52:13D-18

LEGISLATIVE HISTORY CHECKLIST

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LAWS OF: 2004 **CHAPTER:** 23

NJSA: 52:13D-18 (Legislator acting on legislation with a personal interest)

BILL NO: S16 (Substituted for A16)

SPONSOR(S): Karcher and others

DATE INTRODUCED: June 7, 2004

COMMITTEE: ASSEMBLY: ----

SENATE: State Government

AMENDED DURING PASSAGE: No

DATE OF PASSAGE: ASSEMBLY: June 10, 2004

SENATE: June 10, 2004

DATE OF APPROVAL: June 16, 2004

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL (Original version of bill enacted)

S16

SPONSOR'S STATEMENT: (Begins on page 2 of original bill)

Yes

COMMITTEE STATEMENT: ASSEMBLY: No

SENATE: Yes

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL ESTIMATE: No

A16

SPONSOR'S STATEMENT: (Begins on page 2 f original bill)

Yes

Bill and Sponsors Statement identical to S16

COMMITTEE STATEMENT: <u>ASSEMBLY</u>: <u>Yes</u>

SENATE: No

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL ESTIMATE: No

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: Yes

FOLLOWING WERE PRINTED:

Publications at the State Library (609) 278-2640 ext. 103 or mailto:refdesk@njstatelib.org.

REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: Yes

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For clippings see legislative history of L.2004 c.19

P.L. 2004, CHAPTER 23, *approved June 16, 2004* Senate, No. 16

1 AN ACT prohibiting members of the Legislature from acting on certain

2	legislation and amending P.L.1971, c.182.
3	
4	BE IT ENACTED by the Senate and General Assembly of the State
5	of New Jersey:
6	
7	1. Section 7 of P.L.1971, c.182, (C.52:13D-18) is amended to read
8	as follows:
9	7. [(a)] a. No member of the Legislature shall participate by
10	voting or any other action, on the floor of the General Assembly or the
11	Senate, or in committee or elsewhere, in the enactment or defeat of
12	legislation in which he has a personal interest [until he files with the
13	Clerk of the General Assembly or the Secretary of the Senate, as the
14	case may be, a statement (which shall be entered verbatim on the
15	journal of the General Assembly or the Senate) stating in substance
16	that he has a personal interest in the legislation and that
17	notwithstanding such interest, he is able to cast a fair and objective
18	vote and otherwise participate in connection with such legislation].
19	[(b)] b. A member of the Legislature shall be deemed to have a
20	personal interest in any legislation within the meaning of this section
21	if, by reason of his participation in the enactment or defeat of any
22	legislation, he has reason to believe that he, or a member of his
23	immediate family, will derive a direct monetary gain or suffer a direct
24	monetary loss. No member of the Legislature shall be deemed to have
25	a personal interest in any legislation within the meaning of this section
26	if, by reason of his participation in the enactment or defeat of any
27	legislation, no benefit or detriment could reasonably be expected to
28	accrue to him, or a member of his immediate family, as a member of
29	a business, profession, occupation or group, to any greater extent
30	than any such benefit or detriment could reasonably be expected to
31	accrue to any other member of such business, profession, occupation
32	or group.
33	(cf: P.L.1971, c.182, s.7).
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35	2. This act shall take effect immediately.
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38	STATEMENT
39	As a constant the last answerides distance in the College College
40	At present, the law provides that a member of the Legislature
41	cannot participate, by voting or any other action, in the enactment or

 $\label{lem:explanation} \textbf{EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.}$

defeat of legislation in which the member has a personal interest until the member files a statement with the Clerk of the General Assembly or the Secretary of the Senate, as appropriate, indicating that despite such personal interest the member is able to be fair and objective in regard to the legislation. Under existing law, a member is deemed to have a personal interest in legislation if, by reason of the member's participation in the enactment or defeat of that legislation, the member has reason to believe that the member will derive a direct monetary gain or suffer a direct monetary loss. However, a personal interest does not exist if, by reason of the member's participation in the enactment or defeat of any legislation, no benefit or detriment could reasonably be expected to accrue to the member as a member of a business, profession, occupation or group, to any greater extent than any such benefit or detriment could reasonably be expected to accrue to any other member of such business, profession, occupation or group.

This bill would amend current law to provide that a member would not be able to act on any legislation in which the member, or an immediate family member of that member, has a personal interest and to eliminate the ability of a member to avoid this proscription by filing a statement. Other than providing that a member of the Legislature may be disqualified from acting on a particular piece of legislation based upon the interest of a family member, the bill would not modify the "personal interest" standard established in current law.

Pursuant to existing law (N.J.S.A.52:13D-13), "immediate family member" refers to a spouse, child, parent, or sibling of a member of the Legislature residing in the same household.

Prohibits member of Legislature from acting on legislation in which member or family member of that member has personal interest.

