

52:13C-18

LEGISLATIVE HISTORY CHECKLIST

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LAWS OF: 2004 **CHAPTER:** 27
NJSA: 52:13C-18 (Expands definition of lobbyist)
BILL NO: S22 (Substituted for A22)

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)

S22

[SPONSOR'S STATEMENT:](#) (Begins on page 23 of original bill) [Yes](#)

COMMITTEE STATEMENT: **ASSEMBLY:** No

[SENATE:](#) [Yes](#)

FLOOR AMENDMENT STATEMENT: No

[LEGISLATIVE FISCAL ESTIMATE:](#) [Yes](#)

A22

[SPONSOR'S STATEMENT:](#) (Begins on page 23 of original bill) [Yes](#)

Bill and Sponsors Statement identical to S22

COMMITTEE STATEMENT: [ASSEMBLY:](#) [Yes](#)

SENATE: No

FLOOR AMENDMENT STATEMENT: No

[LEGISLATIVE FISCAL ESTIMATE:](#) [Yes](#)

VETO MESSAGE: No

[GOVERNOR'S PRESS RELEASE ON SIGNING:](#) [Yes](#)

FOLLOWING WERE PRINTED:

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REPORTS:

No

HEARINGS:

No

NEWSPAPER ARTICLES:

Yes

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

P.L. 2004, CHAPTER 27, *approved June 16, 2004*

Senate, No. 22

1 AN ACT expanding the definition of lobbyist and legislative agent and
2 amending various parts of the statutory law.

3

4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6

7 1. Section 1 of P.L.1971, c.183 (C.52:13C-18) is amended to read
8 as follows:

9 1. The Legislature affirms that the preservation of responsible
10 government requires that the fullest opportunity be afforded to the
11 people of the State to petition their government for the redress of
12 grievances and to express freely to individual legislators, committees
13 of the Legislature and the Governor their opinion on legislation and
14 current issues, **[and]** to Executive Branch officers and agencies their
15 opinion on rules and regulations developed and promulgated by those
16 officers and agencies in the exercise of powers delegated to them by
17 law, and to the Governor and Executive Branch officers and agencies
18 their opinion on matters involving the administration of various
19 governmental processes by the Governor and those officers and
20 agencies in the exercise of powers delegated to them by law.

21 The Legislature finds, however, that the preservation and
22 maintenance of the integrity of the legislative process, the regulatory
23 process and governmental process, including the development and
24 promulgation of rules and regulations or administration of various
25 governmental processes to effectuate the implementation of statutory
26 law, requires the identification in certain instances of persons and
27 groups who seek to influence the content, introduction, passage or
28 defeat of legislation **[or]**, the proposal, adoption, amendment, or
29 repeal of rules and regulations or the administration of various
30 governmental processes, and, where it is not otherwise apparent or
31 readily ascertainable, the nature of the interest which those persons
32 and groups seek to advance or protect through such activity.

33 It is in the public interest to closely monitor the activities of
34 governmental affairs agents and lobbyists with respect to their
35 involvement in influencing legislative, regulatory and governmental
36 processes to ensure the integrity of government.

37 **[It]** Therefore, it is the purpose of this act, as amended by P.L. ,
38 c. (now pending before the Legislature as this bill), to require
39 adequate disclosure in certain instances in order to make available to
40 the Legislature, governmental officials and the public information
41 relative to the activities of persons who seek to influence the content,

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 introduction, passage or defeat of legislation [or], the proposal,
2 adoption, amendment[,] or repeal of rules and regulations or the
3 administration of various governmental processes by such means.

4 (cf: P.L.1991, c.243, s.2)

5

6 2. Section 2 of P.L.1971, c.183 (C.52:13C-19) is amended to read
7 as follows:

8 2. This act shall be known as the "Legislative and Governmental
9 Process Activities Disclosure Act [of 1971]."

10 (cf: P.L.1971, c.183, s.2)

11

12 3. Section 3 of P.L.1971, c.183 (C.52:13C-20) is amended to read
13 as follows:

14 3. For the purposes of this act, as amended and supplemented,
15 unless the context clearly requires a different meaning:

16 a. The term "person" includes an individual, partnership,
17 committee, association, corporation, and any other organization or
18 group of persons.

19 b. The term "legislation" includes all bills, resolutions,
20 amendments, nominations and appointments pending or proposed in
21 either House of the Legislature, and all bills and resolutions which,
22 having passed both Houses, are pending approval by the Governor.

23 c. The term "Legislature" includes the Senate and General
24 Assembly of the State of New Jersey and all committees and
25 commissions established by the Legislature or by either House thereof.

26 d. The term "lobbyist" means any person, partnership, committee,
27 association, corporation, labor union or any other organization that
28 employs, engages or otherwise uses the services of any [legislative]
29 governmental affairs agent to influence legislation [or] . regulation
30 or governmental processes.

31 e. The term "Governor" includes the Governor or the Acting
32 Governor.

33 f. The term "communication with a member of the Legislature,
34 "with legislative staff," "with the Governor," "with the Governor's
35 staff," or "with an officer or staff member of the Executive Branch"
36 means any communication, oral or in writing or any other medium,
37 addressed, delivered, distributed or disseminated, respectively, to a
38 member of the Legislature, to legislative staff, to the Governor, to the
39 Governor's staff, or to an officer or staff member of the Executive
40 Branch, as distinguished from communication to the general public
41 including but not limited to a member of the Legislature, legislative
42 staff, the Governor, the Governor's staff, or an officer or staff member
43 of the Executive Branch. If any person shall obtain, reproduce or
44 excerpt any communication or part thereof which in its original form
45 was not a communication under this subsection and shall cause such
46 excerpt or reproduction to be addressed, delivered, distributed or

1 disseminated to a member of the Legislature, to legislative staff, to the
2 Governor, to the Governor's staff, or to an officer or staff member of
3 the Executive Branch, such communication, reproduction or excerpt
4 shall be deemed a communication with the member of the Legislature,
5 with legislative staff, with the Governor, with the Governor's staff, or
6 with an officer or staff member of the Executive Branch by such
7 person.

8 g. The term "[legislative] governmental affairs agent" means any
9 person who receives or agrees to receive, directly or indirectly,
10 compensation, in money or anything of value including reimbursement
11 of his expenses where such reimbursement exceeds \$100.00 in any
12 three-month period, to influence legislation [or], to influence
13 regulation or to influence governmental processes, or [both] all of
14 the above, by direct or indirect communication with, or by making or
15 authorizing, or causing to be made or authorized, any expenditures
16 providing a benefit to, a member of the Legislature, legislative staff,
17 the Governor, the Governor's staff, or any officer or staff member of
18 the Executive Branch, or who holds himself out as engaging in the
19 business of influencing legislation [or], regulation[,] or governmental
20 processes, by such means, or who incident to his regular employment
21 engages in influencing legislation [or] , regulation or governmental
22 processes, by such means; provided, however, that a person shall not
23 be deemed a [legislative] governmental affairs agent who, in relation
24 to the duties or interests of his employment or at the request or
25 suggestion of his employer, communicates with a member of the
26 Legislature, with legislative staff, with the Governor, with the
27 Governor's staff, or with an officer or staff member of the Executive
28 Branch concerning any legislation [or] , regulation or governmental
29 process, if such communication is an isolated, exceptional or
30 infrequent activity in relation to the usual duties of his employment.

31 h. The term "influence legislation" means to make any attempt,
32 whether successful or not, to secure or prevent the initiation of any
33 legislation, or to secure or prevent the passage, defeat, amendment or
34 modification thereof by the Legislature, or the approval, amendment
35 or disapproval thereof by the Governor in accordance with his
36 constitutional authority.

37 i. The term "statement" includes a notice of representation or a
38 report required by this act, as amended and supplemented.

39 j. (Deleted by amendment, P.L.1991, c.243).

40 k. The term "member of the Legislature" includes any member or
41 member-elect of, or any person who shall have been selected to fill a
42 vacancy in, the Senate or General Assembly, and any other person who
43 is a member or member-designate of any committee or commission
44 established by the Legislature or by either House thereof.

45 l. The term "legislative staff" includes all staff, assistants and
46 employees of the Legislature or any of its members in the member's

1 official capacity, whether or not they receive compensation from the
2 State of New Jersey.

3 m. The term "Governor's staff" includes the members of the
4 Governor's Cabinet, the Secretary to the Governor, the Counsel to the
5 Governor and all professional employees in the office of the Counsel
6 to the Governor, and all other employees of the Office of the
7 Governor.

8 n. The term "officer or staff member of the Executive Branch"
9 means any assistant or deputy head of a principal department in the
10 Executive Branch of State Government, including all assistant and
11 deputy commissioners; the members and chief executive officer of any
12 authority, board, commission or other agency or instrumentality in or
13 of such a principal department; and any officer of the Executive
14 Branch of State Government other than the Governor who is not
15 included among the foregoing or among the Governor's staff, but who
16 is empowered by law to issue, promulgate or adopt administrative
17 rules and regulations or to administer governmental processes, and any
18 person employed in the office of such an officer who is involved with
19 the development, issuance, promulgation or adoption of such rules and
20 regulations or administration of governmental processes in the regular
21 course of employment.

22 o. The term "regulation" includes any administrative rule or
23 regulation affecting the rights, privileges, benefits, duties, obligations,
24 or liabilities of any one or more persons subject by law to regulation
25 as a class, but does not include an administrative action (1) to issue,
26 renew or deny, or, in an adjudicative action, to suspend or revoke, a
27 license, order, permit or waiver under any law or administrative rule
28 or regulation, (2) to impose a penalty, or (3) to effectuate an
29 administrative reorganization within a single principal department of
30 the Executive Branch of State Government.

31 p. The term "influence regulation" means to make any attempt,
32 whether successful or not, to secure or prevent the proposal of any
33 regulation or to secure or prevent the consideration, amendment,
34 issuance, promulgation, adoption or rejection thereof by an officer or
35 any authority, board, commission or other agency or instrumentality
36 in or of a principal department of the Executive Branch of State
37 Government empowered by law to issue, promulgate or adopt
38 administrative rules and regulations.

39 q. The term "expenditures providing a benefit" or "expenditures
40 providing benefits" means any expenditures for entertainment, food
41 and beverage, travel and lodging, honoraria, loans, gifts or any other
42 thing of value, except for (1) any money or thing of value paid for
43 past, present, or future services in regular employment, whether in the
44 form of a fee, expense, allowance, forbearance, forgiveness, interest,
45 dividend, royalty, rent, capital gain, or any other form of recompense,
46 or any combination thereof, or (2) any dividends or other income paid

1 on investments, trusts, and estates.

2 r. The term "commission" means the Election Law Enforcement
3 Commission established pursuant to section 5 of P.L.1973, c.83
4 (C.19:44A-5).

5 s. The terms "influence governmental processes", "influencing
6 governmental processes" or "influence governmental process" means
7 to make any attempt, whether successful or not, to assist a represented
8 entity or group to engage in communication with, or to secure
9 information from, an officer or staff member of the Executive Branch,
10 or any authority, board, commission or other agency or instrumentality
11 in or of a principal department of the Executive Branch of State
12 Government, empowered by law to administer a governmental process
13 or perform other functions that relate to such processes.

14 t. The term "governmental process" means:

15 promulgation of executive orders;

16 rate setting;

17 development, negotiation, award, modification or cancellation of
18 public contracts;

19 issuance, denial, modification, renewal, revocation or suspension of
20 permits, licenses or waivers;

21 procedures for bidding;

22 imposition or modification of fines and penalties;

23 procedures for purchasing;

24 rendition of administrative determinations; and

25 award, denial, modification, renewal or termination of financial
26 assistance, grants and loans.

27 u. The term "public contract" means a contract the cost or price of
28 which is to be paid with or out of State funds or the funds of an
29 independent authority created by the State or by the Legislature.

