behalf of, or *provide information or services not gen-*
 9 *erally available to members of the public to*, whether by himself
 10 or through any partnership, firm or corporation in which he has
 11 an interest or through any partner, officer or employee thereof,
 12 any person or party other than the State in connection with any
 13 cause, proceeding, application or other matter with respect to
 14 which such State officer or employee or special State officer or em-
 15 ployee shall have made any investigation, rendered, any ruling,
 16 given any opinion, or been otherwise substantially and directly
 17 involved at any time during the course of his office or employment.
 18 Any person who willfully violates the provisions of this section is
 19 a disorderly person, and shall be subject to a fine not to exceed
 20 \$500.00 or imprisonment not to exceed six months, or both.

1 5. Section 8 of P. L. 1971, c. 182 (C. 52:13D-19) is amended to
 2 read as follows:

3 8. a. No member of the Legislature or State officer or employee
 4 shall knowingly himself, or by his partners or through any corpo-
 5 ration which he controls or in which he owns or controls more than
 6 ~~10%~~ 1% of the stock, or by any other person for his use or bene-
 7 fit or on his account, undertake or execute, in whole or in part, any
 8 contract, agreement, sale or purchase of the value of \$25.00 or
 9 more, made, entered into, awarded or granted by any State
 10 agency; provided, however, that the], *except as provided in sub-*
 11 *section b. of this section. No special State officer or employee*
 12 *having any duties or responsibilities in connection with the pur-*
 13 *chase or acquisition of property or services by the State agency*
 14 *where he is employed or an officer shall knowingly himself, by his*
 15 *partners or through any corporation which he controls or in which*
 16 *he owns or controls more than 1% of the stock, or by any other*
 17 *person for his use or benefit or on his account, undertake or ex-*
 18 *ecute, in whole or in part, any contract, agreement, sale or pur-*
 19 *chase of the value of \$25.00 or more, made, entered into, awarded*
 20 *or granted by that State agency, except as provided in subsection*
 21 *b. of this section.*

22 b. The provisions of *subsection a. of this section* shall not apply
 23 to (a) purchases, contracts, agreements or sales which (1) are
 24 made or let after public notice and competitive bidding or which
 25 (2), pursuant to section 5 of chapter 48 of the laws of 1944 (C.
 26 52:34-10), may be made, negotiated or awarded without public
 27 advertising or bids, or (b) any contract of insurance entered
 28 into by the Director of the Division of Purchase and Property
 29 pursuant to section 10 of article 6 of chapter 112 of the laws of
 30 1944 (C. 52:27B-62), if such purchases, contracts or agreements,
 31 including change orders and amendments thereto, shall receive
 32 prior approval of the Joint Legislative Committee on Ethical
 33 Standards if a member of the Legislature or State officer or em-
 34 ployee or *special State officer or employee* in the Legislative
 35 Branch has an interest therein [which would otherwise be for-
 36 bidden by this section], or the Executive Commission on Ethical
 37 Standards if a State officer or employee or *special State officer or*
 38 *employee* in the Executive Branch has an interest therein [which
 39 would otherwise be forbidden by this section].

1 6. Section 12 of P. L. 1971, c. 182 (C. 52:13D-23) is amended to
 2 read as follows:

3 12. (a) The head of each State agency, or the principal officer in
 4 charge of a division, board, bureau, commission or other instru-
 5 mentality within a department of State Government designated
 6 by the head of such department for the purposes hereinafter set

7 forth, shall within six months from the date of enactment, promul-
8 gate a code of ethics to govern and guide the conduct of the mem-
9 bers of the Legislature **[or]**, the State officers and employees or
10 *the special State officers and employees* in the agency to which
11 said code is applicable. Such code shall conform to the general
12 standards hereinafter set forth in this section, but is shall be
13 formulated with respect to the particular needs and problems of
14 the agency to which said code is to apply. *Notwithstanding any*
15 *other provisions of this section, the New Jersey members to any*
16 *interstate agency to which New Jersey is a party and the officers*
17 *and employees of any State agency which fails to promulgate a*
18 *code of ethics shall be deemed to be subject to a code of ethics*
19 *the provisions of which shall be paragraphs (1) through (6) of*
20 *subsection (e) of this section.*

21 (b) A code of ethics formulated pursuant to this section to gov-
22 ern and guide the conduct of the State officers and employees or
23 *the special State officers and employees* in any State agency in the
24 Executive Branch, or any portion of such a code, shall not be effec-
25 tive unless it has first been approved by the Executive Commis-
26 sion on Ethical Standards. When a proposed code is submitted
27 to the said commission it shall be accompanied by an opinion of
28 the Attorney General as to its compliance with the provisions of
29 this act and any other applicable provision of law. Nothing con-
30 tained herein shall prevent officers of State agencies in the Execu-
31 tive Branch from consulting with the Attorney General or with
32 the Executive Commissions on Ethical Standards at any time in
33 connection with the preparation or revision of such codes of ethics.