SENATE, No. 16

STATE OF NEW JERSEY 211th LEGISLATURE

INTRODUCED JUNE 7, 2004

Sponsored by:

Senator ELLEN KARCHER
District 12 (Mercer and Monmouth)
Assemblyman JOHN S. WISNIEWSKI
District 19 (Middlesex)
Assemblyman JOSEPH VAS
District 19 (Middlesex)
Assemblyman ROBERT J. SMITH
District 4 (Camden and Gloucester)

Co-Sponsored by:

Assemblywoman Previte, Assemblymen Mayer, Van Drew, McKeon, Assemblywoman Cruz-Perez, Assemblymen Chivukula, Payne, Assemblywoman Watson Coleman, Assemblyman Conners, Assemblywoman Greenstein, Assemblymen Panter, Morgan, Eagler, Assemblywoman Quigley, Assemblyman Greenwald, Stanley, Assemblywoman Oliver and Assemblyman Conaway

SYNOPSIS

Prohibits member of Legislature from acting on legislation in which member or family member of that member has personal interest.

CURRENT VERSION OF TEXT

As introduced.

S16 KARCHER

2

1 AN ACT prohibiting members of the Legislature from acting on certain 2 legislation and amending P.L.1971, c.182. 3 4 BE IT ENACTED by the Senate and General Assembly of the State 5 of New Jersey: 6 7 1. Section 7 of P.L.1971, c.182, (C.52:13D-18) is amended to read 8 as follows: 9 7. **[**(a)**]** a. No member of the Legislature shall participate by voting or any other action, on the floor of the General Assembly or the 10 Senate, or in committee or elsewhere, in the enactment or defeat of 11 12 legislation in which he has a personal interest [until he files with the Clerk of the General Assembly or the Secretary of the Senate, as the 13 14 case may be, a statement (which shall be entered verbatim on the journal of the General Assembly or the Senate) stating in substance 15 he has a personal interest in the legislation and that 16 17 notwithstanding such interest, he is able to cast a fair and objective 18 vote and otherwise participate in connection with such legislation]. 19 [(b)] b. A member of the Legislature shall be deemed to have a 20 personal interest in any legislation within the meaning of this section 21 if, by reason of his participation in the enactment or defeat of any 22 legislation, he has reason to believe that he, or a member of his 23 immediate family, will derive a direct monetary gain or suffer a direct 24 monetary loss. No member of the Legislature shall be deemed to have 25 a personal interest in any legislation within the meaning of this section if, by reason of his participation in the enactment or defeat of any 26 legislation, no benefit or detriment could reasonably be expected to 27 28 accrue to him, or a member of his immediate family, as a member of 29 a business, profession, occupation or group, to any greater extent 30 than any such benefit or detriment could reasonably be expected to 31 accrue to any other member of such business, profession, occupation 32 or group. 33 (cf: P.L.1971, c.182, s.7). 34 35 2. This act shall take effect immediately. 36 37 38 **STATEMENT** 39 40 At present, the law provides that a member of the Legislature 41 cannot participate, by voting or any other action, in the enactment or 42 defeat of legislation in which the member has a personal interest until the member files a statement with the Clerk of the General Assembly 43

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S16 KARCHER

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Pursuant to existing law (N.J.S.A.52:13D-13), "immediate family member" refers to a spouse, child, parent, or sibling of a member of the Legislature residing in the same household.

SENATE STATE GOVERNMENT COMMITTEE

STATEMENT TO

SENATE, No. 16

STATE OF NEW JERSEY

DATED: JUNE 3, 2004

The Senate State Government Committee reports favorably Senate, No. 16.

At present, the law provides that a member of the Legislature cannot participate, by voting or any other action, in the enactment or defeat of legislation in which the member has a personal interest until the member files a statement with the Clerk of the General Assembly or the Secretary of the Senate, as appropriate, indicating that despite such personal interest the member is able to be fair and objective in regard to the legislation. Under existing law, a member is deemed to have a personal interest in legislation if, by reason of the member's participation in the enactment or defeat of that legislation, the member has reason to believe that the member will derive a direct monetary gain or suffer a direct monetary loss. However, a personal interest does not exist if, by reason of the member's participation in the enactment or defeat of any legislation, no benefit or detriment could reasonably be expected to accrue to the member as a member of a business, profession, occupation or group, to any greater extent than any such benefit or detriment could reasonably be expected to accrue to any other member of such business, profession, occupation or group.

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Pursuant to existing law (N.J.S.A.52:13D-13), "immediate family member" refers to a spouse, child, parent, or sibling of a member of the Legislature residing in the same household.

This bill is identical to Assembly, No. 16 of 2004.

The Senate State Government Committee reports favorably Senate Bill No. 16.