30 (cf: P.L.1991, c.244, s.1)

31

32 4. Section 4 of P.L.1971, c.183 (C.52:13C-21) is amended to read
33 as follows:

34 4. a. Any person who, on or after the effective date of P.L.1991,
35 c.243 or on or after the effective date of P.L. , c. (now pending
36 before the Legislature as this bill) for the purpose of influencing
37 governmental processes, is employed, retained or engages himself as
38 a [legislative] governmental affairs agent shall, prior to any
39 communication with, or the making of any expenditures providing a
40 benefit to, a member of the Legislature, legislative staff, the Governor,
41 the Governor's staff, or an officer or staff member of the Executive
42 Branch, and in any event within 30 days of [that] the appropriate
43 effective date or of such employment, retainer or engagement,
44 whichever occurs later, file a signed notice of representation with the
45 Election Law Enforcement Commission in such detail as the
46 commission may prescribe, identifying himself and persons by whom

1 he is employed or retained, and the persons in whose interests he is
2 working, and the general nature of his proposed services as a
3 [legislative] governmental affairs agent for such persons, which notice
4 shall contain the following information:

5 (1) his name, business address and regular occupation;

6 (2) the name, business address and occupation or principal business
7 of the person from whom he receives compensation for acting as a
8 [legislative] governmental affairs agent;

9 (3) (a) the name, business address and occupation or principal
10 business of any person in whose interest he acts as a [legislative]
11 governmental affairs agent in consideration of the aforesaid
12 compensation, if such person is other than the person from whom said
13 compensation is received; and

14 (b) if a person, identified under paragraph (2) of this subsection as
15 one from whom the [legislative] governmental affairs agent receives
16 compensation, is a membership organization or corporation whose
17 name or occupation so identified does not, either explicitly or by virtue
18 of the nature of the principal business in which the organization or its
19 members, or the corporation or its shareholders, is commonly known
20 to be engaged, clearly reveal the primary specific economic, social,
21 political, or other interest which the organization or corporation may
22 reasonably be understood to seek to advance or protect through its
23 employment, retainer, or engagement of the [legislative] governmental
24 affairs agent, a description of that primary economic, social, political,
25 or other interest and a list of the persons having organizational or
26 financial control of the organization or corporation, including the
27 names, mailing addresses and occupations, respectively, of those
28 persons. The commission shall promulgate rules and regulations to
29 govern the content of any information required to be disclosed under
30 this subparagraph and shall take such steps as are reasonably necessary
31 to ensure that all such information is, in accordance with those rules
32 and regulations, both accurate and complete.

33 Any list of [legislative] governmental affairs agents and their
34 principals required to be published quarterly under subsection h. of
35 section 6 of P.L.1971, c.183 (C.52:13C-23) shall include, for each
36 such principal for whom it is not otherwise apparent, the primary
37 specific interest which the principal may reasonably be understood to
38 seek to advance or protect through its engagement of the [legislative]
39 governmental affairs agent and the category of persons required to file
40 additional information, as that interest and such category shall have
41 been determined under subparagraph (b) of this paragraph;

42 (4) whether the person from whom he receives said compensation
43 employs him solely as a [legislative] governmental affairs agent, or
44 whether he is a regular employee performing services for his employer
45 which include but are not limited to the influencing of legislation [or],

1 regulation or governmental processes;

2 (5) the length of time for which he will be receiving compensation
3 from the person aforesaid for acting as a [legislative] governmental
4 affairs agent, if said length of time can be ascertained at the time of
5 filing;

6 (6) the type of legislation [or], regulation or governmental process
7 or the particular legislation [or], regulation or governmental process
8 in relation to which he is to act as [legislative] governmental affairs
9 agent in consideration of the aforesaid compensation, and any
10 particular legislation [or], regulation or governmental process, or type
11 of legislation [or], regulation or governmental process which he is to
12 promote or oppose;

13 (7) a full and particular description of any agreement, arrangement
14 or understanding according to which his compensation, or any portion
15 thereof, is or will be contingent upon the success of any attempt to
16 influence legislation [or], regulation or governmental processes.

17 b. Any [legislative] governmental affairs agent who receives
18 compensation from more than one person for his services as a
19 [legislative] governmental affairs agent shall file a separate notice of
20 representation with respect to each such person; except that a
21 [legislative] governmental affairs agent whose fee for acting as such
22 in respect to the same legislation [or], regulation or governmental
23 process or type of legislation [or], regulation or governmental process
24 is paid or contributed to by more than one person may file a single
25 statement, in which he shall detail the name, business address and
26 occupation or principal business of each person so paying or
27 contributing.

28 (cf: P.L.1991, c.244, s.2)

29

30 5. Section 4 of P.L.1981, c.150 (C.52:13C-21a) is amended to read
31 as follows:

32 4. Any [legislative] governmental affairs agent or lobbyist not a
33 resident of this State, or not a corporation of this State or authorized
34 to do business in this State, shall file with the Election Law
35 Enforcement Commission, before attempting to influence legislation,
36 regulation or governmental process, or within 30 days of the effective
37 date of P.L. , c. (now pending before the Legislature as this bill),
38 as appropriate, its consent to service of process at an address within
39 this State, or by regular mail at an address outside this State.

40 (cf: P.L.1981, c.150, s.4)

41

42 6. Section 3 of P.L.2003, c.255 (C.52:13C-21b) is amended to
43 read as follows:

44 3. Except as expressly authorized in section 13 of P.L.1971, c.182
45 (C.52:13D-24) or when the lobbyist or [legislative] governmental

1 affairs agent is a member of the immediate family of the officer or
2 staff member of the Executive Branch or member of the Legislature or
3 legislative staff, no lobbyist or **[legislative] governmental affairs**
4 agent shall offer or give or agree to offer or give, directly or indirectly,
5 any compensation, reward, employment, gift, honorarium or other
6 thing of value to an officer or staff member of the Executive Branch
7 or member of the Legislature or legislative staff, totaling more
8 than \$250.00 in a calendar year. The \$250.00 limit on any
9 compensation, reward, gift, honorarium or other thing of value shall
10 also apply to each member of the immediate family of a member of the
11 Legislature, as defined in section 2 of P.L.1971, c.182 (C.52:13D-13)
12 to be a spouse, child, parent, or sibling of the member residing in the
13 same household as the member of the Legislature.

14 b. The prohibition in subsection a. of this section on offering or
15 giving, or agreeing to offer or give, any compensation, reward, gift,
16 honorarium or other thing of value shall not apply if it is in the course
17 of employment, by an employer other than the State, of an individual
18 covered in subsection a. of this section or a member of the immediate
19 family. The prohibition in subsection a. of this section on offering or
20 giving, or agreeing to offer or give, any compensation, reward, gift,
21 honorarium or other thing of value shall not apply if receipt is from a
22 member of the immediate family when the family member received
23 such in the course of his or her employment.

24 c. Subsection a. of this section shall not apply if an officer or staff
25 member of the Executive Branch or member of the Legislature or
26 legislative staff who accepted any compensation, reward, gift,
27 honorarium or other thing of value offered or given by a lobbyist or
28 **[legislative] governmental affairs** agent makes a full reimbursement,
29 within 90 days of acceptance, to the lobbyist or **[legislative]**
30 governmental affairs agent in an amount equal to the money accepted
31 or the fair market value of that which was accepted if other than
32 money. As used in this subsection, "fair market value" means the
33 actual cost of the compensation, reward, gift, honorarium or other
34 thing of value accepted.

35 d. A violation of this section shall not constitute a crime or offense
36 under the laws of this State.

37 (cf: P.L.2003, c.255, s.3)

38

39 7. Section 1 of P.L.1977, c.92 (C.52:13C-21.1) is amended to read
40 as follows:

41 1. Any person who knowingly employs another person to serve as
42 a **[legislative] governmental affairs** agent who is not registered as
43 required by section 4 of the act of which this act is a supplement,
44 except upon the condition that such person register as a **[legislative]**
45 governmental affairs agent as provided by law or who continues to
46 employ any such person who has not registered within the time

1 required by law, shall, upon conviction, be guilty of a [misdemeanor]
2 crime of the fourth degree.

3 (cf: P.L.1977, c.92, s.1)

4

5 8. Section 1 of P.L.1977, c.90 (C.52:13C-21.2) is amended to read
6 as follows:

7 1. Any [legislative] governmental affairs agent who knowingly
8 represents an interest adverse to any of his employer's without first
9 obtaining such employer's written consent thereto, after full disclosure
10 to such employer of such adverse interest, shall, upon conviction, be
11 guilty of a [misdemeanor] crime of the fourth degree.

12 (cf: P.L.1977, c.90, s.1)

13

14 9. Section 1 of P.L.1977, c.91 (C.52:13C-21.3) is amended to read
15 as follows:

16 1. Any [legislative] governmental affairs agent who knowingly
17 causes, influences, or otherwise secures the introduction of any
18 legislation or amendment thereto for the purpose of thereafter being
19 employed to prevent the passage thereof, shall upon conviction be
20 guilty of a [misdemeanor] crime of the fourth degree.

21 (cf: P.L.1977, c.91, s.1)

22

23 10. Section 5 of P.L.1971, c.183 (C.52:13C-22) is amended to
24 read as follows:

25 5. a. Every [legislative] governmental affairs agent shall file with
26 the commission a signed quarterly report of his activity in attempting
27 to influence legislation, regulation or governmental processes during
28 each such quarter.

29 b. The quarterly reports required under this section shall be made
30 in the form and manner prescribed by the commission and shall be filed
31 between the first and tenth days of each calendar quarter for such
32 activity during the preceding calendar quarter. The commission may,
33 in its discretion, permit joint reports by persons subject to this act.

34 c. Each such quarterly report shall

35 (1) describe the particular items of legislation, regulation, or
36 governmental process and any general category or type of legislation,
37 regulation or governmental process regarding which the [legislative]
38 governmental affairs agent acted as a [legislative] governmental
39 affairs agent during the quarter, and any particular items or general
40 types of legislation, regulation, or governmental processes which he
41 actively promoted or opposed during the quarter; and

42 (2) supply any information necessary to make the notice of
43 representation filed by the [legislative] governmental affairs agent
44 pursuant to section 4 of P.L.1971, c.183 (C.52:13C-21), current and
45 accurate as of the final day of the calendar quarter covered by the

1 report.

2 (cf: P.L.1991, c.244, s.3)

3

4 11. Section 2 of P.L.1981, c.150 (C.52:13C-22.1) is amended to
5 read as follows:

6 2. Each [legislative] governmental affairs agent or lobbyist shall
7 make and certify the correctness of a full annual report to the Election
8 Law Enforcement Commission, of those moneys, loans, paid personal
9 services or other things of value contributed to it and those
10 expenditures made, incurred or authorized by it for the purpose of
11 communication with or providing benefits to any member of the
12 Legislature, legislative staff, the Governor, the Governor's staff, or an
13 officer or staff member of the Executive Branch during the previous
14 year. The report shall include, but not be limited to, the following
15 expenditures which relate to communication with, or providing
16 benefits to, any member of the Legislature, legislative staff, the
17 Governor, the Governor's staff, or an officer or staff member of the
18 Executive Branch: media, including advertising; entertainment; food
19 and beverage; travel and lodging; honoraria; loans; gifts; and salary,
20 fees, allowances or other compensation paid to [a legislative] an
21 agent. The expenditures shall be reported whether made to the
22 intended recipient of the communication or benefit or to a [legislative]
23 governmental affairs agent or a lobbyist. The expenditures shall be
24 reported in the aggregate by category, except that if the aggregate
25 expenditures on behalf of a member of the Legislature, legislative staff,
26 the Governor, the Governor's staff, or an officer or staff member of
27 the Executive Branch exceed \$25.00 per day, they shall be detailed
28 separately as to the name of the member of the Legislature, member
29 of legislative staff, the Governor, member of the Governor's staff, or
30 officer or staff member of the Executive Branch, date and type of
31 expenditure, amount of expenditure and to whom paid. Where the
32 aggregate expenditures for the purpose of communication with or
33 providing benefits to any one member of the Legislature, member of
34 legislative staff, the Governor, the Governor's staff, or officer or staff
35 member of the Executive Branch exceed \$200.00 per year, the
36 expenditures, together with the name of the intended recipient of the
37 communication or benefits, shall be stated in detail including the type
38 of each expenditure, amount of expenditure and to whom paid. Where
39 the expenditures in the aggregate with respect to any specific occasion
40 are in excess of \$100.00, the report shall include the date and type of
41 expenditure, amount of expenditure and to whom paid. The Election
42 Law Enforcement Commission may, in its discretion, permit joint
43 reports by [legislative] governmental affairs agents. No [legislative]
44 governmental affairs agent shall be required to file a report unless all
45 moneys, loans, paid personal services or other things of value
46 contributed to it for the purpose of communication with or making

1 expenditures providing a benefit to a member of the Legislature,
2 legislative staff, the Governor, the Governor's staff, or officer or staff
3 member of the Executive Branch exceed \$2,500.00 in any year or
4 unless all expenditures made, incurred or authorized by it for the
5 purpose of communication with or providing benefits to a member of
6 the Legislature, legislative staff, the Governor, the Governor's staff, or
7 officer or staff member of the Executive Branch exceed \$2,500.00 in
8 any year.

9 Any lobbyist who receives contributions or makes expenditures to
10 influence legislation or regulation shall be required to file and certify
11 the correctness of a report of such contributions or expenditures if the
12 contributions or expenditures made, incurred or authorized by it for
13 the purpose of communication with or providing benefits to a member
14 of the Legislature, legislative staff, the Governor, the Governor's staff,
15 or an officer or staff member of the Executive Branch exceed, in the
16 aggregate, \$2,500.00 in any year. Any lobbyist required to file a report
17 pursuant to this section may designate a [legislative] governmental
18 affairs agent in its employ or otherwise engaged or used by it to file a
19 report on its behalf; provided such designation is made in writing by
20 the lobbyist, is acknowledged in writing by the designated [legislative]
21 governmental affairs agent and is filed with the Election Law
22 Enforcement Commission on or before the date on which the report of
23 the lobbyist is due for filing, and further provided that any violation of
24 this act shall subject both the lobbyist and the designated [legislative]
25 governmental affairs agent to the penalties provided in this act.