34 (c) A code of ethics formulated pursuant to this section to gov-
35 ern and guide the conduct of the members of the Legislature **[and]**,
36 *State officers and employees or special State officers and employees*
37 in any State agency in the Legislative Branch, or any portion of
38 such code, shall not be effective unless it has first been approved
39 by the Legislature by concurrent resolution. When a proposed
40 code is submitted to the Legislature for approval it shall be ac-
41 companied by an opinion of the chief counsel as to its compliance
42 with the provisions of this act and any other applicable provisions
43 of law. Nothing contained herein shall prevent officers of State
44 agencies in the Legislative Branch from consulting with the Chief
45 Legislative Counsel or the Joint Legislative Committee on Ethical
46 Standards at any time in connection with the preparation or re-
47 vision of such codes of ethics.

48 (d) Violations of a code of ethics promulgated pursuant to this
49 section shall be cause for removal, suspension, demotion or other

50 disciplinary action by the State officer or agency having the power
51 of removal or discipline. When a person who is in the classified civil
52 service is charged with a violation of such a code of ethics, the
53 procedure leading to such removal or discipline shall be governed
54 by any applicable provisions of the Civil Service Law and the Rules
55 of the Department of Civil Service. No action for removal or dis-
56 cipline shall be taken under this subsection except upon the re-
57 ferral or with the approval of the Executive Commission on Ethical
58 Standards or the Joint Legislative Committee on Ethical Stan-
59 dards, whichever is authorized to exercise jurisdiction with respect
60 to the complaint upon which such action for removal or discipline
61 is to be taken.

62 (e) A code of ethics for officers and employees of a State agency
63 shall conform to the following general standards:

64 (1) No State officer or employee or *special State officer or em-*
65 *ployee* should have any interest, financial or otherwise, direct or
66 indirect, or engage in any business or transaction or professional
67 activity, which is in substantial conflict with the proper discharge
68 of his duties in the public interest.

69 (2) No State officer or employee or *special State officer or em-*
70 *ployee* should engage in any particular business, profession, trade
71 or occupation which is subject to licensing or regulations by a
72 specific agency of State Government without promptly filing notice
73 of such activity with the Executive Commission on Ethical Stan-
74 dards, if he is an officer or employee in the Executive Branch, or
75 with the Joint Legislative Committee on Ethical Standards, if he
76 is an officer or employee in the Legislative Branch.

77 (3) No State officer or employee or *special State officer or em-*
78 *ployee* should use or attempt to use his official position to secure
79 unwarranted privileges or advantages for himself or others.

80 (4) No State officer or employee or *special State officer or em-*
81 *ployee* should act in his official capacity in any matter wherein he
82 has a direct or indirect personal financial interest that might rea-
83 sonably be expected to impair his objectivity or independence of
84 judgment.

85 (5) No State officer or employee or *special State officer or em-*
86 *ployee* should undertake any employment or service, whether com-
87 pensated or not, which might reasonably be expected to impair
88 his objectivity and independence of judgment in the exercise of his
89 official duties.

90 (6) No State officer or employee or *special State officer or em-*
91 *ployee* should accept any gift, favor, service or other thing of
92 value under circumstances from which it might be reasonably in-

93 ferred; that such gift, service or other thing of value was given or
94 offered for the purpose of influencing him in the discharge of his
95 official duties.

96 (7) No State officer or employee or *special State officer or em-*
97 *ployee* should knowingly act in any way that might reasonably be
98 expected to create an impression or suspicion among the public
99 having knowledge of his acts that he may be engaged in conduct
100 violative of his trust as a State officer or employee or *special State*
101 *officer or employee*.

