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P.L. 2004, CHAPTER 25, *approved June 16, 2004*

Senate, No. 18

1 AN ACT concerning certain penalties for violations of the "New Jersey
2 Conflicts of Interest Law" 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 10 of P.L.1971, c.182 (C.52:13D-21) is amended to
8 read as follows:

9 10. (a) The Executive Commission on Ethical Standards created
10 pursuant to P.L.1967, [chapter 229] c.229, is continued and
11 established in the Department of Law and Public Safety and shall
12 constitute the first commission under P.L.1971, c.182 (C.52:13D-12
13 et al.).

14 (b) The commission shall be composed of nine members as follows:
15 seven members appointed by the Governor from among State officers
16 and employees serving in the Executive Branch; and two public
17 members appointed by the Governor, not more than one of whom shall
18 be of the same political party.

19 Each member appointed from the Executive Branch shall serve at
20 the pleasure of the Governor during the term of office of the Governor
21 appointing the member and until the member's successor is appointed
22 and qualified. The public members shall serve for terms of four years
23 and until the appointment and qualification of their successors, but of
24 the public members first appointed, one shall serve for a term of two
25 years and one shall serve for a term of four years. The Governor shall
26 designate one member to serve as chairman and one member to serve
27 as vice-chairman of the commission.

28 Vacancies in the membership of the commission shall be filled in the
29 same manner as the original appointments but, in the case of public
30 members, for the unexpired term only. None of the public members
31 shall be State officers or employees or special State officers or
32 employees, except by reason of their service on the commission. A
33 public member may be reappointed for subsequent terms on the
34 commission.

35 (c) Each member of the [said] commission shall serve without
36 compensation but shall be entitled to be reimbursed for all actual and
37 necessary expenses incurred in the performance of the member's
38 duties.

39 (d) The Attorney General shall act as legal adviser and counsel to
40 the [said] commission. The Attorney General shall upon request
41 advise the commission in the rendering of advisory opinions by the

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

Matter underlined thus is new matter.

1 commission, in the approval and review of codes of ethics adopted by
2 State agencies in the Executive Branch and in the recommendation of
3 revisions in codes of ethics or legislation relating to the conduct of
4 State officers and employees in the Executive Branch.

5 (e) The [said] commission may, within the limits of funds
6 appropriated or otherwise made available to it for the purpose, employ
7 such other professional, technical, clerical or other assistants,
8 excepting legal counsel, and incur such expenses as may be necessary
9 for the performance of its duties.

10 (f) The [said] commission, in order to perform its duties pursuant
11 to the provisions of P.L.1971, c.182 (C.52:13D-12 et al.), shall have
12 the power to conduct investigations, hold hearings, compel the
13 attendance of witnesses and the production before it of such books and
14 papers as it may deem necessary, proper and relevant to the matter
15 under investigation. The members of the [said] commission and the
16 persons appointed by the commission for [such] that purpose are
17 hereby empowered to administer oaths and examine witnesses under
18 oath.

19 (g) The [said] commission is authorized to render advisory
20 opinions as to whether a given set of facts and circumstances would,
21 in its opinion, constitute a violation of the provisions of P.L.1971,
22 c.182 (C.52:13D-12 et al.) or of a code of ethics promulgated
23 pursuant to the provisions of P.L.1971, c.182 (C.52:13D-12 et al.).

24 (h) The [said] commission shall have jurisdiction to initiate,
25 receive, hear and review complaints regarding violations, by any State
26 officer or employee or special State officer or employee in the
27 Executive Branch, of the provisions of P.L.1971, c.182 (C.52:13D-12
28 et al.) or of any code of ethics promulgated pursuant to the provisions
29 of P.L.1971, c.182 (C.52:13D-12 et al.). Any complaint regarding a
30 violation of a code of ethics may be referred by the commission for
31 disposition in accordance with subsection (d) of section 12 of
32 P.L.1971, c.182 (C.52:13D-23).

33 (i) Any State officer or employee or special State officer or
34 employee found guilty by the commission of violating any provision of
35 P.L.1971, c.182 (C.52:13D-12 et al.) or of a code of ethics
36 promulgated pursuant to the provisions of P.L.1971, c.182
37 (C.52:13D-12 et al.) shall be fined not less than [~~\$100.00~~] \$500 nor
38 more than [~~\$500.00~~] \$10,000, which penalty may be collected in a
39 summary proceeding pursuant to ["The Penalty Enforcement Law of
40 1999"] the "Penalty Enforcement Law of 1999," P.L.1999, c.274
41 (C.2A:58-10 et seq.), and may be suspended from [his] office or
42 employment by order of the commission for a period of not in excess
43 of one year. If the commission finds that the conduct of [such] the
44 officer or employee constitutes a willful and continuous disregard of
45 the provisions of P.L.1971, c.182 (C.52:13D-12 et al.) or of a code of

1 ethics promulgated pursuant to the provisions of P.L.1971, c.182
2 (C.52:13D-12 et al.), it may order [such] that person removed from
3 [his] office or employment and may further bar [such] the person
4 from holding any public office or employment in this State in any
5 capacity whatsoever for a period of not exceeding five years from the
6 date on which the person was found guilty by the commission.