26 This section shall not be construed to authorize any person to make
27 or authorize, or to cause to be made or authorized, any expenditure
28 providing a benefit, or to provide a benefit, the provision or receipt of
29 which is prohibited under the "New Jersey Conflicts of Interest Law,"
30 P.L.1971, c.182 (C.52:13D-12 et seq.) or any code of ethics
31 promulgated thereunder, or under any other law or any executive
32 order, rule or regulation.

33 (cf: P.L.1991, c.243, s.5)

34

35 12. Section 7 of P.L.1991, c.243 (C.52:13C-22.1a) is amended to
36 read as follows:

37 7. A person who is registered as a [legislative] governmental
38 affairs agent and who, on or after the effective date of P.L.1991, c.243
39 (C.52:13C-18 et al.) or on or after P.L. , c. (C.52:13C-18 et
40 al)(now pending before the Legislature as this bill) for the purpose of
41 influencing governmental processes, serves or shall serve as a member
42 of any independent State authority, county improvement authority or
43 municipal utilities authority, or as a member from New Jersey on an
44 inter-state or bi-state authority, or as a member of any board or
45 commission established by statute or resolution or by executive order
46 of the Governor or by the Legislature or by any agency, department or

1 other instrumentality of the State shall disclose such service, including
2 the name of the authority, board or commission and the date upon
3 which his term as a member thereof expires, in the annual report
4 required to be made under section 2 of P.L.1981, c.150
5 (C.52:13C-22.1).

6 (cf: P.L.1991, c.243, s.7)

7

8 13. Section 1 of P.L.1996, c.144 (C.52:13C-22.4) is amended to
9 read as follows:

10 1. a. Each [legislative] governmental affairs agent and lobbyist
11 shall provide to each member of the Legislature, legislative staff, the
12 Governor, the Governor's staff, or an officer or staff member of the
13 Executive Branch who receives a benefit that is required to be
14 reported to the commission pursuant to section 2 of P.L.1981, c.150
15 (C.52:13C-22.1), a full written and certified report describing the
16 benefit, including a description of the benefit, the amount of the
17 benefit, the date it was provided and to whom it was paid.

18 b. The reports shall be transmitted to the member of the
19 Legislature, legislative staff, the Governor, the Governor's staff, or an
20 officer or staff member of the Executive Branch by each [legislative]
21 governmental affairs agent or lobbyist no later than February 1 of
22 each year and shall cover benefits provided in the immediately
23 preceding calendar year. In the event that a [legislative]
24 governmental affairs agent or lobbyist provides more than one benefit
25 to a member of the Legislature, legislative staff, the Governor, the
26 Governor's staff, or an officer or staff member of the Executive Branch
27 during a calendar year, the reports describing those benefits required
28 pursuant to subsection a. of this section may be combined into one
29 report or filed as separate reports.

30 (cf: P.L.1996, c.144, s.1)

31

32 14. Section 6 of P.L.1971, c.183 (C.52:13C-23) is amended to
33 read as follows:

34 6. The commission shall:

35 a. permit public inspection of all statements filed pursuant to this
36 act, as amended and supplemented;

37 b. compile and summarize information contained in statements filed
38 pursuant to this act, as amended and supplemented, and report the
39 same to the Legislature and the Governor;

40 c. ascertain whether any persons have failed to file statements as
41 required by this act, as amended and supplemented, or have filed
42 incomplete or inaccurate statements, and give notice to such persons
43 to file such statements as will conform to the requirements of this act,
44 as amended and supplemented;

45 d. investigate violations of this act, as amended and supplemented,
46 report to the Legislature and the Governor thereon, and notify the

1 Attorney General of any possible criminal violations of this act, as
2 amended and supplemented, that may warrant further investigation and
3 action;

4 e. make such recommendations to the Legislature and the
5 Governor as will tend to further the objectives of this act, as amended
6 and supplemented, and take such other action as shall be necessary and
7 proper to effectuate the purposes of this act, as amended and
8 supplemented;

9 f. report to the Legislature and the Governor annually on the
10 administration of this act, as amended and supplemented;

11 g. develop and prescribe methods and forms for statements
12 required to be filed by this act, as amended and supplemented, and
13 require the use of such forms by persons subject to this act, as
14 amended and supplemented;

15 h. compile and publish quarterly a list of all [legislative]
16 governmental affairs agents then registered, together with the
17 information contained in their notices of representation and last
18 quarterly report, which compilation shall be distributed to all members
19 of the Legislature and the Governor, and published in the New Jersey
20 Register;

21 i. prepare and publish a summary and explanation of the
22 registration and reporting requirements of this act, as amended and
23 supplemented, for the use and guidance of those persons who may be
24 required to file statements under this act, as amended and
25 supplemented;

26 j. in accordance with a fee schedule adopted by the commission as
27 a rule or regulation, establish and charge reasonable fees for the filing
28 of notices of representation and quarterly and annual reports pursuant
29 to this act, as amended and supplemented, provided that such fees
30 shall not apply to the organizations which qualify under subsection (b)
31 of section 9 of chapter 30 of the laws of 1966, as amended
32 (C.54:32B-9), and provided further that the amount of such fees shall
33 not exceed the cost to the commission of processing and maintaining
34 those notices and reports and of compiling, summarizing and
35 publishing the information contained therein as prescribed by this act,
36 as amended and supplemented; and

37 k. during periods when the Legislature is in session, report monthly
38 to the members of the Legislature and the Governor and his staff all
39 new notices of representation, notices of termination and other notices
40 filed pursuant to this act, as amended and supplemented, during the
41 preceding month.

42 (cf: P.L.1991, c.244, s.4)

43

44 15. Section 11 of P.L.1991, c.244 (C.52:13C-23.1) is amended to
45 read as follows:

46 11. Upon receiving evidence of any violation of P.L.1971, c.183

1 (C.52:13C-18 et seq.), as amended and supplemented, the commission
2 shall have power to bring complaint proceedings, to issue subpoenas
3 for the production of witnesses and documents, and to hold or to
4 cause to be held by the Office of Administrative Law, hearings upon
5 such complaint. In addition to any other penalty provided by law, any
6 person who is found to have committed such a violation shall be liable
7 for civil penalty not in excess of \$1,000, which penalty may be
8 collected in a summary proceeding pursuant to ["the penalty
9 enforcement law" (N.J.S.2A:58-1 et seq.)] the "Penalty Enforcement
10 Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).
11 (cf: P.L.1991, c.244, s.11)
12

13 16. Section 7 of P.L.1971, c.183 (C.52:13C-24) is amended to
14 read as follows:

15 7. Any person engaged in activity which makes him subject to filing
16 a statement under this act shall keep and preserve all records of his
17 receipts, disbursements and other financial transactions in the course
18 of and as a part of his activities as a [legislative] governmental affairs
19 agent. Such records shall be preserved for a period of 3 calendar years
20 next succeeding the calendar year in which they were made. The
21 provisions of this section shall not apply to any [legislative]
22 governmental affairs agent with respect to any quarterly period within
23 which the total of his compensation including reimbursement of
24 expenses is less than \$500.00.
25 (cf: P.L.1971, c.183, s.7)
26

27 17. Section 8 of P.L.1971, c.183 (C.52:13C-25) is amended to
28 read as follows:

29 8. a. Every [legislative] governmental affairs agent shall file a
30 notice of termination report within 30 days after his activity shall
31 cease, on such form as the commission shall prescribe, and any person
32 who engages a [legislative] governmental affairs agent may file a
33 notice of termination after such agent ceases to represent such person.

34 b. A [legislative] governmental affairs agent who receives or
35 agrees to receive compensation for acting as such from any person not
36 named in the notice of representation filed pursuant to section 4 of
37 P.L.1971, c.183 (C.52:13C-21) shall, within 15 days of receiving or
38 agreeing to receive such compensation, file an appropriate notification
39 thereof in writing with the commission.

40 c. A [legislative] governmental affairs agent shall notify the
41 commission in writing of any material change in the information
42 supplied by him in the notice of representation filed pursuant to
43 section 4 of P.L.1971, c.183 (C.52:13C-21) within 15 days of the
44 effective date of such change.

45 (cf: P.L.1991, c.244, s.5)

1 18. Section 10 of P.L.1971, c.183 (C.52:13C-27) is amended to
2 read as follows:

3 10. This act shall not apply to the following activities:

4 a. the publication or dissemination, in the ordinary course of
5 business, of news items, advertising, editorials or other comments by
6 a newspaper, book publisher, regularly published periodical, or radio
7 or television station, including an owner, editor or employee thereof;

8 b. acts of an officer or employee of the Government of this State
9 or any of its political subdivisions, or of the Government of the United
10 States or of any State or territory thereof or any of their political
11 subdivisions, in carrying out the duties of their public office or
12 employment;

13 c. acts of bona fide religious groups acting solely for the purpose
14 of protecting the public right to practice the doctrines of such religious
15 groups;

16 d. acts of a duly organized national, State or local committee of a
17 political party;

18 e. acts of a person in testifying before a legislative committee or
19 commission, at a public hearing duly called by the Governor on
20 legislative proposals or on legislation passed and pending his approval,
21 or before any officer or body empowered by law to issue, promulgate
22 or adopt administrative rules and regulations in behalf of a nonprofit
23 organization incorporated as such in this State who receives no
24 compensation therefor beyond the reimbursement of necessary and
25 actual expenses, and who makes no other communication with a
26 member of the Legislature, legislative staff, the Governor, the
27 Governor's staff, or an officer or staff member of the Executive Branch
28 in connection with the subject of his testimony; [and]

29 f. acts of a person in communicating with or providing benefits to
30 a member of the Legislature, legislative staff, the Governor, the
31 Governor's staff, or an officer or staff member of the Executive Branch
32 if such communication or provision of benefits is undertaken by him
33 as a personal expression and not incident to his employment, even if
34 it is upon a matter relevant to the interests of a person by whom or
35 which he is employed, and if he receives no additional compensation
36 or reward, in money or otherwise, for or as a result of such
37 communication or provision of benefits;

38 g. with regard to influencing governmental processes as defined
39 in subsection s. and t. of section 3 of P.L.1971, c.183 (C.52:13C-20)
40 any communications, matters or acts of an attorney falling within the
41 attorney-client privilege while engaging in the practice of law to the
42 extent that confidentiality is required in order for the attorney to
43 exercise his ethical duties as a lawyer; and

44 h. with regard to influencing governmental processes as defined in
45 subsections s. and t. of section 3 of P.L.1971, c.183 (C.52:13C-20)
46 any communications, matters or acts involving collective negotiations,

1 or the interpretation or violation of collective negotiation agreements,
2 of a labor organization of any kind which exists or is constituted for
3 the purpose, in whole or in part, of collective bargaining, or of dealing
4 with employers concerning the grievances, terms or conditions of
5 employment, or of other mutual aid or protection in connection with
6 employment.

7 (cf: P.L.1991,c.243, s.6)

8

9 19. Section 11 of P.L.1971, c.183 (C.52:13C-28) is amended to
10 read as follows:

11 11. Every [legislative] governmental affairs agent who, for the
12 purpose of influencing legislation, is in the State House, the State
13 House Annex, or any other State building or other location when and
14 where an authorized meeting of a legislative committee is being held
15 shall at all times wear a descriptive name tag of a type prescribed by
16 the commission.

17 (cf: P.L.1991, c.244, s.7)

18

19 20. Section 12 of P.L.1971, c.183 (C.52:13C-29) is amended to
20 read as follows:

21 12. All staff, assistants and employees of the Legislature who
22 receive for their services a stated salary or similar compensation from
23 the State of New Jersey are forbidden to act as [legislative]
24 governmental affairs agents or to seek, receive or agree to receive,
25 directly or indirectly, compensation, in money or any thing of value,
26 for influencing or purporting to influence legislation. Whoever violates
27 this section is guilty of a [misdemeanor] crime of the fourth degree.

28 (cf: P.L.1971, c.183, s.12)

29

30 21. Section 13 of P.L.1971, c.183 (C.52:13C-30) is amended to
31 read as follows:

32 13. Any person who knowingly and willfully falsifies all or any part
33 of any statement, notice or report under this act shall, upon conviction,
34 be guilty of a [misdemeanor] crime of the fourth degree.

35 (cf: P.L.1971, c.183, s.13)

36

37 22. Section 14 of P.L.1971, c.183 (C.52:13C-31) is amended to
38 read as follows:

39 14. Any person who shall transmit, utter or publish to the
40 Legislature or the Governor or his staff any communication relating to
41 any legislation or be a party to the preparation thereof, knowing such
42 communication or any signature thereto is false, forged, counterfeit,
43 or fictitious, shall upon conviction, be guilty of a [misdemeanor]
44 crime of the fourth degree.