102 (8) Rules of conduct adopted pursuant to these principles should
103 recognize that under our democratic form of government public
104 officials and employees should be drawn from all of our society, that
105 citizens who serve in government can not and should not be ex-
106 pected to be without any personal interest in the decisions and
107 policies of government; that citizens who are government officials
108 and employees have a right to private interests of a personal,
109 financial and economic nature; that standards of conduct should
110 separate those conflicts of interest which are unavoidable in a free
111 society from those conflicts of interest which are substantial and
112 material, or which bring government into disrepute.

113 (f) The code of ethics for members of the Legislature shall
114 conform to subsection (e) hereof as nearly as may be possible.

1 7. This act shall take effect on the ***[90th]*** *30th* day after
2 *the date of* enactment.

ETHICS AND FINANCIAL DISCLOSURE
Amends the "New Jersey Conflicts of Interest Law."

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ASSEMBLY STATE GOVERNMENT COMMITTEE

STATEMENT TO

SENATE, No. 2580

[OFFICIAL COPY REPRINT]

STATE OF NEW JERSEY

DATED: JANUARY 22, 1987

The Assembly State Government Committee reports favorably Senate Bill No. 2580 OCR.

This bill amends and supplements the "New Jersey Conflicts of Interest Law." It:

(1) amends the definition of "State agency" to include any interstate agency to which New Jersey is a party;

(2) amends the definition of "State officer or employee" to include New Jersey members of interstate agencies;

(3) amends the definition of "head of a State agency" to specifically exclude the head of an interstate agency;

(4) amends the definition of "special State officer or employee" to include any person appointed as a New Jersey member to an interstate agency who works part-time;

(5) allows legislators, State officers or employees, and special State officers or employees to represent any person, other than the State, in connection with any proceeding before any State agency on behalf of a county, municipality or school district except where the State is an adverse party in the proceeding and provided that the legislator, State officer or employee, or special State officer or employee does not hold any office or employment in the State agency in which the proceeding is pending;

(6) broadens the post-employment restriction in current law to prohibit a State officer or employee or special State officer or employee from providing, either individually or through the entity in which he has an interest, information or services not generally available to the public to anyone other than the State in connection with any matter in which he was substantially and directly involved during the course of employment;

(7) reduces from 10% to 1% the stock ownership or control of a corporation by a member of the Legislature or a State officer or employee which precludes the corporation from contracting with the State for anything having a value of \$25.00 or more where the contract is not publicly bid or subject to any of the other enumerated exceptions;

(8) prohibits special State officers or employees serving as purchasers for a State agency to contract with the State agency for anything with a value of \$25.00 or more personally, through a partner or other person, or through a corporation in which he controls or owns more than 1% of the stock where the contract is not publicly bid or subject to any of the other enumerated exceptions:

(9) requires the code of ethics promulgated by both the executive and legislative branches of State government to govern the conduct of special State officers and employees as well as members of the Legislature and State officers and employees; and

(10) provides that New Jersey members of any interest agency as well as officers and employees of any State agency which fails to promulgate a code of ethics shall be deemed to be subject to the code of ethics provisions contained in paragraphs (1) through (6) of subsection (e) of section 12 of P. L. 1971, c. 182. Interstate agencies would be exempt from the requirement of promulgating a code of ethics for New Jersey appointees.

SENATE STATE GOVERNMENT AND FEDERAL AND
INTERSTATE RELATIONS AND VETERANS AFFAIRS
COMMITTEE

STATEMENT TO

SENATE, No. 2580

with Senate committee amendments

STATE OF NEW JERSEY

DATED: OCTOBER 16, 1986

The Senate State Government Committee reports favorably and with committee amendments Senate Bill No. 2580.

This bill amends and supplements the "New Jersey Conflicts of Interest Law." It:

(1) amends the definition of "State agency" to include any interstate agency to which New Jersey is a party;

(2) amends the definition of "State officer or employee" to include New Jersey members of interstate agencies;

(3) amends the definition of "head of a State agency" to specifically exclude the head of an interstate agency;

(4) amends the definition of "special State officer or employee" to include any person appointed as a New Jersey member to an interstate agency who works part-time;

(5) allows legislators, State officers or employees, and special State officers or employees to represent any person, other than the State, in connection with any proceeding before any State agency on behalf of a county, municipality or school district except where the State is an adverse party in the proceeding and provided that the legislator, State officer or employee, or special State officer or employee does not hold any office or employment in the State agency in which the proceeding is pending;