7 (j) The remedies provided herein are in addition to all other
8 criminal and civil remedies provided under the law.

9 (cf: P.L.2003, c.160, s.1)

10
11 2. Section 11 of P.L.1971, c.182 (C.52:13D-22) is amended to
12 read as follows:

13 11. (a) The Joint Legislative Committee on Ethical Standards
14 created pursuant to the provisions of P.L.1967, [chapter 229] c.229,
15 as continued and established pursuant to P.L.1971, c.182, is continued
16 and established in the Legislative Branch of State Government with the
17 addition of the public members as set forth in this section.

18 (b) The joint committee shall be composed of 12 members as
19 follows: four members of the Senate appointed by the President
20 thereof, no more than two of whom shall be of the same political
21 party; four members of the General Assembly, appointed by the
22 Speaker thereof, no more than two of whom shall be of the same
23 political party; and four public members, one appointed by the
24 President of the Senate, one appointed by the Speaker of the General
25 Assembly, one appointed by the Minority Leader of the Senate and one
26 appointed by the Minority Leader of the General Assembly.

27 No public member shall be a lobbyist or legislative agent as defined
28 by the "Legislative Activities Disclosure Act of 1971," P.L.1971,
29 c.183 (C.52:13C-18 et seq.), a full-time State employee or an officer
30 or director of any entity which is required to file a statement with the
31 Election Law Enforcement Commission, and no former lobbyist or
32 legislative agent shall be eligible to serve as a public member for one
33 year following the cessation of all activity by that person as a
34 legislative agent or lobbyist.

35 The legislative members shall serve until the end of the two-year
36 legislative term during which the members are appointed. The public
37 members shall serve for terms of two years and until the appointment
38 and qualification of their successors.

39 The terms of the public members shall run from the second Tuesday
40 in January of an even-numbered year to the second Tuesday in January
41 of the next even-numbered year, regardless of the original date of
42 appointment. Notwithstanding the terms of the public members as
43 established in this section, the public members first appointed shall
44 serve from their initial appointments, all of which shall be made not
45 later than the 60th day following the effective date of this act, until the
46 second Tuesday in January of the next even-numbered year.

1 Vacancies in the membership of the joint committee shall be filled
2 in the same manner as the original appointments, but for the unexpired
3 term only. Public members of the joint committee shall serve without
4 compensation, but shall be entitled to be reimbursed for all actual and
5 necessary expenses incurred in the performance of their duties.

6 (c) The joint committee shall organize as soon as may be
7 practicable after the appointment of its members, by the selection of
8 a chairman and vice chairman from among its membership and the
9 appointment of a secretary, who need not be a member of the joint
10 committee.

11 (d) The Legislative Counsel in the Office of Legislative Services
12 shall act as legal adviser to the joint committee. ~~[He]~~ The Legislative
13 Counsel shall, upon request, assist and advise the joint committee in
14 the rendering of advisory opinions by the joint committee, in the
15 approval and review of codes of ethics adopted by State agencies in
16 the Legislative Branch, and in the recommendation of revisions in
17 codes of ethics or legislation relating to the conduct of members of the
18 Legislature or State officers and employees in the Legislative Branch.

19 (e) The joint committee may, within the limits of funds
20 appropriated or otherwise available to it for the purpose, employ other
21 professional, technical, clerical or other assistants, excepting legal
22 counsel, and incur expenses as may be necessary to the performance
23 of its duties.

24 (f) The joint committee shall have all the powers granted pursuant
25 to chapter 13 of Title 52 of the Revised Statutes.

26 (g) The joint committee is authorized to render advisory opinions
27 as to whether a given set of facts and circumstances would, in its
28 opinion, constitute a violation of the provisions of this act, of a code
29 of ethics promulgated pursuant to the provisions of this act or of any
30 rule of either or both Houses which gives the joint committee
31 jurisdiction and the authority to investigate a matter.

32 (h) The joint committee shall have jurisdiction to initiate, receive,
33 hear and review complaints regarding violations of the provisions of
34 this act or of a code of ethics promulgated pursuant to the provisions
35 of this act. It shall further have such jurisdiction as to enforcement of
36 the rules of either or both Houses of the Legislature governing the
37 conduct of the members or employees thereof as those rules may
38 confer upon the joint committee. A complaint regarding a violation of
39 a code of ethics promulgated pursuant to the provisions of this act may
40 be referred by the joint committee for disposition in accordance with
41 subsection 12(d) of this act.