45 (cf: P.L.1971, c.183, s.14)

1 23. Section 16 of P.L.1971, c.183 (C.52:13C-33) is amended to
2 read as follows:

3 16. Any **[legislative] governmental affairs** agent required to file a
4 notice of representation or report or maintain any record under this
5 act who fails to file such a notice or report or maintain such record
6 shall, upon conviction, be guilty of a **[misdemeanor] crime of the**
7 **fourth degree.**

8 (cf: P.L.1971, c.183, s.16)

9

10 24. Section 19 of P.L.1971, c.183 (C.52:13C-36) is amended to
11 read as follows:

12 19. a. When it shall appear to the commission that a person
13 required to file any statement under this act, as amended and
14 supplemented, has failed to file such required statement, or has filed
15 a statement false, inaccurate or incomplete in any material matter, or
16 has otherwise violated the provisions of this act, as amended and
17 supplemented; or when the commission believes it to be in the public
18 interest that an investigation should be made to ascertain whether a
19 person has in fact violated any of the provisions of this act, as
20 amended and supplemented, it may apply to the Superior Court for an
21 order or orders directing:

22 (1) That any such person or persons make available to the
23 commission's inspection, or to the inspection of any of its authorized
24 deputies or agents, such records as are required to be kept by that
25 person pursuant to section 7 of P.L.1971, c.183 (C.52:13C-24); or

26 (2) That any such person file a statement or report in writing under
27 oath concerning the facts and circumstances upon which the
28 commission's belief in the necessity of an investigation is based; or

29 (3) That any person submit to examination under oath by the
30 commission in connection with said circumstances, and produce any
31 and all records, books and other documents which may be specified by
32 order of the court; or

33 (4) That the commission may impound any record, book or other
34 documents specified by order of the court.

35 b. Such application by the commission shall set forth all the facts
36 and circumstances upon which its belief in the necessity of an
37 investigation is based. The court may proceed on such application in
38 a summary manner; and if the court determines that from the evidence
39 submitted it appears that a person required to file any statement under
40 this act, as amended and supplemented, has failed to file such
41 statement, or has filed a statement false, inaccurate or incomplete in
42 any material respect, or has otherwise violated any of the provisions
43 of this act, as amended and supplemented, or that it is in the public
44 interest that an investigation be held to determine whether such
45 violation has occurred, the court shall issue such order pursuant to
46 subsection a. of this section as it may deem necessary and proper.

1 c. The commission shall hold as confidential all statements, books,
2 records, testimony and other information or sources of information
3 coming into its possession or knowledge as a result of an investigation
4 pursuant to this section and shall not disclose or divulge any such
5 materials or information to anyone except the court under whose order
6 such material or information comes into its knowledge or possession,
7 unless the court shall order its disclosure to a grand jury of this State
8 or other appropriate authorities for the purposes of enforcing the
9 provisions of this act, as amended and supplemented, or any other law.

10 d. If any person shall refuse to testify or produce any book, paper
11 or other document in any proceeding under this section as ordered by
12 the court on the grounds that the testimony or evidence, documentary
13 or otherwise, which is required of him may tend to incriminate him,
14 convict him of a crime, or subject him to a penalty or forfeiture, and
15 shall, notwithstanding, be directed to testify or to produce such book,
16 paper or document, he shall comply with such direction. A person
17 who is entitled by law to assert such privilege, and does so assert, and
18 thereafter complies with such direction, shall not thereafter be
19 prosecuted or subjected to any penalty or forfeiture in any criminal
20 proceeding which arises out of and relates to the subject matter of the
21 proceeding. No person so testifying shall be exempt from prosecution
22 or punishment for perjury on false swearing committed by him in
23 giving such testimony.

24 e. In any action brought under this section, the court may award to
25 the State all costs of investigation and trial, including a reasonable
26 attorney's fee to be fixed by the court. If costs are awarded in such an
27 action brought against a [legislative] governmental affairs agent, the
28 judgment may be awarded against the [legislative] governmental
29 affairs agent, and the [legislative] governmental affairs agent's
30 employer or employers joined as defendants, jointly, severally, or both.
31 If the defendant prevails, he shall be awarded all costs of trial, and may
32 be awarded a reasonable attorney's fee to be fixed by the court and
33 paid by the State of New Jersey.

34 (cf: P.L.1991, c.244, s.10)

35
36 25. Section 11 of P.L.1971, c.182 (C.52:13D-22) is amended to
37 read as follows:

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

43 (b) The joint committee shall be composed of 12 members as
44 follows: four members of the Senate appointed by the President
45 thereof, no more than two of whom shall be of the same political
46 party; four members of the General Assembly, appointed by the

1 Speaker thereof, no more than two of whom shall be of the same
2 political party; and four public members, one appointed by the
3 President of the Senate, one appointed by the Speaker of the General
4 Assembly, one appointed by the Minority Leader of the Senate and one
5 appointed by the Minority Leader of the General Assembly. No public
6 member shall be a lobbyist or [legislative] governmental affairs agent
7 as defined by the "Legislative and Governmental Process Activities
8 Disclosure Act [of 1971]," P.L.1971, c.183 (C.52:13C-18 et seq.), a
9 full-time State employee or an officer or director of any entity which
10 is required to file a statement with the Election Law Enforcement
11 Commission, and no former lobbyist or [legislative] governmental
12 affairs agent shall be eligible to serve as a public member for one year
13 following the cessation of all activity by that person as a [legislative]
14 governmental affairs agent or lobbyist. The legislative members shall
15 serve until the end of the two-year legislative term during which the
16 members are appointed. The public members shall serve for terms of
17 two years and until the appointment and qualification of their
18 successors. The terms of the public members shall run from the
19 second Tuesday in January of an even-numbered year to the second
20 Tuesday in January of the next even-numbered year, regardless of the
21 original date of appointment. Notwithstanding the terms of the public
22 members as established in this section, the public members first
23 appointed shall serve from their initial appointments, all of which shall
24 be made not later than the 60th day following the effective date of this
25 act, until the second Tuesday in January of the next even-numbered
26 year. Vacancies in the membership of the joint committee shall be
27 filled in the same manner as the original appointments, but for the
28 unexpired term only. Public members of the joint committee shall
29 serve without compensation, but shall be entitled to be reimbursed for
30 all actual and necessary expenses incurred in the performance of their
31 duties.

32 (c) The joint committee shall organize as soon as may be
33 practicable after the appointment of its members, by the selection of
34 a chairman and vice chairman from among its membership and the
35 appointment of a secretary, who need not be a member of the joint
36 committee.

37 (d) The Legislative Counsel in the Office of Legislative Services
38 shall act as legal adviser to the joint committee. He shall, upon
39 request, assist and advise the joint committee in the rendering of
40 advisory opinions by the joint committee, in the approval and review
41 of codes of ethics adopted by State agencies in the Legislative Branch,
42 and in the recommendation of revisions in codes of ethics or legislation
43 relating to the conduct of members of the Legislature or State officers
44 and employees in the Legislative Branch.

45 (e) The joint committee may, within the limits of funds
46 appropriated or otherwise available to it for the purpose, employ other

1 professional, technical, clerical or other assistants, excepting legal
2 counsel, and incur expenses as may be necessary to the performance
3 of its duties.

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

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

12 (h) The joint committee shall have jurisdiction to initiate, receive,
13 hear and review complaints regarding violations of the provisions of
14 this act or of a code of ethics promulgated pursuant to the provisions
15 of this act. It shall further have such jurisdiction as to enforcement of
16 the rules of either or both Houses of the Legislature governing the
17 conduct of the members or employees thereof as those rules may
18 confer upon the joint committee. A complaint regarding a violation of
19 a code of ethics promulgated pursuant to the provisions of this act may
20 be referred by the joint committee for disposition in accordance with
21 subsection 12(d) of this act.

22 (i) Any State officer or employee or special State officer or
23 employee in the Legislative Branch found guilty by the joint committee
24 of violating any provisions of this act, of a code of ethics promulgated
25 pursuant to the provisions of this act or of any rule of either or both
26 Houses which gives the joint committee jurisdiction and the authority
27 to investigate a matter shall be fined not less than \$500.00 nor more
28 than \$1,500.00, which penalty may be collected in a summary
29 proceeding pursuant to ["the penalty enforcement law"
30 (N.J.S.2A:58-1 et seq.)] the "Penalty Enforcement Law of 1999,"
31 P.L.1999, c.274 (C.2A:58-10 et seq.), and may be reprimanded and
32 ordered to pay restitution where appropriate and may be suspended
33 from his office or employment by order of the joint committee for a
34 period not in excess of 1 year. If the joint committee finds that the
35 conduct of such officer or employee constitutes a willful and
36 continuous disregard of the provisions of this act, of a code of ethics
37 promulgated pursuant to the provisions of this act or of any rule of
38 either or both Houses which gives the joint committee jurisdiction and
39 the authority to investigate a matter, it may order such person
40 removed from his office or employment and may further bar such
41 person from holding any public office or employment in this State in
42 any capacity whatsoever for a period of not exceeding 5 years from the
43 date on which he was found guilty by the joint committee.

44 (j) A member of the Legislature who shall be found guilty by the
45 joint committee of violating the provisions of this act, of a code of
46 ethics promulgated pursuant to the provisions of this act or of any rule

1 of either or both Houses which gives the joint committee jurisdiction
2 and the authority to investigate a matter shall be fined not less than
3 \$500.00 nor more than \$1,500.00, which penalty may be collected in
4 a summary proceeding pursuant to ["the penalty enforcement law"
5 (N.J.S.2A:58-1 et seq.)] the "Penalty Enforcement Law of 1999,"
6 P.L.1999, c.274 (C.2A:58-10 et seq.), and shall be subject to such
7 further action as may be determined by the House of which he is a
8 member. In such cases the joint committee shall report its findings to
9 the appropriate House and shall recommend to the House such further
10 action as the joint committee deems appropriate, but it shall be the
11 sole responsibility of the House to determine what further action, if
12 any, shall be taken against such member.
13 (cf: P.L.1991, c.505, s.1)

14

15 26. Section 2 of P.L.2003, c.255 (C.52:13D-24.1) is amended to
16 read as follows:

17 2. a. Except as expressly authorized in section 13 of P.L.1971,
18 c.182 (C.52:13D-24) or when the lobbyist or [legislative]
19 governmental affairs agent is a member of the immediate family of the
20 officer or staff member of the Executive Branch or member of the
21 Legislature or legislative staff, no officer or staff member of the
22 Executive Branch or member of the Legislature or legislative staff may
23 accept, directly or indirectly, any compensation, reward, employment,
24 gift, honorarium or other thing of value from each lobbyist or
25 [legislative] governmental affairs agent, as defined in the "Legislative
26 and Governmental Process Activities Disclosure Act [of 1971],"
27 P.L.1971, c.183 (C.52:13C-18 et seq.), totaling more than \$250.00 in
28 a calendar year. The \$250.00 limit on acceptance of compensation,
29 reward, gift, honorarium or other thing of value shall also apply to
30 each member of the immediate family of a member of the Legislature,
31 as defined in section 2 of P.L.1971, c.182 (C.52:13D-13) to be a
32 spouse, child, parent, or sibling of the member residing in the same
33 household as the member of the Legislature.

34 b. The prohibition in subsection a. of this section on accepting any
35 compensation, reward, gift, honorarium or other thing of value shall
36 not apply if received in the course of employment, by an employer
37 other than the State, of an individual covered in subsection a. of this
38 section or a member of the immediate family. The prohibition in
39 subsection a. of this section on accepting any compensation, reward,
40 gift, honorarium or other thing of value shall not apply if acceptance
41 is from a member of the immediate family when the family member
42 received such in the course of his or her employment.

43 c. Subsection a. of this section shall not apply if an officer or staff
44 member of the Executive Branch or member of the Legislature or
45 legislative staff who accepted any compensation, reward, gift,
46 honorarium or other thing of value provided by a lobbyist or

1 [legislative] governmental affairs agent makes a full reimbursement,
2 within 90 days of acceptance, to the lobbyist or [legislative]
3 governmental affairs agent in an amount equal to the money accepted
4 or the fair market value of that which was accepted if other than
5 money. As used in this subsection, "fair market value" means the
6 actual cost of the compensation, reward, gift, honorarium or other
7 thing of value accepted.

8 d. A violation of this section shall not constitute a crime or offense
9 under the laws of this State.

10 (cf: P.L.2003, c.255, s.2)

11

12 27. This act shall take effect immediately.

13

14

15

STATEMENT

16

17 This bill amends the "Legislative Activities Disclosure Act of 1971"
18 (N.J.S.A.52:13C-19 et seq.) to expand the definition of legislative
19 agents and lobbyists to include those who seek to influence
20 governmental processes, and requires disclosure of such activity. That
21 activity is defined as making any attempt, whether successful or not,
22 to assist a represented entity or group to engage in communication
23 with, or to secure information from, an officer or staff member of the
24 Executive Branch, or any authority, board, commission or other
25 agency or instrumentality in or of a principal department of the
26 Executive Branch of State Government authorized by law to
27 administer governmental processes or perform such other functions
28 that relate to such processes.