(6) broadens the post-employment restriction in current law to prohibit a State officer or employee or special State officer or employee from providing, either individually or through the entity in which he has an interest, information or services not generally available to the public to anyone other than the State in connection with any matter in which he was substantially and directly involved during the course of employment;

(7) reduces from 10% to 1% the stock ownership or control of a corporation by a member of the Legislature or a State officer or employee which precludes the corporation from contracting with the

State for anything having a value of \$25.00 or more where the contract is not publicly bid or subject to any of the other enumerated exceptions:

(8) prohibits special State officers or employees serving as purchasers for a State agency to contract with the State agency for anything with a value of \$25.00 or more personally, through a partner or other person, or through a corporation in which he controls or owns more than 1% of the stock where the contract is not publicly bid or subject to any of the other enumerated exceptions:

(9) requires the code of ethics promulgated by both the executive and legislative branches of State government to govern the conduct of special State officers and employees as well as members of the Legislature and State officers and employees; and

(10) provides that New Jersey members of any interstate agency as well as officers and employees of any State agency which fails to promulgate a code of ethics shall be deemed to be subject to the code of ethics provisions contained in paragraphs (1) through (6) of subsection (e) of section 12 of P. L. 1971, c. 182. Interstate agencies would be exempt from the requirement of promulgating a code of ethics for New Jersey appointees.

The committee amended the bill to make the act effective on the 30th, rather than the 90th, day after the date of enactment.

Assembly Amendments
Proposed by Assemblyman Shinn
to
Senate Bill No. 2580 OCR
Sponsored by Senator Contillo

JAN 1 1988

Amend:

Page	Sec.	Line	
4	4	6	Omit "or services"
4	4	7	After "public" insert "or services"
4	4	8	Omit "or services"
4	4	9	After "public" insert "or services"
5	5	21	After "section." insert "The restriction contained in this subsection shall apply to the contracts of interstate agencies to the extent consistent with law only if the contract, agreement, sale or purchase is undertaken or executed by a New Jersey member to that agency or by his partners or a corporation in which he owns or controls more than 1% of the stock."
5	5	26	After "52:34-10)" insert "or such other similar provisions contained in the public bidding laws or regulations applicable to other State agencies"

STATEMENT

These amendments clarify the intent of the bill that ethical standards restrictions with regard to contracts apply only to New Jersey members of interstate agencies and their firms or corporations.

STATE OF NEW JERSEY

INTRODUCED SEPTEMBER 22, 1986

By Senators CONTILLO, FELDMAN and DiFRANCESCO

Referred to Committee on State Government and Federal and
Interstate Relations and Veterans Affairs

AN ACT concerning conflicts of interest and amending the title
and body of P. L. 1971, c. 182.

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. The title of P. L. 1971, c. 182 is amended to read as follows:
2 AN ACT for the more effectual regulation of the conduct of State
3 officers and employees, *special State officers and employees*
4 and members of the Legislature, repealing the "New Jersey
5 Conflicts of Interest Law" (P. L. 1967, c. 229), and supple-
6 menting Title 52 of the Revised Statutes.

1 2. Section 2 of P. L. 1971, c. 182 (C. 52:13D-13) is amended to
2 read as follows:

3 2. As used in this act, and unless a different meaning clearly
4 appears from the context, the following terms shall have the fol-
5 lowing meaning:

6 a. "State agency" means any of the principal departments in
7 the Executive Branch of the State Government, and any division,
8 board, bureau, office, commission or other instrumentality within
9 or created by such department, the Legislature of the State and any
10 office, board, bureau or commission within or created by the Legis-
11 lative Branch, *and, to the extent consistent with law, any inter-*
12 *state agency to which New Jersey is a party* and any independent
13 State authority, commission, instrumentality or agency. A county
14 or municipality shall not be deemed an agency or instrumentality
15 of the State.

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill
is not enacted and is intended to be omitted in the law.

Matter printed in italics thus is new matter.

Matter enclosed in asterisks or stars has been adopted as follows:

*—Senate committee amendments adopted October 20, 1986.

**—Assembly amendments adopted January 7, 1988.

16 b. "State officer or employee" means any person, other than
 17 a **[member of the Legislature,]** *special State officer or employee*
 18 *(1)* holding an office or employment in a State agency, **[excluding**
 19 *special State officers or employees as defined in subsection e. of*
 20 *this section]* *excluding an interstate agency, other than a member*
 21 *of the Legislature or (2) appointed as a New Jersey member to an*
 22 *interstate agency.*

23 c. "Member of the Legislature" means any person elected to
 24 serve in the General Assembly or the Senate.