42 (i) Any State officer or employee or special State officer or
43 employee in the Legislative Branch found guilty by the joint committee
44 of violating any provisions of this act, of a code of ethics promulgated
45 pursuant to the provisions of this act or of any rule of either or both
46 Houses which gives the joint committee jurisdiction and the authority

1 to investigate a matter shall be fined not less than \$500.00 nor more
2 than ~~[\$1,500.00]~~ \$10,000, which penalty may be collected in a
3 summary proceeding pursuant to ["the penalty enforcement law"
4 (N.J.S.2A:58-1 et seq.)] the "Penalty Enforcement Law of 1999,"
5 P.L.1999, c.274 (C.2A:58-10 et seq.) , and may be reprimanded and
6 ordered to pay restitution where appropriate and may be suspended
7 from [his] office or employment by order of the joint committee for
8 a period not in excess of 1 year. If the joint committee finds that the
9 conduct of [such] the officer or employee constitutes a willful and
10 continuous disregard of the provisions of this act, of a code of ethics
11 promulgated pursuant to the provisions of this act or of any rule of
12 either or both Houses which gives the joint committee jurisdiction and
13 the authority to investigate a matter, it may order [such] that person
14 removed from [his] office or employment and may further bar [such]
15 the person from holding any public office or employment in this State
16 in any capacity whatsoever for a period of not exceeding 5 years from
17 the date on which [he] the person was found guilty by the joint
18 committee.

19 (j) A member of the Legislature who shall be found guilty by the
20 joint committee of violating the provisions of this act, of a code of
21 ethics promulgated pursuant to the provisions of this act or of any rule
22 of either or both Houses which gives the joint committee jurisdiction
23 and the authority to investigate a matter shall be fined not less than
24 \$500.00 nor more than ~~[\$1,500.00]~~ \$10,000, which penalty may be
25 collected in a summary proceeding pursuant to ["the penalty
26 enforcement law" (N.J.S.2A:58-1 et seq.)] the "Penalty Enforcement
27 Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.), and shall be
28 subject to such further action as may be determined by the House of
29 which [he] the person is a member. In such cases the joint committee
30 shall report its findings to the appropriate House and shall recommend
31 to the House such further action as the joint committee deems
32 appropriate, but it shall be the sole responsibility of the House to
33 determine what further action, if any, shall be taken against such
34 member.

35 (cf: P.L.1991, c.505, s.1)

36

37 3. This act shall take effect immediately, but any increased
38 penalties shall apply only to violations occurring on or after the
39 effective date of this act.

40

41

42

STATEMENT

43

44 This bill would increase the civil penalties for violations of the
45 "New Jersey Conflicts of Interest Law." Current law provides for a

1 fine of between \$100 and \$500 for State officers or employees and a
2 fine of between \$500 and \$1,500 for members of the Legislature and
3 Legislative Branch officers or employees, for a violation of that act.
4 This bill would raise the penalty to a fine of between \$500 and
5 \$10,000 for both branches.

6 The increased monetary penalties for violations of the "New Jersey
7 Conflicts of Interest Law" prescribed by this bill should help to
8 strengthen public confidence in the integrity of the activities of State
9 officials.

10

11

12

13

14 _____
15 Increases monetary penalties for violations of "New Jersey Conflicts
of Interest Law."

SENATE, No. 18

STATE OF NEW JERSEY 211th LEGISLATURE

INTRODUCED JUNE 7, 2004

Sponsored by:

Senator JOSEPH CONIGLIO

District 38 (Bergen)

Assemblywoman JOAN M. QUIGLEY

District 32 (Bergen and Hudson)

Assemblyman BRIAN P. STACK

District 33 (Hudson)

Assemblyman WILLIAM D. PAYNE

District 29 (Essex and Union)

Assemblyman ANTHONY CHIAPPONE

District 31 (Hudson)

Co-Sponsored by:

Assemblymen Mayer, Van Drew, McKeon, Assemblywoman Cruz-Perez,

Assemblymen Chivukula, R.Smith, Assemblywoman Watson Coleman,

Assemblymen Conners, Panter, Morgan, Fisher, Vas and Greenwald

SYNOPSIS

Increases monetary penalties for violations of "New Jersey Conflicts of Interest Law."

CURRENT VERSION OF TEXT

As introduced.

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

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2 Conflicts of Interest Law" and amending P.L.1971, c.182.