ASSEMBLY, No. 16

STATE OF NEW JERSEY 211th LEGISLATURE

INTRODUCED MAY 27, 2004

Sponsored by:

Assemblyman JOHN S. WISNIEWSKI
District 19 (Middlesex)
Assemblyman BRIAN P. STACK
District 33 (Hudson)
Assemblyman ROBERT J. SMITH
District 4 (Camden and Gloucester)
Assemblyman JOSEPH VAS
District 19 (Middlesex)

Co-Sponsored by:

Assemblywoman Previte, Assemblymen Mayer, Van Drew, McKeon, Assemblywoman Cruz-Perez, Assemblymen Chivukula, Payne, Assemblywoman Watson Coleman, Assemblyman Conners, Assemblywoman Greenstein, Assemblymen Panter, Morgan, Eagler, Assemblywoman Quigley, Assemblyman Assemblywoman Oliver and Assemblyman Conaway

SYNOPSIS

Prohibits member of Legislature from acting on legislation in which member or family member of that member has personal interest.

CURRENT VERSION OF TEXT

As introduced.

(Sponsorship Updated As Of: 6/11/2004)

A16 WISNIEWSKI, STACK

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Matter underlined \underline{thus} is new matter.

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A16 WISNIEWSKI, STACK

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ASSEMBLY STATE GOVERNMENT COMMITTEE

STATEMENT TO

ASSEMBLY, No. 16

STATE OF NEW JERSEY

DATED: JUNE 3, 2004

The Assembly State Government Committee reports favorably Assembly, No. 16.

This bill amends current law to provide that a member of the Legislature will not be able to act on any legislation in which the member, or an immediate family member of that member, has a personal interest and to eliminate the ability of a member to avoid this proscription by filing a statement. Other than providing that a member of the Legislature may be disqualified from acting on a particular piece of legislation based upon the interest of a family member, the bill does not modify the "personal interest" standard established in current law.

At present, the law provides that a member of the Legislature cannot participate, by voting or any other action, in the enactment or defeat of legislation in which the member has a personal interest until the member files a statement with the Clerk of the General Assembly or the Secretary of the Senate, as appropriate, indicating that despite such personal interest the member is able to be fair and objective in regard to the legislation. Under existing law, a member is deemed to have a personal interest in legislation if, by reason of the member's participation in the enactment or defeat of that legislation, the member has reason to believe that the member will derive a direct monetary gain or suffer a direct monetary loss. However, a personal interest does not exist if, by reason of the member's participation in the enactment or defeat of any legislation, no benefit or detriment could reasonably be expected to accrue to the member as a member of a business, profession, occupation or group, to any greater extent than any such benefit or detriment could reasonably be expected to accrue to any other member of such business, profession, occupation or group.

This bill is the same as Senate, No. 16 of 2004.

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state of new jersey

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Contact: Micah Rasmussen

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RELEASE: June 16, 2004

Office of the Governor

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McGreevey Signs Landmark Ethics Reform Legislation

Bills Provide A More Accountable and Transparent Government

(TRENTON) – Governor James E. McGreevey today signed into law the strongest ethics and campaign finance reform package in the history of New Jersey – and one of the strongest in the nation.

"Today is a good day for government and a victory for our citizens," said Governor McGreevey. "From the stronger penalties, to the increased disclosure, to the end of the influence of campaign contributions on no-bid contracts, this reform package provides a more accountable and more transparent government for all. I want to congratulate the citizens, the State Legislature, and the numerous advocacy groups who helped make these reforms a reality."

The legislation is the most comprehensive ethics and campaign finance reform initiative the State has embarked upon in more than 30 years and makes New Jersey only the fourth state in the entire country to enact a "pay-to-play" ban.

"The numerous positive achievements in this legislation clearly demonstrate how Democrats have seized the initiative on ethics reform," said Senate Majority Leader Bernard F. Kenny Jr. (D-Hudson). "As the Majority Party, Democrats have acted to put us in the right direction after years of inaction by the Republicans. The reforms enacted today are long overdue, but they mark the beginning - not the end - of our commitment to eliminate any perception that those who give the most to political campaigns get favored treatment in the form of lucrative State contracts."

Among the reforms the package are: prohibiting anyone who receives a no-bid contract from making certain political contributions; strengthening legislative ethics; enhancing reporting of legislators' financial disclosure requirements, hidden financial interests, and

conflicts of interests; increasing penalties for ethics and campaign finance violations and for illegally soliciting campaign contributions; and expanding the definition of lobbyist and legislative agent, ensuring that all parties who seeks to influence government are properly disclosed.

One of the main components of the ethics reform package is S-2/A-2, which prohibits state, county or local government officials from awarding no-bid contracts to their campaign contributors and prohibits no-bid contract holders from contributing to officials holding office at the government level in which the contract is in effect.