25 d. "Head of a State agency" means (1) in the case of the
 26 Executive Branch of government, *except with respect to interstate*
 27 *agencies*, the department head or, if the agency is not assigned to
 28 a department, the Governor, and (2) in the case of the Legislative
 29 Branch, the chief presiding officer of each House of the Legislature.

30 e. "Special State officer or employee" means (1) any person
 31 holding an office or employment in a State agency, *excluding an*
 32 *interstate agency*, for which office or employment no compensation
 33 is authorized or provided by law, or no compensation other than a
 34 sum in reimbursement of expenses, whether payable per diem or
 35 per annum, is authorized or provided by law; **[and]** (2) any per-
 36 son, not a member of the Legislature, holding a part-time elective
 37 or appointive office or employment in **[the Legislative branch]**
 38 *a State agency, excluding an interstate agency, or (3) any person*
 39 *appointed as a New Jersey member to an interstate agency the*
 40 *duties of which membership are not full-time.*

41 f. "Person" means any natural person, association or corpo-
 42 ration.

43 g. "Interest" means (1) the ownership or control of more than
 44 10% of the profits or assets of a firm, association, or partnership,
 45 or more than 10% of the stock in a corporation for profit other
 46 than a professional service corporation organized under the "Pro-
 47 fessional Service Corporation **[Act]**" (N. J. S. 14A:17-1 et seq.)
 48 *Act," P. L. 1969, c. 232 (C. 14A:17-1 et seq.)*; or (2) the ownership
 49 or control of more than 1% of the profits of a firm, association, or
 50 partnership, or more than 1% of the stock in any corporation,
 51 which is the holder of, or an applicant for, a casino license or in
 52 any holding or intermediary company with respect thereto, as
 53 defined by the "Casino Control Act," P. L. 1977, c. 110 (C.
 54 5:12-1 et seq.). The provisions of this act governing the conduct
 55 of individuals are applicable to shareholders, associates or profes-
 56 sional employees of a professional service corporation regardless
 57 of the extent or amount of their shareholder interest in such a cor-
 58 poration.

59 h. "Cause, proceeding, application or other matter" means a
60 specific cause, proceeding or matter and does not mean or include
61 determinations of general applicability or the preparation or re-
62 view of legislation which is no longer pending before the Legisla-
63 ture or the Governor.

64 i. "Member of the immediate family" of any person means the
65 person's spouse, child, parent or sibling residing in the same
66 household.

1 3. Section 5 of P. L. 1971, c. 182 (C. 52:13D-16) is amended to
2 read as follows:

3 5. a. No special State officer or employee, nor any partnership,
4 firm or corporation in which he has an interest, nor any partner,
5 officer or employee of any such partnership, firm or corporation,
6 shall represent, appear for, or negotiate on behalf of, or agree to
7 represent, appear for or negotiate on behalf of, any person or
8 party other than the State in connection with any cause, proceeding,
9 application or other matter pending before the particular office,
10 bureau, board, council, commission, authority, agency, fund or
11 system in which such special State officer or employee holds office
12 or employment.

13 b. No State officer or employee or member of the Legislature,
14 nor any partnership, firm or corporation in which he has an inter-
15 est, nor any partner, officer or employee of any such partnership,
16 firm or corporation, shall represent, appear for, or negotiate on be-
17 half of, or agree to represent, appear for, or negotiate on behalf of,
18 any person or party other than the State in connection with any
19 cause, proceeding, application or other matter pending before any
20 State agency; provided, however, this subsection shall not be
21 deemed to prohibit a member of the Legislature from making an
22 inquiry for information on behalf of a constituent, if no fee,
23 reward, or other thing of value is promised to, given to or ac-
24 cepted by the member of the Legislature, whether directly or in-
25 directly nor shall anything contained herein be deemed to pro-
26 hibit any such partnership, firm or corporation from appearing on
27 its own behalf.