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20 the pleasure of the Governor during the term of office of the Governor
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38 1999] the "Penalty Enforcement Law of 1999," P.L.1999, c.274
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40 employment by order of the commission for a period of not in excess
41 of one year. If the commission finds that the conduct of [such] the
42 officer or employee constitutes a willful and continuous disregard of
43 the provisions of P.L.1971, c.182 (C.52:13D-12 et al.) or of a code of
44 ethics promulgated pursuant to the provisions of P.L.1971, c.182
45 (C.52:13D-12 et al.), it may order [such] that person removed from

1 [his] office or employment and may further bar [such] the person
2 from holding any public office or employment in this State in any
3 capacity whatsoever for a period of not exceeding five years from the
4 date on which the person was found guilty by the commission.

5 (j) The remedies provided herein are in addition to all other
6 criminal and civil remedies provided under the law.

7 (cf: P.L.2003, c.160, s.1)

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20 Speaker thereof, no more than two of whom shall be of the same
21 political party; and four public members, one appointed by the
22 President of the Senate, one appointed by the Speaker of the General
23 Assembly, one appointed by the Minority Leader of the Senate and one
24 appointed by the Minority Leader of the General Assembly.

25 No public member shall be a lobbyist or legislative agent as defined
26 by the "Legislative Activities Disclosure Act of 1971," P.L.1971,
27 c.183 (C.52:13C-18 et seq.), a full-time State employee or an officer
28 or director of any entity which is required to file a statement with the
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30 legislative agent shall be eligible to serve as a public member for one
31 year following the cessation of all activity by that person as a
32 legislative agent or lobbyist.

33 The legislative members shall serve until the end of the two-year
34 legislative term during which the members are appointed. The public
35 members shall serve for terms of two years and until the appointment
36 and qualification of their successors.

37 The terms of the public members shall run from the second Tuesday
38 in January of an even-numbered year to the second Tuesday in January
39 of the next even-numbered year, regardless of the original date of
40 appointment. Notwithstanding the terms of the public members as
41 established in this section, the public members first appointed shall
42 serve from their initial appointments, all of which shall be made not
43 later than the 60th day following the effective date of this act, until the
44 second Tuesday in January of the next even-numbered year.

45 Vacancies in the membership of the joint committee shall be filled
46 in the same manner as the original appointments, but for the unexpired

1 term only. Public members of the joint committee shall serve without
2 compensation, but shall be entitled to be reimbursed for all actual and
3 necessary expenses incurred in the performance of their duties.

4 (c) The joint committee shall organize as soon as may be
5 practicable after the appointment of its members, by the selection of
6 a chairman and vice chairman from among its membership and the
7 appointment of a secretary, who need not be a member of the joint
8 committee.

9 (d) The Legislative Counsel in the Office of Legislative Services
10 shall act as legal adviser to the joint committee. ~~[He]~~ The Legislative
11 Counsel shall, upon request, assist and advise the joint committee in
12 the rendering of advisory opinions by the joint committee, in the
13 approval and review of codes of ethics adopted by State agencies in
14 the Legislative Branch, and in the recommendation of revisions in
15 codes of ethics or legislation relating to the conduct of members of the
16 Legislature or State officers and employees in the Legislative Branch.

17 (e) The joint committee may, within the limits of funds
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19 professional, technical, clerical or other assistants, excepting legal
20 counsel, and incur expenses as may be necessary to the performance
21 of its duties.

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23 to chapter 13 of Title 52 of the Revised Statutes.

24 (g) The joint committee is authorized to render advisory opinions
25 as to whether a given set of facts and circumstances would, in its
26 opinion, constitute a violation of the provisions of this act, of a code
27 of ethics promulgated pursuant to the provisions of this act or of any
28 rule of either or both Houses which gives the joint committee
29 jurisdiction and the authority to investigate a matter.

30 (h) The joint committee shall have jurisdiction to initiate, receive,
31 hear and review complaints regarding violations of the provisions of
32 this act or of a code of ethics promulgated pursuant to the provisions
33 of this act. It shall further have such jurisdiction as to enforcement of
34 the rules of either or both Houses of the Legislature governing the
35 conduct of the members or employees thereof as those rules may
36 confer upon the joint committee. A complaint regarding a violation of
37 a code of ethics promulgated pursuant to the provisions of this act may
38 be referred by the joint committee for disposition in accordance with
39 subsection 12(d) of this act.