29 The term "governmental process" is defined to mean promulgation
30 of executive orders; rate setting; development, negotiation, award,
31 modification or cancellation of public contracts; issuance, denial,
32 modification, renewal, revocation or suspension of permits, licenses or
33 waivers; procedures for bidding; imposition or modification of fines
34 or penalties; procedures for purchasing; rendition of administrative
35 determinations; or award, denial, modification, renewal or termination
36 of financial assistance, grants and loans.

37 The bill exempts from the law as it relates to influencing these
38 governmental processes any communications, matters or acts of an
39 attorney falling within the attorney-client privilege while engaging in
40 the practice of law to the extent that confidentiality is required in order
41 for the attorney to exercise his ethical duties as a lawyer, and any
42 communications, matters or acts involving collective negotiations, or
43 the interpretation or violation of collective negotiation agreements, of
44 a labor organization of any kind which exists or is constituted for the
45 purpose, in whole or in part, of collective bargaining, or of dealing
46 with employers concerning the grievances, terms or conditions of

1 employment, or of other mutual aid or protection in connection with
2 employment.

3 In addition, the bill changes the title of the "Legislative Activities
4 Disclosure Act of 1971" to the "Legislative and Governmental Process
5 Activities Disclosure Act" and the term "legislative agent" to
6 "governmental affairs agent" to better reflect the broader scope of
7 N.J.S.A.52:13C-19 et seq. as amended by this bill. All current
8 provisions of the law regulating legislative agents who now influence
9 legislation or regulations will regulate governmental affairs agents who
10 influence legislation, regulation or governmental processes.

11

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15 Expands definition of lobbyist and legislative agent to include those
16 who influence governmental processes; defines governmental
17 processes.

SENATE, No. 22

STATE OF NEW JERSEY 211th LEGISLATURE

INTRODUCED JUNE 7, 2004

Sponsored by:

Senator ELLEN KARCHER

District 12 (Mercer and Monmouth)

Assemblyman DAVID R. MAYER

District 4 (Camden and Gloucester)

Assemblyman DOUGLAS H. FISHER

District 3 (Salem, Cumberland and Gloucester)

Assemblyman BRIAN P. STACK

District 33 (Hudson)

Assemblyman JOSEPH VAS

District 19 (Middlesex)

Co-Sponsored by:

Assemblymen Scalera, McKeon, Assemblywoman Cruz-Perez,

Assemblymen Chivukula, Payne, R.Smith, Conners, Panter, Morgan,

Greenwald and Assemblywoman Quigley

SYNOPSIS

Expands definition of lobbyist and legislative agent to include those who influence governmental processes; defines governmental processes.

CURRENT VERSION OF TEXT

As introduced.

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

S22 KARCHER

2

1 AN ACT expanding the definition of lobbyist and legislative agent and
2 amending various parts of the statutory law.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. Section 1 of P.L.1971, c.183 (C.52:13C-18) is amended to read
8 as follows:

9 1. The Legislature affirms that the preservation of responsible
10 government requires that the fullest opportunity be afforded to the
11 people of the State to petition their government for the redress of
12 grievances and to express freely to individual legislators, committees
13 of the Legislature and the Governor their opinion on legislation and
14 current issues, **[and]** to Executive Branch officers and agencies their
15 opinion on rules and regulations developed and promulgated by those
16 officers and agencies in the exercise of powers delegated to them by
17 law, and to the Governor and Executive Branch officers and agencies
18 their opinion on matters involving the administration of various
19 governmental processes by the Governor and those officers and
20 agencies in the exercise of powers delegated to them by law.

21 The Legislature finds, however, that the preservation and
22 maintenance of the integrity of the legislative process, the regulatory
23 process and governmental process, including the development and
24 promulgation of rules and regulations or administration of various
25 governmental processes to effectuate the implementation of statutory
26 law, requires the identification in certain instances of persons and
27 groups who seek to influence the content, introduction, passage or
28 defeat of legislation **[or]**, the proposal, adoption, amendment, or
29 repeal of rules and regulations or the administration of various
30 governmental processes, and, where it is not otherwise apparent or
31 readily ascertainable, the nature of the interest which those persons
32 and groups seek to advance or protect through such activity.

33 It is in the public interest to closely monitor the activities of
34 governmental affairs agents and lobbyists with respect to their
35 involvement in influencing legislative, regulatory and governmental
36 processes to ensure the integrity of government.

37 **[It]** Therefore, it is the purpose of this act, as amended by P.L. .,
38 c. (now pending before the Legislature as this bill), to require
39 adequate disclosure in certain instances in order to make available to
40 the Legislature, governmental officials and the public information
41 relative to the activities of persons who seek to influence the content,
42 introduction, passage or defeat of legislation **[or]**, the proposal,

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 adoption, amendment[,] or repeal of rules and regulations or the
2 administration of various governmental processes by such means.

3 (cf: P.L.1991, c.243, s.2)

4

5 2. Section 2 of P.L.1971, c.183 (C.52:13C-19) is amended to read
6 as follows:

7 2. This act shall be known as the "Legislative and Governmental
8 Process Activities Disclosure Act [of 1971]."

9 (cf: P.L.1971, c.183, s.2)

10

11 3. Section 3 of P.L.1971, c.183 (C.52:13C-20) is amended to read
12 as follows:

13 3. For the purposes of this act, as amended and supplemented,
14 unless the context clearly requires a different meaning:

15 a. The term "person" includes an individual, partnership,
16 committee, association, corporation, and any other organization or
17 group of persons.

18 b. The term "legislation" includes all bills, resolutions,
19 amendments, nominations and appointments pending or proposed in
20 either House of the Legislature, and all bills and resolutions which,
21 having passed both Houses, are pending approval by the Governor.

22 c. The term "Legislature" includes the Senate and General
23 Assembly of the State of New Jersey and all committees and
24 commissions established by the Legislature or by either House thereof.

25 d. The term "lobbyist" means any person, partnership, committee,
26 association, corporation, labor union or any other organization that
27 employs, engages or otherwise uses the services of any [legislative]
28 governmental affairs agent to influence legislation [or] a regulation
29 or governmental processes.

30 e. The term "Governor" includes the Governor or the Acting
31 Governor.

32 f. The term "communication with a member of the Legislature,
33 "with legislative staff," "with the Governor," "with the Governor's
34 staff," or "with an officer or staff member of the Executive Branch"
35 means any communication, oral or in writing or any other medium,
36 addressed, delivered, distributed or disseminated, respectively, to a
37 member of the Legislature, to legislative staff, to the Governor, to the
38 Governor's staff, or to an officer or staff member of the Executive
39 Branch, as distinguished from communication to the general public
40 including but not limited to a member of the Legislature, legislative
41 staff, the Governor, the Governor's staff, or an officer or staff member
42 of the Executive Branch. If any person shall obtain, reproduce or
43 excerpt any communication or part thereof which in its original form
44 was not a communication under this subsection and shall cause such
45 excerpt or reproduction to be addressed, delivered, distributed or
46 disseminated to a member of the Legislature, to legislative staff, to the

1 Governor, to the Governor's staff, or to an officer or staff member of
2 the Executive Branch, such communication, reproduction or excerpt
3 shall be deemed a communication with the member of the Legislature,
4 with legislative staff, with the Governor, with the Governor's staff, or
5 with an officer or staff member of the Executive Branch by such
6 person.

7 g. The term "[legislative] governmental affairs agent" means any
8 person who receives or agrees to receive, directly or indirectly,
9 compensation, in money or anything of value including reimbursement
10 of his expenses where such reimbursement exceeds \$100.00 in any
11 three-month period, to influence legislation [or], to influence
12 regulation or to influence governmental processes, or [both] all of
13 the above, by direct or indirect communication with, or by making or
14 authorizing, or causing to be made or authorized, any expenditures
15 providing a benefit to, a member of the Legislature, legislative staff,
16 the Governor, the Governor's staff, or any officer or staff member of
17 the Executive Branch, or who holds himself out as engaging in the
18 business of influencing legislation [or], regulation[,] or governmental
19 processes, by such means, or who incident to his regular employment
20 engages in influencing legislation [or] , regulation or governmental
21 processes, by such means; provided, however, that a person shall not
22 be deemed a [legislative] governmental affairs agent who, in relation
23 to the duties or interests of his employment or at the request or
24 suggestion of his employer, communicates with a member of the
25 Legislature, with legislative staff, with the Governor, with the
26 Governor's staff, or with an officer or staff member of the Executive
27 Branch concerning any legislation [or] , regulation or governmental
28 process, if such communication is an isolated, exceptional or
29 infrequent activity in relation to the usual duties of his employment.

30 h. The term "influence legislation" means to make any attempt,
31 whether successful or not, to secure or prevent the initiation of any
32 legislation, or to secure or prevent the passage, defeat, amendment or
33 modification thereof by the Legislature, or the approval, amendment
34 or disapproval thereof by the Governor in accordance with his
35 constitutional authority.

36 i. The term "statement" includes a notice of representation or a
37 report required by this act, as amended and supplemented.

38 j. (Deleted by amendment, P.L.1991, c.243).

39 k. The term "member of the Legislature" includes any member or
40 member-elect of, or any person who shall have been selected to fill a
41 vacancy in, the Senate or General Assembly, and any other person who
42 is a member or member-designate of any committee or commission
43 established by the Legislature or by either House thereof.

44 l. The term "legislative staff" includes all staff, assistants and
45 employees of the Legislature or any of its members in the member's
46 official capacity, whether or not they receive compensation from the

1 State of New Jersey.

2 m. The term "Governor's staff" includes the members of the
3 Governor's Cabinet, the Secretary to the Governor, the Counsel to the
4 Governor and all professional employees in the office of the Counsel
5 to the Governor, and all other employees of the Office of the
6 Governor.

7 n. The term "officer or staff member of the Executive Branch"
8 means any assistant or deputy head of a principal department in the
9 Executive Branch of State Government, including all assistant and
10 deputy commissioners; the members and chief executive officer of any
11 authority, board, commission or other agency or instrumentality in or
12 of such a principal department; and any officer of the Executive
13 Branch of State Government other than the Governor who is not
14 included among the foregoing or among the Governor's staff, but who
15 is empowered by law to issue, promulgate or adopt administrative
16 rules and regulations or to administer governmental processes, and any
17 person employed in the office of such an officer who is involved with
18 the development, issuance, promulgation or adoption of such rules and
19 regulations or administration of governmental processes in the regular
20 course of employment.

21 o. The term "regulation" includes any administrative rule or
22 regulation affecting the rights, privileges, benefits, duties, obligations,
23 or liabilities of any one or more persons subject by law to regulation
24 as a class, but does not include an administrative action (1) to issue,
25 renew or deny, or, in an adjudicative action, to suspend or revoke, a
26 license, order, permit or waiver under any law or administrative rule
27 or regulation, (2) to impose a penalty, or (3) to effectuate an
28 administrative reorganization within a single principal department of
29 the Executive Branch of State Government.

30 p. The term "influence regulation" means to make any attempt,
31 whether successful or not, to secure or prevent the proposal of any
32 regulation or to secure or prevent the consideration, amendment,
33 issuance, promulgation, adoption or rejection thereof by an officer or
34 any authority, board, commission or other agency or instrumentality
35 in or of a principal department of the Executive Branch of State
36 Government empowered by law to issue, promulgate or adopt
37 administrative rules and regulations.

38 q. The term "expenditures providing a benefit" or "expenditures
39 providing benefits" means any expenditures for entertainment, food
40 and beverage, travel and lodging, honoraria, loans, gifts or any other
41 thing of value, except for (1) any money or thing of value paid for
42 past, present, or future services in regular employment, whether in the
43 form of a fee, expense, allowance, forbearance, forgiveness, interest,
44 dividend, royalty, rent, capital gain, or any other form of recompense,
45 or any combination thereof, or (2) any dividends or other income paid
46 on investments, trusts, and estates.

1 r. The term "commission" means the Election Law Enforcement
2 Commission established pursuant to section 5 of P.L.1973, c.83
3 (C.19:44A-5).

4 s. The terms "influence governmental processes", "influencing
5 governmental processes" or "influence governmental process" means
6 to make any attempt, whether successful or not, to assist a represented
7 entity or group to engage in communication with, or to secure
8 information from, an officer or staff member of the Executive Branch,
9 or any authority, board, commission or other agency or instrumentality
10 in or of a principal department of the Executive Branch of State
11 Government, empowered by law to administer a governmental process
12 or perform other functions that relate to such processes.

13 t. The term "governmental process" means:

14 promulgation of executive orders;

15 rate setting;

16 development, negotiation, award, modification or cancellation of
17 public contracts;

18 issuance, denial, modification, renewal, revocation or suspension of
19 permits, licenses or waivers;

20 procedures for bidding;

21 imposition or modification of fines and penalties;

22 procedures for purchasing;

23 rendition of administrative determinations; and

24 award, denial, modification, renewal or termination of financial
25 assistance, grants and loans.

26 u. The term "public contract" means a contract the cost or price of
27 which is to be paid with or out of State funds or the funds of an
28 independent authority created by the State or by the Legislature.