28 c. Nothing contained in this section shall be deemed to prohibit
29 any legislator, or any State officer or employee or special State
30 officer or employee from representing, appearing for or negotiating
31 on behalf of, or agreeing to represent, appear for, or negotiate on
32 behalf of, any person or party other than the State in connection
33 with any proceeding: **[pending]**

34 (1) *Pending* before any court of record of this State, **[any pro-**
35 **ceeding in]**

36 (2) *In* regard to a claim for compensation arising under chap-
 37 ter 15 of Title 34 of the Revised Statutes (Workers' Compensa-
 38 tion), [any proceeding in]

39 (3) *In* connection with the determination or review of transfer
 40 inheritance or estate taxes, [any proceeding in]

41 (4) *In* connection with the filing of corporate or other docu-
 42 ments in the office of the Secretary of State, [any proceeding be-
 43 fore]

44 (5) *Before* the Division on Civil Rights or any successor thereof,

45 (6) *Before* the New Jersey State Board of Mediation or any
 46 successor thereof,

47 (7) *Before* the New Jersey Public Employment Relations Com-
 48 mission or any successor thereof,

49 (8) *Before* the Unsatisfied Claim and Judgment Fund Board
 50 or any successor thereof solely for the purpose of filing a notice
 51 of intention pursuant to to P. L. 1952, c. 174, § 5 (C. 39:6-65), or
 52 [any successor thereof or any proceeding]

53 (9) *Before* any State agency on behalf of a county, municipality
 54 or school district, or any authority, agency or commission of any
 55 thereof except where the State is an adverse party in the proceed-
 56 ing and provided he is not holding any office or employment in
 57 the State agency in which any such proceeding is pending.

1 4. Section 6 of P. L. 1971, c. 182 (C. 52:13D-17) is amended to
 2 read as follows:

3 6. No State officer or employee or special State officer or em-
 4 ployee, subsequent to the termination of his office or employment
 5 in any State agency, shall represent, appear for [or], negotiate on
 6 behalf of, or provide information **[or services]** not generally
 7 available to members of the public **or services** to, or agree to
 8 represent, appear for, [or] negotiate on behalf of, or provide
 9 information **[or services]** not generally available to members
 10 of the public **or services** to, whether by himself or through any
 11 partnership, firm or corporation in which he has an interest o.
 12 through any partner, officer or employee thereof, any person or
 13 party other than the State in connection with any cause, proceeding,
 14 application or other matter with respect to which such State officer
 15 or employee or special State officer or employee shall have made
 16 any investigation, rendered, any ruling, given any opinion, or been
 17 otherwise substantially and directly involved at any time during
 18 the course of his office or employment. Any person who willfully
 19 violates the provisions of this section is a disorderly person, and
 20 shall be subject to a fine not to exceed \$500.00 or imprisonment not
 21 to exceed six months, or both.

1 5. Section 8 of P. L. 1971, c. 182 (C. 52:13D-19) is amended to
2 read as follows:

3 8. *a.* No member of the Legislature or State officer or employee
4 shall knowingly himself, or by his partners or through any corpo-
5 ration which he controls or in which he owns or controls more than
6 ~~10%~~ 1% of the stock, or by any other person for his use or bene-
7 fit or on his account, undertake or execute, in whole or in part, any
8 contract, agreement, sale or purchase of the value of \$25.00 or
9 more, made, entered into, awarded or granted by any State
10 agency~~;~~ provided, however, that the~~],~~ *except as provided in sub-*
11 *section b. of this section. No special State officer or employee*
12 *having any duties or responsibilities in connection with the pur-*
13 *chase or acquisition of property or services by the State agency*
14 *where he is employed or an officer shall knowingly himself, by his*
15 *partners or through any corporation which he controls or in which*
16 *he owns or controls more than 1% of the stock, or by any other*
17 *person for his use or benefit or on his account, undertake or ex-*
18 *ecute, in whole or in part, any contract, agreement, sale or pur-*
19 *chase of the value of \$25.00 or more, made, entered into, awarded*
20 *or granted by that State agency, except as provided in subsection*
21 *b. of this section. **The restriction contained in this subsection*
21A *shall apply to the contracts of interstate agencies to the extent*
21B *consistent with law only if the contract, agreement, sale or purchase*
21C *is undertaken or executed by a New Jersey member to that agency*
21D *or by his partners or a corporation in which he owns or controls*
21E *more than 1% of the stock.***