40 (i) Any State officer or employee or special State officer or
41 employee in the Legislative Branch found guilty by the joint committee
42 of violating any provisions of this act, of a code of ethics promulgated
43 pursuant to the provisions of this act or of any rule of either or both
44 Houses which gives the joint committee jurisdiction and the authority
45 to investigate a matter shall be fined not less than \$500.00 nor more
46 than ~~[\$1,500.00]~~ \$10,000, which penalty may be collected in a

1 summary proceeding pursuant to ["the penalty enforcement law"
2 (N.J.S.2A:58-1 et seq.)] the "Penalty Enforcement Law of 1999,"
3 P.L.1999, c.274 (C.2A:58-10 et seq.) , and may be reprimanded and
4 ordered to pay restitution where appropriate and may be suspended
5 from [his] office or employment by order of the joint committee for
6 a period not in excess of 1 year. If the joint committee finds that the
7 conduct of [such] the officer or employee constitutes a willful and
8 continuous disregard of the provisions of this act, of a code of ethics
9 promulgated pursuant to the provisions of this act or of any rule of
10 either or both Houses which gives the joint committee jurisdiction and
11 the authority to investigate a matter, it may order [such] that person
12 removed from [his] office or employment and may further bar [such]
13 the person from holding any public office or employment in this State
14 in any capacity whatsoever for a period of not exceeding 5 years from
15 the date on which [he] the person was found guilty by the joint
16 committee.

17 (j) A member of the Legislature who shall be found guilty by the
18 joint committee of violating the provisions of this act, of a code of
19 ethics promulgated pursuant to the provisions of this act or of any rule
20 of either or both Houses which gives the joint committee jurisdiction
21 and the authority to investigate a matter shall be fined not less than
22 \$500.00 nor more than [~~\$1,500.00~~] \$10,000, which penalty may be
23 collected in a summary proceeding pursuant to ["the penalty
24 enforcement law" (N.J.S.2A:58-1 et seq.)] the "Penalty Enforcement
25 Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.), and shall be
26 subject to such further action as may be determined by the House of
27 which [he] the person is a member. In such cases the joint committee
28 shall report its findings to the appropriate House and shall recommend
29 to the House such further action as the joint committee deems
30 appropriate, but it shall be the sole responsibility of the House to
31 determine what further action, if any, shall be taken against such
32 member.

33 (cf: P.L.1991, c.505, s.1)

34

35 3. This act shall take effect immediately, but any increased
36 penalties shall apply only to violations occurring on or after the
37 effective date of this act.

38

39

40

STATEMENT

41

42 This bill would increase the civil penalties for violations of the
43 "New Jersey Conflicts of Interest Law." Current law provides for a
44 fine of between \$100 and \$500 for State officers or employees and a
45 fine of between \$500 and \$1,500 for members of the Legislature and

S18 CONIGLIO

7

1 Legislative Branch officers or employees, for a violation of that act.
2 This bill would raise the penalty to a fine of between \$500 and
3 \$10,000 for both branches.

4 The increased monetary penalties for violations of the "New Jersey
5 Conflicts of Interest Law" prescribed by this bill should help to
6 strengthen public confidence in the integrity of the activities of State
7 officials.

SENATE STATE GOVERNMENT COMMITTEE

STATEMENT TO

SENATE, No. 18

STATE OF NEW JERSEY

DATED: JUNE 3, 2004

The Senate State Government Committee reports favorably Senate, No. 18.

This bill would increase the civil penalties for violations of the "New Jersey Conflicts of Interest Law." Current law provides for a fine of between \$100 and \$500 for State officers or employees and a fine of between \$500 and \$1,500 for members of the Legislature and Legislative Branch officers or employees, for a violation of that act. This bill would raise the penalty to a fine of between \$500 and \$10,000 for both branches.

This bill is identical to Assembly, No. 18 of 2004.

ASSEMBLY, No. 18

STATE OF NEW JERSEY

211th LEGISLATURE

INTRODUCED MAY 27, 2004

Sponsored by:

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Assemblyman BRIAN P. STACK

District 33 (Hudson)

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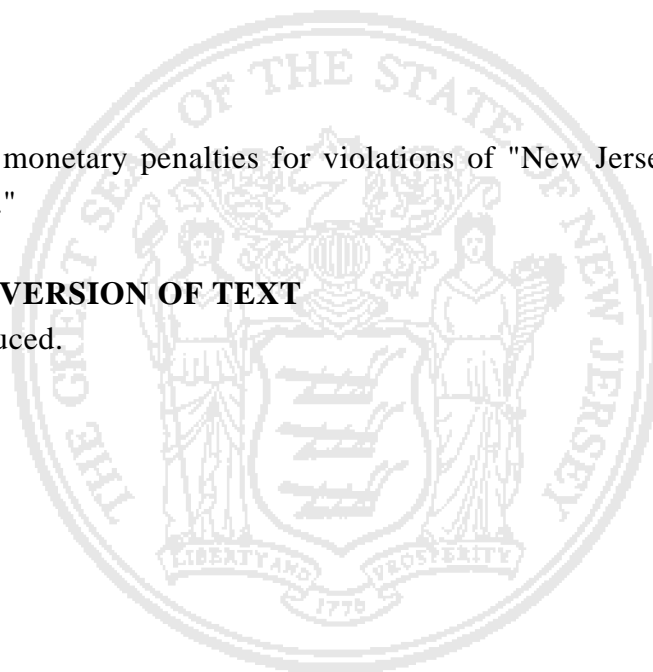
Assemblymen Conners, Panter, Morgan, Fisher, Vas and Greenwald

SYNOPSIS

Increases monetary penalties for violations of "New Jersey Conflicts of Interest Law."