29 (cf: P.L.1991, c.244, s.1)

30

31 4. Section 4 of P.L.1971, c.183 (C.52:13C-21) is amended to read
32 as follows:

33 4. a. Any person who, on or after the effective date of P.L.1991,
34 c.243 or on or after the effective date of P.L. , c. (now pending
35 before the Legislature as this bill) for the purpose of influencing
36 governmental processes, is employed, retained or engages himself as
37 a [legislative] governmental affairs agent shall, prior to any
38 communication with, or the making of any expenditures providing a
39 benefit to, a member of the Legislature, legislative staff, the Governor,
40 the Governor's staff, or an officer or staff member of the Executive
41 Branch, and in any event within 30 days of [that] the appropriate
42 effective date or of such employment, retainer or engagement,
43 whichever occurs later, file a signed notice of representation with the
44 Election Law Enforcement Commission in such detail as the
45 commission may prescribe, identifying himself and persons by whom
46 he is employed or retained, and the persons in whose interests he is

1 working, and the general nature of his proposed services as a
2 **[legislative]** governmental affairs agent for such persons, which notice
3 shall contain the following information:

4 (1) his name, business address and regular occupation;

5 (2) the name, business address and occupation or principal business
6 of the person from whom he receives compensation for acting as a
7 **[legislative]** governmental affairs agent;

8 (3) (a) the name, business address and occupation or principal
9 business of any person in whose interest he acts as a **[legislative]**
10 governmental affairs agent in consideration of the aforesaid
11 compensation, if such person is other than the person from whom said
12 compensation is received; and

13 (b) if a person, identified under paragraph (2) of this subsection as
14 one from whom the **[legislative]** governmental affairs agent receives
15 compensation, is a membership organization or corporation whose
16 name or occupation so identified does not, either explicitly or by virtue
17 of the nature of the principal business in which the organization or its
18 members, or the corporation or its shareholders, is commonly known
19 to be engaged, clearly reveal the primary specific economic, social,
20 political, or other interest which the organization or corporation may
21 reasonably be understood to seek to advance or protect through its
22 employment, retainer, or engagement of the **[legislative]** governmental
23 affairs agent, a description of that primary economic, social, political,
24 or other interest and a list of the persons having organizational or
25 financial control of the organization or corporation, including the
26 names, mailing addresses and occupations, respectively, of those
27 persons. The commission shall promulgate rules and regulations to
28 govern the content of any information required to be disclosed under
29 this subparagraph and shall take such steps as are reasonably necessary
30 to ensure that all such information is, in accordance with those rules
31 and regulations, both accurate and complete.

32 Any list of **[legislative]** governmental affairs agents and their
33 principals required to be published quarterly under subsection h. of
34 section 6 of P.L.1971, c.183 (C.52:13C-23) shall include, for each
35 such principal for whom it is not otherwise apparent, the primary
36 specific interest which the principal may reasonably be understood to
37 seek to advance or protect through its engagement of the **[legislative]**
38 governmental affairs agent and the category of persons required to file
39 additional information, as that interest and such category shall have
40 been determined under subparagraph (b) of this paragraph;

41 (4) whether the person from whom he receives said compensation
42 employs him solely as a **[legislative]** governmental affairs agent, or
43 whether he is a regular employee performing services for his employer
44 which include but are not limited to the influencing of legislation **[or]**,
45 regulation or governmental processes;

1 (5) the length of time for which he will be receiving compensation
2 from the person aforesaid for acting as a **[legislative] governmental**
3 **affairs** agent, if said length of time can be ascertained at the time of
4 filing;

5 (6) the type of legislation **[or], regulation or governmental process**
6 or the particular legislation **[or], regulation or governmental process**
7 in relation to which he is to act as **[legislative] governmental affairs**
8 agent in consideration of the aforesaid compensation, and any
9 particular legislation **[or], regulation or governmental process**, or type
10 of legislation **[or], regulation or governmental process** which he is to
11 promote or oppose;

12 (7) a full and particular description of any agreement, arrangement
13 or understanding according to which his compensation, or any portion
14 thereof, is or will be contingent upon the success of any attempt to
15 influence legislation **[or], regulation or governmental processes**.

16 b. Any **[legislative] governmental affairs** agent who receives
17 compensation from more than one person for his services as a
18 **[legislative] governmental affairs** agent shall file a separate notice of
19 representation with respect to each such person; except that a
20 **[legislative] governmental affairs** agent whose fee for acting as such
21 in respect to the same legislation **[or], regulation or governmental**
22 **process** or type of legislation **[or], regulation or governmental process**
23 is paid or contributed to by more than one person may file a single
24 statement, in which he shall detail the name, business address and
25 occupation or principal business of each person so paying or
26 contributing.

27 (cf: P.L.1991, c.244, s.2)

28

29 5. Section 4 of P.L.1981, c.150 (C.52:13C-21a) is amended to read
30 as follows:

31 4. Any **[legislative] governmental affairs** agent or lobbyist not a
32 resident of this State, or not a corporation of this State or authorized
33 to do business in this State, shall file with the Election Law
34 Enforcement Commission, before attempting to influence legislation,
35 **regulation or governmental process, or within 30 days of the effective**
36 **date of P.L. , c. (now pending before the Legislature as this bill),**
37 **as appropriate**, its consent to service of process at an address within
38 this State, or by regular mail at an address outside this State.

39 (cf: P.L.1981, c.150, s.4)

40

41 6. Section 3 of P.L.2003, c.255 (C.52:13C-21b) is amended to
42 read as follows:

43 3. Except as expressly authorized in section 13 of P.L.1971, c.182
44 (C.52:13D-24) or when the lobbyist or **[legislative] governmental**
45 **affairs** agent is a member of the immediate family of the officer or

1 staff member of the Executive Branch or member of the Legislature or
2 legislative staff, no lobbyist or **[legislative]** governmental affairs
3 agent shall offer or give or agree to offer or give, directly or indirectly,
4 any compensation, reward, employment, gift, honorarium or other
5 thing of value to an officer or staff member of the Executive Branch
6 or member of the Legislature or legislative staff, totaling more
7 than \$250.00 in a calendar year. The \$250.00 limit on any
8 compensation, reward, gift, honorarium or other thing of value shall
9 also apply to each member of the immediate family of a member of the
10 Legislature, as defined in section 2 of P.L.1971, c.182 (C.52:13D-13)
11 to be a spouse, child, parent, or sibling of the member residing in the
12 same household as the member of the Legislature.

13 b. The prohibition in subsection a. of this section on offering or
14 giving, or agreeing to offer or give, any compensation, reward, gift,
15 honorarium or other thing of value shall not apply if it is in the course
16 of employment, by an employer other than the State, of an individual
17 covered in subsection a. of this section or a member of the immediate
18 family. The prohibition in subsection a. of this section on offering or
19 giving, or agreeing to offer or give, any compensation, reward, gift,
20 honorarium or other thing of value shall not apply if receipt is from a
21 member of the immediate family when the family member received
22 such in the course of his or her employment.

23 c. Subsection a. of this section shall not apply if an officer or staff
24 member of the Executive Branch or member of the Legislature or
25 legislative staff who accepted any compensation, reward, gift,
26 honorarium or other thing of value offered or given by a lobbyist or
27 **[legislative]** governmental affairs agent makes a full reimbursement,
28 within 90 days of acceptance, to the lobbyist or **[legislative]**
29 governmental affairs agent in an amount equal to the money accepted
30 or the fair market value of that which was accepted if other than
31 money. As used in this subsection, "fair market value" means the
32 actual cost of the compensation, reward, gift, honorarium or other
33 thing of value accepted.

34 d. A violation of this section shall not constitute a crime or offense
35 under the laws of this State.

36 (cf: P.L.2003, c.255, s.3)

37

38 7. Section 1 of P.L.1977, c.92 (C.52:13C-21.1) is amended to read
39 as follows:

40 1. Any person who knowingly employs another person to serve as
41 a **[legislative]** governmental affairs agent who is not registered as
42 required by section 4 of the act of which this act is a supplement,
43 except upon the condition that such person register as a **[legislative]**
44 governmental affairs agent as provided by law or who continues to
45 employ any such person who has not registered within the time
46 required by law, shall, upon conviction, be guilty of a **[misdemeanor]**

1 crime of the fourth degree.

2 (cf: P.L.1977, c.92, s.1)

3

4 8. Section 1 of P.L.1977, c.90 (C.52:13C-21.2) is amended to read
5 as follows:

6 1. Any **[legislative]** governmental affairs agent who knowingly
7 represents an interest adverse to any of his employer's without first
8 obtaining such employer's written consent thereto, after full disclosure
9 to such employer of such adverse interest, shall, upon conviction, be
10 guilty of a **[misdemeanor]** crime of the fourth degree.

11 (cf: P.L.1977, c.90, s.1)

12

13 9. Section 1 of P.L.1977, c.91 (C.52:13C-21.3) is amended to read
14 as follows:

15 1. Any **[legislative]** governmental affairs agent who knowingly
16 causes, influences, or otherwise secures the introduction of any
17 legislation or amendment thereto for the purpose of thereafter being
18 employed to prevent the passage thereof, shall upon conviction be
19 guilty of a **[misdemeanor]** crime of the fourth degree.

20 (cf: P.L.1977, c.91, s.1)

21

22 10. Section 5 of P.L.1971, c.183 (C.52:13C-22) is amended to
23 read as follows:

24 5. a. Every **[legislative]** governmental affairs agent shall file with
25 the commission a signed quarterly report of his activity in attempting
26 to influence legislation, regulation or governmental processes during
27 each such quarter.

28 b. The quarterly reports required under this section shall be made
29 in the form and manner prescribed by the commission and shall be filed
30 between the first and tenth days of each calendar quarter for such
31 activity during the preceding calendar quarter. The commission may,
32 in its discretion, permit joint reports by persons subject to this act.

33 c. Each such quarterly report shall

34 (1) describe the particular items of legislation, regulation, or
35 governmental process and any general category or type of legislation,
36 regulation or governmental process regarding which the **[legislative]**
37 governmental affairs agent acted as a **[legislative]** governmental
38 affairs agent during the quarter, and any particular items or general
39 types of legislation, regulation, or governmental processes which he
40 actively promoted or opposed during the quarter; and

41 (2) supply any information necessary to make the notice of
42 representation filed by the **[legislative]** governmental affairs agent
43 pursuant to section 4 of P.L.1971, c.183 (C.52:13C-21), current and
44 accurate as of the final day of the calendar quarter covered by the
45 report.

46 (cf: P.L.1991, c.244, s.3)

1 11. Section 2 of P.L.1981, c.150 (C.52:13C-22.1) is amended to
2 read as follows:

3 2. Each [legislative] governmental affairs agent or lobbyist shall
4 make and certify the correctness of a full annual report to the Election
5 Law Enforcement Commission, of those moneys, loans, paid personal
6 services or other things of value contributed to it and those
7 expenditures made, incurred or authorized by it for the purpose of
8 communication with or providing benefits to any member of the
9 Legislature, legislative staff, the Governor, the Governor's staff, or an
10 officer or staff member of the Executive Branch during the previous
11 year. The report shall include, but not be limited to, the following
12 expenditures which relate to communication with, or providing
13 benefits to, any member of the Legislature, legislative staff, the
14 Governor, the Governor's staff, or an officer or staff member of the
15 Executive Branch: media, including advertising; entertainment; food
16 and beverage; travel and lodging; honoraria; loans; gifts; and salary,
17 fees, allowances or other compensation paid to [a legislative] an
18 agent. The expenditures shall be reported whether made to the
19 intended recipient of the communication or benefit or to a [legislative]
20 governmental affairs agent or a lobbyist. The expenditures shall be
21 reported in the aggregate by category, except that if the aggregate
22 expenditures on behalf of a member of the Legislature, legislative staff,
23 the Governor, the Governor's staff, or an officer or staff member of
24 the Executive Branch exceed \$25.00 per day, they shall be detailed
25 separately as to the name of the member of the Legislature, member
26 of legislative staff, the Governor, member of the Governor's staff, or
27 officer or staff member of the Executive Branch, date and type of
28 expenditure, amount of expenditure and to whom paid. Where the
29 aggregate expenditures for the purpose of communication with or
30 providing benefits to any one member of the Legislature, member of
31 legislative staff, the Governor, the Governor's staff, or officer or staff
32 member of the Executive Branch exceed \$200.00 per year, the
33 expenditures, together with the name of the intended recipient of the
34 communication or benefits, shall be stated in detail including the type
35 of each expenditure, amount of expenditure and to whom paid. Where
36 the expenditures in the aggregate with respect to any specific occasion
37 are in excess of \$100.00, the report shall include the date and type of
38 expenditure, amount of expenditure and to whom paid. The Election
39 Law Enforcement Commission may, in its discretion, permit joint
40 reports by [legislative] governmental affairs agents. No [legislative]
41 governmental affairs agent shall be required to file a report unless all
42 moneys, loans, paid personal services or other things of value
43 contributed to it for the purpose of communication with or making
44 expenditures providing a benefit to a member of the Legislature,
45 legislative staff, the Governor, the Governor's staff, or officer or staff
46 member of the Executive Branch exceed \$2,500.00 in any year or

1 unless all expenditures made, incurred or authorized by it for the
2 purpose of communication with or providing benefits to a member of
3 the Legislature, legislative staff, the Governor, the Governor's staff, or
4 officer or staff member of the Executive Branch exceed \$2,500.00 in
5 any year.