22 *b.* The provisions of subsection *a.* of this section shall not apply
23 to (a) purchases, contracts, agreements or sales which (1) are
24 made or let after public notice and competitive bidding or which
25 (2), pursuant to section 5 of chapter 48 of the laws of 1944 (C.
26 52:34-10) ***or such other similar provisions contained in the public*
27 *bidding laws or regulations applicable to other State agencies***,
28 may be made, negotiated or awarded without public advertising
29 or bids, or (b) any contract of insurance entered into by the
30 Director of the Division of Purchase and Property pursuant
30A to section 10 of article 6 of chapter 112 of the laws of 1944
30B (C. 52:27B-62), if such purchases, contracts or agreements,
31 including change orders and amendments thereto, shall receive
32 prior approval of the Joint Legislative Committee on Ethical
33 Standards if a member of the Legislature or State officer or em-
34 ployee or special State officer or employee in the Legislative
35 Branch has an interest therein ~~]~~ which would otherwise be for-
36 bidden by this section~~],~~ or the Executive Commission on Ethical

37 Standards if a State officer or employee or *special State officer or*
38 *employee* in the Executive Branch has an interest therein [which
39 would otherwise be forbidden by this section].

1 6. Section 12 of P. L. 1971, c. 182 (C. 52:13D-23) is amended to
2 read as follows:

3 12. (a) The head of each State agency, or the principal officer in
4 charge of a division, board, bureau, commission or other instru-
5 mentality within a department of State Government designated
6 by the head of such department for the purposes hereinafter set
7 forth, shall within six months from the date of enactment, promul-
8 gate a code of ethics to govern and guide the conduct of the mem-
9 bers of the Legislature [or], the State officers and employees or
10 *the special State officers and employees* in the agency to which
11 said code is applicable. Such code shall conform to the general
12 standards hereinafter set forth in this section, but is shall be
13 formulated with respect to the particular needs and problems of
14 the agency to which said code is to apply. *Notwithstanding any*
15 *other provisions of this section, the New Jersey members to any*
16 *interstate agency to which New Jersey is a party and the officers*
17 *and employees of any State agency which fails to promulgate a*
18 *code of ethics shall be deemed to be subject to a code of ethics*
19 *the provisions of which shall be paragraphs (1) through (6) of*
20 *subsection (e) of this section.*

21 (b) A code of ethics formulated pursuant to this section to gov-
22 ern and guide the conduct of the State officers and employees or
23 *the special State officers and employees* in any State agency in the
24 Executive Branch, or any portion of such a code, shall not be effec-
25 tive unless it has first been approved by the Executive Commis-
26 sion on Ethical Standards. When a proposed code is submitted
27 to the said commission it shall be accompanied by an opinion of
28 the Attorney General as to its compliance with the provisions of
29 this act and any other applicable provision of law. Nothing con-
30 tained herein shall prevent officers of State agencies in the Execu-
31 tive Branch from consulting with the Attorney General or with
32 the Executive Commissions on Ethical Standards at any time in
33 connection with the preparation or revision of such codes of ethics.

34 (c) A code of ethics formulated pursuant to this section to gov-
35 ern and guide the conduct of the members of the Legislature [and],
36 State officers and employees or *special State officers and employees*
37 in any State agency in the Legislative Branch, or any portion of
38 such code, shall not be effective unless it has first been approved
39 by the Legislature by concurrent resolution. When a proposed
40 code is submitted to the Legislature for approval it shall be ac-

41 accompanied by an opinion of the chief counsel as to its compliance
42 with the provisions of this act and any other applicable provisions
43 of law. Nothing contained herein shall prevent officers of State
44 agencies in the Legislative Branch from consulting with the Chief
45 Legislative Counsel or the Joint Legislative Committee on Ethical
46 Standards at any time in connection with the preparation or re-
47 vision of such codes of ethics.

48 (d) Violations of a code of ethics promulgated pursuant to this
49 section shall be cause for removal, suspension, demotion or other
50 disciplinary action by the State officer or agency having the power
51 of removal or discipline. When a person who is in the classified civil
52 service is charged with a violation of such a code of ethics, the
53 procedure leading to such removal or discipline shall be governed
54 by any applicable provisions of the Civil Service Law and the Rules
55 of the Department of Civil Service. No action for removal or dis-
56 cipline shall be taken under this subsection except upon the re-
57 ferral or with the approval of the Executive Commission on Ethical
58 Standards or the Joint Legislative Committee on Ethical Stan-
59 dards, whichever is authorized to exercise jurisdiction with respect
60 to the complaint upon which such action for removal or discipline
61 is to be taken.