CURRENT VERSION OF TEXT

As introduced.



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

A18 QUIGLEY, STACK

2

1 AN ACT concerning certain penalties for violations of the "New Jersey
2 Conflicts of Interest Law" 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 10 of P.L.1971, c.182 (C.52:13D-21) is amended to
8 read as follows:

9 10. (a) The Executive Commission on Ethical Standards created
10 pursuant to P.L.1967, [chapter 229] c.229, is continued and
11 established in the Department of Law and Public Safety and shall
12 constitute the first commission under P.L.1971, c.182 (C.52:13D-12
13 et al.).

14 (b) The commission shall be composed of nine members as follows:
15 seven members appointed by the Governor from among State officers
16 and employees serving in the Executive Branch; and two public
17 members appointed by the Governor, not more than one of whom shall
18 be of the same political party.

19 Each member appointed from the Executive Branch shall serve at
20 the pleasure of the Governor during the term of office of the Governor
21 appointing the member and until the member's successor is appointed
22 and qualified. The public members shall serve for terms of four years
23 and until the appointment and qualification of their successors, but of
24 the public members first appointed, one shall serve for a term of two
25 years and one shall serve for a term of four years. The Governor shall
26 designate one member to serve as chairman and one member to serve
27 as vice-chairman of the commission.

28 Vacancies in the membership of the commission shall be filled in the
29 same manner as the original appointments but, in the case of public
30 members, for the unexpired term only. None of the public members
31 shall be State officers or employees or special State officers or
32 employees, except by reason of their service on the commission. A
33 public member may be reappointed for subsequent terms on the
34 commission.

35 (c) Each member of the [said] commission shall serve without
36 compensation but shall be entitled to be reimbursed for all actual and
37 necessary expenses incurred in the performance of the member's
38 duties.

39 (d) The Attorney General shall act as legal adviser and counsel to
40 the [said] commission. The Attorney General shall upon request
41 advise the commission in the rendering of advisory opinions by the
42 commission, in the approval and review of codes of ethics adopted by
43 State agencies in the Executive Branch and in the recommendation of

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

Matter underlined thus is new matter.

1 revisions in codes of ethics or legislation relating to the conduct of
2 State officers and employees in the Executive Branch.

3 (e) The [said] commission may, within the limits of funds
4 appropriated or otherwise made available to it for the purpose, employ
5 such other professional, technical, clerical or other assistants,
6 excepting legal counsel, and incur such expenses as may be necessary
7 for the performance of its duties.

8 (f) The [said] commission, in order to perform its duties pursuant
9 to the provisions of P.L.1971, c.182 (C.52:13D-12 et al.), shall have
10 the power to conduct investigations, hold hearings, compel the
11 attendance of witnesses and the production before it of such books and
12 papers as it may deem necessary, proper and relevant to the matter
13 under investigation. The members of the [said] commission and the
14 persons appointed by the commission for [such] that purpose are
15 hereby empowered to administer oaths and examine witnesses under
16 oath.

17 (g) The [said] commission is authorized to render advisory
18 opinions as to whether a given set of facts and circumstances would,
19 in its opinion, constitute a violation of the provisions of P.L.1971,
20 c.182 (C.52:13D-12 et al.) or of a code of ethics promulgated
21 pursuant to the provisions of P.L.1971, c.182 (C.52:13D-12 et al.).

22 (h) The [said] commission shall have jurisdiction to initiate,
23 receive, hear and review complaints regarding violations, by any State
24 officer or employee or special State officer or employee in the
25 Executive Branch, of the provisions of P.L.1971, c.182 (C.52:13D-12
26 et al.) or of any code of ethics promulgated pursuant to the provisions
27 of P.L.1971, c.182 (C.52:13D-12 et al.). Any complaint regarding a
28 violation of a code of ethics may be referred by the commission for
29 disposition in accordance with subsection (d) of section 12 of
30 P.L.1971, c.182 (C.52:13D-23).