6 Any lobbyist who receives contributions or makes expenditures to
7 influence legislation or regulation shall be required to file and certify
8 the correctness of a report of such contributions or expenditures if the
9 contributions or expenditures made, incurred or authorized by it for
10 the purpose of communication with or providing benefits to a member
11 of the Legislature, legislative staff, the Governor, the Governor's staff,
12 or an officer or staff member of the Executive Branch exceed, in the
13 aggregate, \$2,500.00 in any year. Any lobbyist required to file a report
14 pursuant to this section may designate a [legislative] governmental
15 affairs agent in its employ or otherwise engaged or used by it to file a
16 report on its behalf; provided such designation is made in writing by
17 the lobbyist, is acknowledged in writing by the designated [legislative]
18 governmental affairs agent and is filed with the Election Law
19 Enforcement Commission on or before the date on which the report of
20 the lobbyist is due for filing, and further provided that any violation of
21 this act shall subject both the lobbyist and the designated [legislative]
22 governmental affairs agent to the penalties provided in this act.

23 This section shall not be construed to authorize any person to make
24 or authorize, or to cause to be made or authorized, any expenditure
25 providing a benefit, or to provide a benefit, the provision or receipt of
26 which is prohibited under the "New Jersey Conflicts of Interest Law,"
27 P.L.1971, c.182 (C.52:13D-12 et seq.) or any code of ethics
28 promulgated thereunder, or under any other law or any executive
29 order, rule or regulation.

30 (cf: P.L.1991, c.243, s.5)

31

32 12. Section 7 of P.L.1991, c.243 (C.52:13C-22.1a) is amended to
33 read as follows:

34 7. A person who is registered as a [legislative] governmental
35 affairs agent and who, on or after the effective date of P.L.1991, c.243
36 (C.52:13C-18 et al.) or on or after P.L. , c. (C.52:13C-18 et
37 al)(now pending before the Legislature as this bill) for the purpose of
38 influencing governmental processes, serves or shall serve as a member
39 of any independent State authority, county improvement authority or
40 municipal utilities authority, or as a member from New Jersey on an
41 inter-state or bi-state authority, or as a member of any board or
42 commission established by statute or resolution or by executive order
43 of the Governor or by the Legislature or by any agency, department or
44 other instrumentality of the State shall disclose such service, including
45 the name of the authority, board or commission and the date upon
46 which his term as a member thereof expires, in the annual report

1 required to be made under section 2 of P.L.1981, c.150
2 (C.52:13C-22.1).
3 (cf: P.L.1991, c.243, s.7)

4
5 13. Section 1 of P.L.1996, c.144 (C.52:13C-22.4) is amended to
6 read as follows:

7 1. a. Each [legislative] governmental affairs agent and lobbyist
8 shall provide to each member of the Legislature, legislative staff, the
9 Governor, the Governor's staff, or an officer or staff member of the
10 Executive Branch who receives a benefit that is required to be
11 reported to the commission pursuant to section 2 of P.L.1981, c.150
12 (C.52:13C-22.1), a full written and certified report describing the
13 benefit, including a description of the benefit, the amount of the
14 benefit, the date it was provided and to whom it was paid.

15 b. The reports shall be transmitted to the member of the
16 Legislature, legislative staff, the Governor, the Governor's staff, or an
17 officer or staff member of the Executive Branch by each [legislative]
18 governmental affairs agent or lobbyist no later than February 1 of
19 each year and shall cover benefits provided in the immediately
20 preceding calendar year. In the event that a [legislative]
21 governmental affairs agent or lobbyist provides more than one benefit
22 to a member of the Legislature, legislative staff, the Governor, the
23 Governor's staff, or an officer or staff member of the Executive Branch
24 during a calendar year, the reports describing those benefits required
25 pursuant to subsection a. of this section may be combined into one
26 report or filed as separate reports.
27 (cf: P.L.1996, c.144, s.1)

28
29 14. Section 6 of P.L.1971, c.183 (C.52:13C-23) is amended to
30 read as follows:

31 6. The commission shall:

32 a. permit public inspection of all statements filed pursuant to this
33 act, as amended and supplemented;

34 b. compile and summarize information contained in statements filed
35 pursuant to this act, as amended and supplemented, and report the
36 same to the Legislature and the Governor;

37 c. ascertain whether any persons have failed to file statements as
38 required by this act, as amended and supplemented, or have filed
39 incomplete or inaccurate statements, and give notice to such persons
40 to file such statements as will conform to the requirements of this act,
41 as amended and supplemented;

42 d. investigate violations of this act, as amended and supplemented,
43 report to the Legislature and the Governor thereon, and notify the
44 Attorney General of any possible criminal violations of this act, as
45 amended and supplemented, that may warrant further investigation and
46 action;

- 1 e. make such recommendations to the Legislature and the
2 Governor as will tend to further the objectives of this act, as amended
3 and supplemented, and take such other action as shall be necessary and
4 proper to effectuate the purposes of this act, as amended and
5 supplemented;
- 6 f. report to the Legislature and the Governor annually on the
7 administration of this act, as amended and supplemented;
- 8 g. develop and prescribe methods and forms for statements
9 required to be filed by this act, as amended and supplemented, and
10 require the use of such forms by persons subject to this act, as
11 amended and supplemented;
- 12 h. compile and publish quarterly a list of all [legislative]
13 governmental affairs agents then registered, together with the
14 information contained in their notices of representation and last
15 quarterly report, which compilation shall be distributed to all members
16 of the Legislature and the Governor, and published in the New Jersey
17 Register;
- 18 i. prepare and publish a summary and explanation of the
19 registration and reporting requirements of this act, as amended and
20 supplemented, for the use and guidance of those persons who may be
21 required to file statements under this act, as amended and
22 supplemented;
- 23 j. in accordance with a fee schedule adopted by the commission as
24 a rule or regulation, establish and charge reasonable fees for the filing
25 of notices of representation and quarterly and annual reports pursuant
26 to this act, as amended and supplemented, provided that such fees
27 shall not apply to the organizations which qualify under subsection (b)
28 of section 9 of chapter 30 of the laws of 1966, as amended
29 (C.54:32B-9), and provided further that the amount of such fees shall
30 not exceed the cost to the commission of processing and maintaining
31 those notices and reports and of compiling, summarizing and
32 publishing the information contained therein as prescribed by this act,
33 as amended and supplemented; and
- 34 k. during periods when the Legislature is in session, report monthly
35 to the members of the Legislature and the Governor and his staff all
36 new notices of representation, notices of termination and other notices
37 filed pursuant to this act, as amended and supplemented, during the
38 preceding month.

39 (cf: P.L.1991, c.244, s.4)

40

41 15. Section 11 of P.L.1991, c.244 (C.52:13C-23.1) is amended to
42 read as follows:

43 11. Upon receiving evidence of any violation of P.L.1971, c.183
44 (C.52:13C-18 et seq.), as amended and supplemented, the commission
45 shall have power to bring complaint proceedings, to issue subpoenas
46 for the production of witnesses and documents, and to hold or to

1 cause to be held by the Office of Administrative Law, hearings upon
2 such complaint. In addition to any other penalty provided by law, any
3 person who is found to have committed such a violation shall be liable
4 for civil penalty not in excess of \$1,000, which penalty may be
5 collected in a summary proceeding pursuant to ["the penalty
6 enforcement law" (N.J.S.2A:58-1 et seq.)] the "Penalty Enforcement
7 Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).

8 (cf: P.L.1991, c.244, s.11)

9

10 16. Section 7 of P.L.1971, c.183 (C.52:13C-24) is amended to
11 read as follows:

12 7. Any person engaged in activity which makes him subject to filing
13 a statement under this act shall keep and preserve all records of his
14 receipts, disbursements and other financial transactions in the course
15 of and as a part of his activities as a [legislative] governmental affairs
16 agent. Such records shall be preserved for a period of 3 calendar years
17 next succeeding the calendar year in which they were made. The
18 provisions of this section shall not apply to any [legislative]
19 governmental affairs agent with respect to any quarterly period within
20 which the total of his compensation including reimbursement of
21 expenses is less than \$500.00.

22 (cf: P.L.1971, c.183, s.7)

23

24 17. Section 8 of P.L.1971, c.183 (C.52:13C-25) is amended to
25 read as follows:

26 8. a. Every [legislative] governmental affairs agent shall file a
27 notice of termination report within 30 days after his activity shall
28 cease, on such form as the commission shall prescribe, and any person
29 who engages a [legislative] governmental affairs agent may file a
30 notice of termination after such agent ceases to represent such person.

31 b. A [legislative] governmental affairs agent who receives or
32 agrees to receive compensation for acting as such from any person not
33 named in the notice of representation filed pursuant to section 4 of
34 P.L.1971, c.183 (C.52:13C-21) shall, within 15 days of receiving or
35 agreeing to receive such compensation, file an appropriate notification
36 thereof in writing with the commission.

37 c. A [legislative] governmental affairs agent shall notify the
38 commission in writing of any material change in the information
39 supplied by him in the notice of representation filed pursuant to
40 section 4 of P.L.1971, c.183 (C.52:13C-21) within 15 days of the
41 effective date of such change.

42 (cf: P.L.1991, c.244, s.5)

43

44 18. Section 10 of P.L.1971, c.183 (C.52:13C-27) is amended to
45 read as follows:

46 10. This act shall not apply to the following activities:

- 1 a. the publication or dissemination, in the ordinary course of
2 business, of news items, advertising, editorials or other comments by
3 a newspaper, book publisher, regularly published periodical, or radio
4 or television station, including an owner, editor or employee thereof;
- 5 b. acts of an officer or employee of the Government of this State
6 or any of its political subdivisions, or of the Government of the United
7 States or of any State or territory thereof or any of their political
8 subdivisions, in carrying out the duties of their public office or
9 employment;
- 10 c. acts of bona fide religious groups acting solely for the purpose
11 of protecting the public right to practice the doctrines of such religious
12 groups;
- 13 d. acts of a duly organized national, State or local committee of a
14 political party;
- 15 e. acts of a person in testifying before a legislative committee or
16 commission, at a public hearing duly called by the Governor on
17 legislative proposals or on legislation passed and pending his approval,
18 or before any officer or body empowered by law to issue, promulgate
19 or adopt administrative rules and regulations in behalf of a nonprofit
20 organization incorporated as such in this State who receives no
21 compensation therefor beyond the reimbursement of necessary and
22 actual expenses, and who makes no other communication with a
23 member of the Legislature, legislative staff, the Governor, the
24 Governor's staff, or an officer or staff member of the Executive Branch
25 in connection with the subject of his testimony; [and]
- 26 f. acts of a person in communicating with or providing benefits to
27 a member of the Legislature, legislative staff, the Governor, the
28 Governor's staff, or an officer or staff member of the Executive Branch
29 if such communication or provision of benefits is undertaken by him
30 as a personal expression and not incident to his employment, even if
31 it is upon a matter relevant to the interests of a person by whom or
32 which he is employed, and if he receives no additional compensation
33 or reward, in money or otherwise, for or as a result of such
34 communication or provision of benefits;
- 35 g. with regard to influencing governmental processes as defined
36 in subsection s. and t. of section 3 of P.L.1971, c.183 (C.52:13C-20)
37 any communications, matters or acts of an attorney falling within the
38 attorney-client privilege while engaging in the practice of law to the
39 extent that confidentiality is required in order for the attorney to
40 exercise his ethical duties as a lawyer; and
- 41 h. with regard to influencing governmental processes as defined in
42 subsections s. and t. of section 3 of P.L.1971, c.183 (C.52:13C-20)
43 any communications, matters or acts involving collective negotiations,
44 or the interpretation or violation of collective negotiation agreements,
45 of a labor organization of any kind which exists or is constituted for
46 the purpose, in whole or in part, of collective bargaining, or of dealing

1 with employers concerning the grievances, terms or conditions of
2 employment, or of other mutual aid or protection in connection with
3 employment.

4 (cf: P.L.1991,c.243, s.6)

5
6 19. Section 11 of P.L.1971, c.183 (C.52:13C-28) is amended to
7 read as follows:

8 11. Every **[legislative]** governmental affairs agent who, for the
9 purpose of influencing legislation, is in the State House, the State
10 House Annex, or any other State building or other location when and
11 where an authorized meeting of a legislative committee is being held
12 shall at all times wear a descriptive name tag of a type prescribed by
13 the commission.