62 (e) A code of ethics for officers and employees of a State agency
63 shall conform to the following general standards:

64 (1) No State officer or employee or *special State officer or em-*
65 *ployee* should have any interest, financial or otherwise, direct or
66 indirect, or engage in any business or transaction or professional
67 activity, which is in substantial conflict with the proper discharge
68 of his duties in the public interest.

69 (2) No State officer or employee or *special State officer or em-*
70 *ployee* should engage in any particular business, profession, trade
71 or occupation which is subject to licensing or regulations by a
72 specific agency of State Government without promptly filing notice
73 of such activity with the Executive Commission on Ethical Stan-
74 dards, if he is an officer or employee in the Executive Branch, or
75 with the Joint Legislative Committee on Ethical Standards, if he
76 is an officer or employee in the Legislative Branch.

77 (3) No State officer or employee or *special State officer or em-*
78 *ployee* should use or attempt to use his official position to secure
79 unwarranted privileges or advantages for himself or others.

80 (4) No State officer or employee or *special State officer or em-*
81 *ployee* should act in his official capacity in any matter wherein he
82 has a direct or indirect personal financial interest that might rea-

83 sonably be expected to impair his objectivity or independence of
84 judgment.

85 (5) No State officer or employee or *special State officer or em-*
86 *ployee* should undertake any employment or service, whether com-
87 pensated or not, which might reasonably be expected to impair
88 his objectivity and independence of judgment in the exercise of his
89 official duties.

90 (6) No State officer or employee or *special State officer or em-*
91 *ployee* should accept any gift, favor,, service or other thing of
92 value under circumstances from which it might be reasonably in-
93 ferred: that such gift, service or other thing of value was given or
94 offered for the purpose of influencing him in the discharge of his
95 official duties.

96 (7) No State officer or employee or *special State officer or em-*
97 *ployee* should knowingly act in any way that might reasonably be
98 expected to create an impression or suspicion among the public
99 having knowledge of his acts that he may be engaged in conduct
100 violative of his trust as a State officer or employee or *special State*
101 *officer or employee*.

102 (8) Rules of conduct adopted pursuant to these principles should
103 recognize that under our democratic form of government public
104 officials and employees should be drawn from all of our society, that
105 citizens who serve in government can not and should not be ex-
106 pected to be without any personal interest in the decisions and
107 policies of government; that citizens who are government officials
108 and employees have a right to private interests of a personal,
109 financial and economic nature; that standards of conduct should
110 separate those conflicts of interest which are unavoidable in a free
111 society from those conflicts of interest which are substantial and
112 material, or which bring government into disrepute.

113 (f) The code of ethics for members of the Legislature shall
114 conform to subsection (e) hereof as nearly as may be possible.

1 7. This act shall take effect on the *~~90th~~* *30th* day after
2 *the date of* enactment.

ETHICS AND FINANCIAL DISCLOSURE

Amends the "New Jersey Conflicts of Interest Law."

974.901
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OFFICE OF THE GOVERNOR NEWS RELEASE

CN-001

Contact: CARL GOLDEN
609-292-8956 OR 292-6000 EXT. 207

TRENTON, N.J. 08625

Release: FRI., JAN. 15, 1988

Governor Thomas H. Kean today signed legislation to broaden and strengthen the State's conflicts of interest law for State officials and to include, for the first time, New Jersey's members of interstate authorities.

The legislation, S-2580, was sponsored by Senator Paul Contillo, D-Bergen.

"This bill is the product of many months of discussion and debate," Kean said. "The goal was to establish a conflicts of interest system which treated State officers and employees in a fair manner while giving assurances to the public that their interests are paramount. This legislation reaches that goal."

In addition to including members of interstate agencies within the terms of the conflicts law, the legislation also:

- *Redefines the restrictions on part time gubernatorial appointees and employees.

- *Retains the ban on legislators appearing before any State agency except on behalf of a county, municipality or local governing unit.

- *Creates a post employment restriction on consulting by prohibiting a former State official from providing information to anyone if that information is not generally available to the public.

-more-

*Imposes further limitations on a firm doing business with the State if a State officer owns more than 10 percent of the firm's stock by reducing that percentage to one percent.

*Recommends an Executive Order requiring each department head in State Government to establish regulations concerning State vendors who violate the conflicts law.

The legislation is effective in 30 days.

#