31 (i) Any State officer or employee or special State officer or
32 employee found guilty by the commission of violating any provision of
33 P.L.1971, c.182 (C.52:13D-12 et al.) or of a code of ethics
34 promulgated pursuant to the provisions of P.L.1971, c.182
35 (C.52:13D-12 et al.) shall be fined not less than [~~\$100.00~~] \$500 nor
36 more than [~~\$500.00~~] \$10,000, which penalty may be collected in a
37 summary proceeding pursuant to ["The Penalty Enforcement Law of
38 1999] the "Penalty Enforcement Law of 1999," P.L.1999, c.274
39 (C.2A:58-10 et seq.), and may be suspended from [his] office or
40 employment by order of the commission for a period of not in excess
41 of one year. If the commission finds that the conduct of [such] the
42 officer or employee constitutes a willful and continuous disregard of
43 the provisions of P.L.1971, c.182 (C.52:13D-12 et al.) or of a code of
44 ethics promulgated pursuant to the provisions of P.L.1971, c.182
45 (C.52:13D-12 et al.), it may order [such] that person removed from

1 [his] office or employment and may further bar [such] the person
2 from holding any public office or employment in this State in any
3 capacity whatsoever for a period of not exceeding five years from the
4 date on which the person was found guilty by the commission.

5 (j) The remedies provided herein are in addition to all other
6 criminal and civil remedies provided under the law.

7 (cf: P.L.2003, c.160, s.1)

8

9 2. Section 11 of P.L.1971, c.182 (C.52:13D-22) is amended to
10 read as follows:

11 11. (a) The Joint Legislative Committee on Ethical Standards
12 created pursuant to the provisions of P.L.1967, [chapter 229] c.229,
13 as continued and established pursuant to P.L.1971, c.182, is continued
14 and established in the Legislative Branch of State Government with the
15 addition of the public members as set forth in this section.

16 (b) The joint committee shall be composed of 12 members as
17 follows: four members of the Senate appointed by the President
18 thereof, no more than two of whom shall be of the same political
19 party; four members of the General Assembly, appointed by the
20 Speaker thereof, no more than two of whom shall be of the same
21 political party; and four public members, one appointed by the
22 President of the Senate, one appointed by the Speaker of the General
23 Assembly, one appointed by the Minority Leader of the Senate and one
24 appointed by the Minority Leader of the General Assembly.

25 No public member shall be a lobbyist or legislative agent as defined
26 by the "Legislative Activities Disclosure Act of 1971," P.L.1971,
27 c.183 (C.52:13C-18 et seq.), a full-time State employee or an officer
28 or director of any entity which is required to file a statement with the
29 Election Law Enforcement Commission, and no former lobbyist or
30 legislative agent shall be eligible to serve as a public member for one
31 year following the cessation of all activity by that person as a
32 legislative agent or lobbyist.

33 The legislative members shall serve until the end of the two-year
34 legislative term during which the members are appointed. The public
35 members shall serve for terms of two years and until the appointment
36 and qualification of their successors.

37 The terms of the public members shall run from the second Tuesday
38 in January of an even-numbered year to the second Tuesday in January
39 of the next even-numbered year, regardless of the original date of
40 appointment. Notwithstanding the terms of the public members as
41 established in this section, the public members first appointed shall
42 serve from their initial appointments, all of which shall be made not
43 later than the 60th day following the effective date of this act, until the
44 second Tuesday in January of the next even-numbered year.

45 Vacancies in the membership of the joint committee shall be filled
46 in the same manner as the original appointments, but for the unexpired

1 term only. Public members of the joint committee shall serve without
2 compensation, but shall be entitled to be reimbursed for all actual and
3 necessary expenses incurred in the performance of their duties.

4 (c) The joint committee shall organize as soon as may be
5 practicable after the appointment of its members, by the selection of
6 a chairman and vice chairman from among its membership and the
7 appointment of a secretary, who need not be a member of the joint
8 committee.

9 (d) The Legislative Counsel in the Office of Legislative Services
10 shall act as legal adviser to the joint committee. ~~[He]~~ The Legislative
11 Counsel shall, upon request, assist and advise the joint committee in
12 the rendering of advisory opinions by the joint committee, in the
13 approval and review of codes of ethics adopted by State agencies in
14 the Legislative Branch, and in the recommendation of revisions in
15 codes of ethics or legislation relating to the conduct of members of the
16 Legislature or State officers and employees in the Legislative Branch.

17 (e) The joint committee may, within the limits of funds
18 appropriated or otherwise available to it for the purpose, employ other
19 professional, technical, clerical or other assistants, excepting legal
20 counsel, and incur expenses as may be necessary to the performance
21 of its duties.

22 (f) The joint committee shall have all the powers granted pursuant
23 to chapter 13 of Title 52 of the Revised Statutes.

24 (g) The joint committee is authorized to render advisory opinions
25 as to whether a given set of facts and circumstances would, in its
26 opinion, constitute a violation of the provisions of this act, of a code
27 of ethics promulgated pursuant to the provisions of this act or of any
28 rule of either or both Houses which gives the joint committee
29 jurisdiction and the authority to investigate a matter.