"This has been a long and winding journey, but today New Jersey sets an unprecedented standard for disclosure and transparency, and takes significant steps to reduce the influence of money in politics," said Governor McGreevey. "We should be proud of the example New Jersey has set for the rest of the nation, but we must also continue to work together to uphold the highest standards of ethical conduct."

The ethics reform package signed into law today includes:

- S-2 -- Prohibits campaign contributions by certain business entities performing State, county and local contracts, as well as prohibits certain contributions by county committee of political party.
- **S-4** -- Extends certain financial disclosure requirements to lobbying conducted through advertisements and direct mail to general public.
- A-5 -- Change the minimum contribution that needs to be reported to the Election Law Enforcement Commission (ELEC) from \$400 to \$300 and requires the reporting of all cash campaign contributions.
- **A-6** -- Requires professional campaign fundraisers to register and file quarterly reports with ELEC.
- A-7 -- Expands campaign communications require identification to include telephone calls featuring recorded messages made in regard to candidates and public questions. The message or call would clearly state the name of business or address of the committee, group or person that financed the communication.

"Just as voters have a right to know who is sending them campaign literature, New Jerseyans should see who is behind commercials or advertisements calling for action on a specific bill or regulation under consideration," said Assemblywoman Linda Greenstein (D-Mercer/Middlesex). "Issue ads are nothing more than thinly-veiled political campaign commercials, and all money spent on them should be publicly disclosed."

• **S-8** -- Prohibits the solicitation or making of political contributions on state property by state officeholders or their representatives.

- **A-9** -- Requires Election Law Enforcement Commission (ELEC) to assess its Internet site and recommend improvements for the site's format and content. ELEC) would evaluate the presentation, accessibility, convenience, and usefulness of its Web site and recommend upgrades.
- S-10 -- Requires certain campaign and organizational treasurers to be trained by ELEC. It also requires ELEC to make the training program available over its Internet site within one year of the bill's enactment.
- A-11 -- Increases the maximum fines for violating campaign contribution and expenditure limit, reporting requirements and payment restrictions. The bill doubles the maximum fines that may be imposed for a variety of violations.
- A-12 -- Requires certain election committees/ joint candidates committees to file a report with ELEC within 48 hours of making certain expenditures in excess of \$800 during certain periods of an election cycle.
- A-14 -- Blocks legislators, Governor and department heads from lobbying activities for one year after leaving office.

"The strong link between government service and private lobbying creates - at a minimum - an appearance of impropriety in the eyes of the public," said Assemblyman Michael J. Panter (D-Monmouth/Mercer). "It also creates the very real possibility that the judgment of an elected or appointed official could be affected by their own financial concerns rather than the public's best interest. The signing of this bill today represents a new era in New Jersey politics, and a step in the right direction toward good government."

- A-15 Prohibits employment or assignment of relatives of certain employees of the
 Executive Branch, independent authorities, and interstate agencies to specific
 positions. Expands upon last year's nepotism ban by extending the definition of
 immediate family and including certain Executive Branch departments and
 commissions.
- S-16 Bans any member of the Legislature from acting on legislation in which they or their family member has a personal interest. The bill eliminates the option of filing a personal interest statement and instead prohibits the member from acting on legislation that they have a personal interest.
- S-17-- Changes memberships of Executive Commission on Ethical Standards and Joint Legislative Committee on Ethical Standards. The changes equalize the number of public and governmental official members.
- S-18 -- Increases monetary penalties for violations of "New Jersey Conflicts of Interest Law." The bill increases the fine for civil violations of the conflict of interest laws to between \$500 and \$10,000 for State officers and employees or

members of the Legislature.

- S-19-- Requires candidates seeking office of Governor or legislator to disclose prior conviction for criminal offense. Candidates would be required to file a form setting out whether they have been convicted of an indictable crime.
 - "As legislators, we often consider measures that would require members of the public to undergo criminal background checks or disclose criminal histories prior to consideration for employment," said Assemblyman Jeff Van Drew (D-Cape May). "However, current state law fails to require state elected officials to disclose similar backgrounds. This is more than a statutory anomaly. It is an error in need of immediate correction."
- S-22 -- Expands the definition of lobbyist and legislative agent to include those who influence the governmental process and actions in the Executive Branch, agency, or instrumentality.
- A-23 -- Requires ELEC to conduct random audits of records kept by legislative agents. Currently, ELEC has the authority to conduct such audits, but this bill would require them to do so.
- A-24 -- Directs ELEC to collect \$100 annual fee from legislative agents. The fee would be deposited in the general fund to be appropriated to ELEC. The fee would offset the costs of ELEC's new responsibilities.
- A-25 -- Prohibits legislative agents from accepting contingency fees to influence legislation or regulations. This bill amends the existing law by eliminating the ability of a legislative agent to enter into a contingency fee agreement with a client. The legislative agent's reimbursement could not be dependent upon the whether or not he or she was successful in trying to influence legislation or regulation.