30 (h) The joint committee shall have jurisdiction to initiate, receive,
31 hear and review complaints regarding violations of the provisions of
32 this act or of a code of ethics promulgated pursuant to the provisions
33 of this act. It shall further have such jurisdiction as to enforcement of
34 the rules of either or both Houses of the Legislature governing the
35 conduct of the members or employees thereof as those rules may
36 confer upon the joint committee. A complaint regarding a violation of
37 a code of ethics promulgated pursuant to the provisions of this act may
38 be referred by the joint committee for disposition in accordance with
39 subsection 12(d) of this act.

40 (i) Any State officer or employee or special State officer or
41 employee in the Legislative Branch found guilty by the joint committee
42 of violating any provisions of this act, of a code of ethics promulgated
43 pursuant to the provisions of this act or of any rule of either or both
44 Houses which gives the joint committee jurisdiction and the authority
45 to investigate a matter shall be fined not less than \$500.00 nor more
46 than ~~[\$1,500.00]~~ \$10,000, which penalty may be collected in a

1 summary proceeding pursuant to ["the penalty enforcement law"
2 (N.J.S.2A:58-1 et seq.)] the "Penalty Enforcement Law of 1999,"
3 P.L.1999, c.274 (C.2A:58-10 et seq.) , and may be reprimanded and
4 ordered to pay restitution where appropriate and may be suspended
5 from [his] office or employment by order of the joint committee for
6 a period not in excess of 1 year. If the joint committee finds that the
7 conduct of [such] the officer or employee constitutes a willful and
8 continuous disregard of the provisions of this act, of a code of ethics
9 promulgated pursuant to the provisions of this act or of any rule of
10 either or both Houses which gives the joint committee jurisdiction and
11 the authority to investigate a matter, it may order [such] that person
12 removed from [his] office or employment and may further bar [such]
13 the person from holding any public office or employment in this State
14 in any capacity whatsoever for a period of not exceeding 5 years from
15 the date on which [he] the person was found guilty by the joint
16 committee.

17 (j) A member of the Legislature who shall be found guilty by the
18 joint committee of violating the provisions of this act, of a code of
19 ethics promulgated pursuant to the provisions of this act or of any rule
20 of either or both Houses which gives the joint committee jurisdiction
21 and the authority to investigate a matter shall be fined not less than
22 \$500.00 nor more than [~~\$1,500.00~~] \$10,000, which penalty may be
23 collected in a summary proceeding pursuant to ["the penalty
24 enforcement law" (N.J.S.2A:58-1 et seq.)] the "Penalty Enforcement
25 Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.), and shall be
26 subject to such further action as may be determined by the House of
27 which [he] the person is a member. In such cases the joint committee
28 shall report its findings to the appropriate House and shall recommend
29 to the House such further action as the joint committee deems
30 appropriate, but it shall be the sole responsibility of the House to
31 determine what further action, if any, shall be taken against such
32 member.

33 (cf: P.L.1991, c.505, s.1)

34

35 3. This act shall take effect immediately, but any increased
36 penalties shall apply only to violations occurring on or after the
37 effective date of this act.

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39

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STATEMENT

41

42 This bill would increase the civil penalties for violations of the
43 "New Jersey Conflicts of Interest Law." Current law provides for a
44 fine of between \$100 and \$500 for State officers or employees and a
45 fine of between \$500 and \$1,500 for members of the Legislature and

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1 Legislative Branch officers or employees, for a violation of that act.
2 This bill would raise the penalty to a fine of between \$500 and
3 \$10,000 for both branches.

4 The increased monetary penalties for violations of the "New Jersey
5 Conflicts of Interest Law" prescribed by this bill should help to
6 strengthen public confidence in the integrity of the activities of State
7 officials.

ASSEMBLY STATE GOVERNMENT COMMITTEE

STATEMENT TO

ASSEMBLY, No. 18

STATE OF NEW JERSEY

DATED: JUNE 3, 2004

The Assembly State Government Committee reports favorably
Assembly, No. 18.

This bill increases the civil penalties for violations of the "New Jersey Conflicts of Interest Law." Current law provides a fine of between \$100 and \$500 for State officers or employees of the Executive Branch, and a fine of between \$500 and \$1,500 for members of the Legislature and Legislative Branch officers or employees, for a violation of that act. This bill raises the penalty to a fine of between \$500 and \$10,000 for both branches.

This bill is the same as Senate, No. 18 of 2004.

Office of the Governor

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PO BOX 004
TRENTON, NJ 08625

Contact: Micah Rasmussen
609-777-2600

RELEASE: June 16, 2004

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.

State of New Jersey Governor's Office

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