14 (cf: P.L.1991, c.244, s.7)

15
16 20. Section 12 of P.L.1971, c.183 (C.52:13C-29) is amended to
17 read as follows:

18 12. All staff, assistants and employees of the Legislature who
19 receive for their services a stated salary or similar compensation from
20 the State of New Jersey are forbidden to act as **[legislative]**
21 governmental affairs agents or to seek, receive or agree to receive,
22 directly or indirectly, compensation, in money or any thing of value,
23 for influencing or purporting to influence legislation. Whoever violates
24 this section is guilty of a **[misdemeanor]** crime of the fourth degree.

25 (cf: P.L.1971, c.183, s.12)

26
27 21. Section 13 of P.L.1971, c.183 (C.52:13C-30) is amended to
28 read as follows:

29 13. Any person who knowingly and willfully falsifies all or any part
30 of any statement, notice or report under this act shall, upon conviction,
31 be guilty of a **[misdemeanor]** crime of the fourth degree.

32 (cf: P.L.1971, c.183, s.13)

33
34 22. Section 14 of P.L.1971, c.183 (C.52:13C-31) is amended to
35 read as follows:

36 14. Any person who shall transmit, utter or publish to the
37 Legislature or the Governor or his staff any communication relating to
38 any legislation or be a party to the preparation thereof, knowing such
39 communication or any signature thereto is false, forged, counterfeit,
40 or fictitious, shall upon conviction, be guilty of a **[misdemeanor]**
41 crime of the fourth degree.

42 (cf: P.L.1971, c.183, s.14)

43
44 23. Section 16 of P.L.1971, c.183 (C.52:13C-33) is amended to
45 read as follows:

46 16. Any **[legislative]** governmental affairs agent required to file a

1 notice of representation or report or maintain any record under this
2 act who fails to file such a notice or report or maintain such record
3 shall, upon conviction, be guilty of a [misdemeanor] crime of the
4 fourth degree.

5 (cf: P.L.1971, c.183, s.16)

6

7 24. Section 19 of P.L.1971, c.183 (C.52:13C-36) is amended to
8 read as follows:

9 19. a. When it shall appear to the commission that a person
10 required to file any statement under this act, as amended and
11 supplemented, has failed to file such required statement, or has filed
12 a statement false, inaccurate or incomplete in any material matter, or
13 has otherwise violated the provisions of this act, as amended and
14 supplemented; or when the commission believes it to be in the public
15 interest that an investigation should be made to ascertain whether a
16 person has in fact violated any of the provisions of this act, as
17 amended and supplemented, it may apply to the Superior Court for an
18 order or orders directing:

19 (1) That any such person or persons make available to the
20 commission's inspection, or to the inspection of any of its authorized
21 deputies or agents, such records as are required to be kept by that
22 person pursuant to section 7 of P.L.1971, c.183 (C.52:13C-24); or

23 (2) That any such person file a statement or report in writing under
24 oath concerning the facts and circumstances upon which the
25 commission's belief in the necessity of an investigation is based; or

26 (3) That any person submit to examination under oath by the
27 commission in connection with said circumstances, and produce any
28 and all records, books and other documents which may be specified by
29 order of the court; or

30 (4) That the commission may impound any record, book or other
31 documents specified by order of the court.

32 b. Such application by the commission shall set forth all the facts
33 and circumstances upon which its belief in the necessity of an
34 investigation is based. The court may proceed on such application in
35 a summary manner; and if the court determines that from the evidence
36 submitted it appears that a person required to file any statement under
37 this act, as amended and supplemented, has failed to file such
38 statement, or has filed a statement false, inaccurate or incomplete in
39 any material respect, or has otherwise violated any of the provisions
40 of this act, as amended and supplemented, or that it is in the public
41 interest that an investigation be held to determine whether such
42 violation has occurred, the court shall issue such order pursuant to
43 subsection a. of this section as it may deem necessary and proper.

44 c. The commission shall hold as confidential all statements, books,
45 records, testimony and other information or sources of information
46 coming into its possession or knowledge as a result of an investigation

1 pursuant to this section and shall not disclose or divulge any such
2 materials or information to anyone except the court under whose order
3 such material or information comes into its knowledge or possession,
4 unless the court shall order its disclosure to a grand jury of this State
5 or other appropriate authorities for the purposes of enforcing the
6 provisions of this act, as amended and supplemented, or any other law.

7 d. If any person shall refuse to testify or produce any book, paper
8 or other document in any proceeding under this section as ordered by
9 the court on the grounds that the testimony or evidence, documentary
10 or otherwise, which is required of him may tend to incriminate him,
11 convict him of a crime, or subject him to a penalty or forfeiture, and
12 shall, notwithstanding, be directed to testify or to produce such book,
13 paper or document, he shall comply with such direction. A person
14 who is entitled by law to assert such privilege, and does so assert, and
15 thereafter complies with such direction, shall not thereafter be
16 prosecuted or subjected to any penalty or forfeiture in any criminal
17 proceeding which arises out of and relates to the subject matter of the
18 proceeding. No person so testifying shall be exempt from prosecution
19 or punishment for perjury on false swearing committed by him in
20 giving such testimony.

21 e. In any action brought under this section, the court may award to
22 the State all costs of investigation and trial, including a reasonable
23 attorney's fee to be fixed by the court. If costs are awarded in such an
24 action brought against a [legislative] governmental affairs agent, the
25 judgment may be awarded against the [legislative] governmental
26 affairs agent, and the [legislative] governmental affairs agent's
27 employer or employers joined as defendants, jointly, severally, or both.
28 If the defendant prevails, he shall be awarded all costs of trial, and may
29 be awarded a reasonable attorney's fee to be fixed by the court and
30 paid by the State of New Jersey.

31 (cf: P.L.1991, c.244, s.10)

32

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

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

40 (b) The joint committee shall be composed of 12 members as
41 follows: four members of the Senate appointed by the President
42 thereof, no more than two of whom shall be of the same political
43 party; four members of the General Assembly, appointed by the
44 Speaker thereof, no more than two of whom shall be of the same
45 political party; and four public members, one appointed by the
46 President of the Senate, one appointed by the Speaker of the General

1 Assembly, one appointed by the Minority Leader of the Senate and one
2 appointed by the Minority Leader of the General Assembly. No public
3 member shall be a lobbyist or [legislative] governmental affairs agent
4 as defined by the "Legislative and Governmental Process Activities
5 Disclosure Act [of 1971]," P.L.1971, c.183 (C.52:13C-18 et seq.), a
6 full-time State employee or an officer or director of any entity which
7 is required to file a statement with the Election Law Enforcement
8 Commission, and no former lobbyist or [legislative] governmental
9 affairs agent shall be eligible to serve as a public member for one year
10 following the cessation of all activity by that person as a [legislative]
11 governmental affairs agent or lobbyist. The legislative members shall
12 serve until the end of the two-year legislative term during which the
13 members are appointed. The public members shall serve for terms of
14 two years and until the appointment and qualification of their
15 successors. The terms of the public members shall run from the
16 second Tuesday in January of an even-numbered year to the second
17 Tuesday in January of the next even-numbered year, regardless of the
18 original date of appointment. Notwithstanding the terms of the public
19 members as established in this section, the public members first
20 appointed shall serve from their initial appointments, all of which shall
21 be made not later than the 60th day following the effective date of this
22 act, until the second Tuesday in January of the next even-numbered
23 year. Vacancies in the membership of the joint committee shall be
24 filled in the same manner as the original appointments, but for the
25 unexpired term only. Public members of the joint committee shall
26 serve without compensation, but shall be entitled to be reimbursed for
27 all actual and necessary expenses incurred in the performance of their
28 duties.

29 (c) The joint committee shall organize as soon as may be
30 practicable after the appointment of its members, by the selection of
31 a chairman and vice chairman from among its membership and the
32 appointment of a secretary, who need not be a member of the joint
33 committee.

34 (d) The Legislative Counsel in the Office of Legislative Services
35 shall act as legal adviser to the joint committee. He shall, upon
36 request, assist and advise the joint committee in the rendering of
37 advisory opinions by the joint committee, in the approval and review
38 of codes of ethics adopted by State agencies in the Legislative Branch,
39 and in the recommendation of revisions in codes of ethics or legislation
40 relating to the conduct of members of the Legislature or State officers
41 and employees in the Legislative Branch.

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

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

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

9 (h) The joint committee shall have jurisdiction to initiate, receive,
10 hear and review complaints regarding violations of the provisions of
11 this act or of a code of ethics promulgated pursuant to the provisions
12 of this act. It shall further have such jurisdiction as to enforcement of
13 the rules of either or both Houses of the Legislature governing the
14 conduct of the members or employees thereof as those rules may
15 confer upon the joint committee. A complaint regarding a violation of
16 a code of ethics promulgated pursuant to the provisions of this act may
17 be referred by the joint committee for disposition in accordance with
18 subsection 12(d) of this act.

19 (i) Any State officer or employee or special State officer or
20 employee in the Legislative Branch found guilty by the joint committee
21 of violating any provisions of this act, of a code of ethics promulgated
22 pursuant to the provisions of this act or of any rule of either or both
23 Houses which gives the joint committee jurisdiction and the authority
24 to investigate a matter shall be fined not less than \$500.00 nor more
25 than \$1,500.00, which penalty may be collected in a summary
26 proceeding pursuant to ["the penalty enforcement law"
27 (N.J.S.2A:58-1 et seq.)] the "Penalty Enforcement Law of 1999,"
28 P.L.1999, c.274 (C.2A:58-10 et seq.), and may be reprimanded and
29 ordered to pay restitution where appropriate and may be suspended
30 from his office or employment by order of the joint committee for a
31 period not in excess of 1 year. If the joint committee finds that the
32 conduct of such officer or employee constitutes a willful and
33 continuous disregard of the provisions of this act, of a code of ethics
34 promulgated pursuant to the provisions of this act or of any rule of
35 either or both Houses which gives the joint committee jurisdiction and
36 the authority to investigate a matter, it may order such person
37 removed from his office or employment and may further bar such
38 person from holding any public office or employment in this State in
39 any capacity whatsoever for a period of not exceeding 5 years from the
40 date on which he was found guilty by the joint committee.

41 (j) A member of the Legislature who shall be found guilty by the
42 joint committee of violating the provisions of this act, of a code of
43 ethics promulgated pursuant to the provisions of this act or of any rule
44 of either or both Houses which gives the joint committee jurisdiction
45 and the authority to investigate a matter shall be fined not less than
46 \$500.00 nor more than \$1,500.00, which penalty may be collected in

1 a 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 shall be subject to such
4 further action as may be determined by the House of which he is a
5 member. In such cases the joint committee shall report its findings to
6 the appropriate House and shall recommend to the House such further
7 action as the joint committee deems appropriate, but it shall be the
8 sole responsibility of the House to determine what further action, if
9 any, shall be taken against such member.

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

11

12 26. Section 2 of P.L.2003, c.255 (C.52:13D-24.1) is amended to
13 read as follows:

14 2. a. Except as expressly authorized in section 13 of P.L.1971,
15 c.182 (C.52:13D-24) or when the lobbyist or [legislative]
16 governmental affairs agent is a member of the immediate family of the
17 officer or staff member of the Executive Branch or member of the
18 Legislature or legislative staff, no officer or staff member of the
19 Executive Branch or member of the Legislature or legislative staff may
20 accept, directly or indirectly, any compensation, reward, employment,
21 gift, honorarium or other thing of value from each lobbyist or
22 [legislative] governmental affairs agent, as defined in the "Legislative
23 and Governmental Process Activities Disclosure Act [of 1971],"
24 P.L.1971, c.183 (C.52:13C-18 et seq.), totaling more than \$250.00 in
25 a calendar year. The \$250.00 limit on acceptance of compensation,
26 reward, gift, honorarium or other thing of value shall also apply to
27 each member of the immediate family of a member of the Legislature,
28 as defined in section 2 of P.L.1971, c.182 (C.52:13D-13) to be a
29 spouse, child, parent, or sibling of the member residing in the same
30 household as the member of the Legislature.

31 b. The prohibition in subsection a. of this section on accepting any
32 compensation, reward, gift, honorarium or other thing of value shall
33 not apply if received in the course of employment, by an employer
34 other than the State, of an individual covered in subsection a. of this
35 section or a member of the immediate family. The prohibition in
36 subsection a. of this section on accepting any compensation, reward,
37 gift, honorarium or other thing of value shall not apply if acceptance
38 is from a member of the immediate family when the family member
39 received such in the course of his or her employment.

40 c. Subsection a. of this section shall not apply if an officer or staff
41 member of the Executive Branch or member of the Legislature or
42 legislative staff who accepted any compensation, reward, gift,
43 honorarium or other thing of value provided by a lobbyist or
44 [legislative] governmental affairs agent makes a full reimbursement,
45 within 90 days of acceptance, to the lobbyist or [legislative]
46 governmental affairs agent in an amount equal to the money accepted

1 or the fair market value of that which was accepted if other than
2 money. As used in this subsection, "fair market value" means the
3 actual cost of the compensation, reward, gift, honorarium or other
4 thing of value accepted.

5 d. A violation of this section shall not constitute a crime or offense
6 under the laws of this State.

7 (cf: P.L.2003, c.255, s.2)

8
9 27. This act shall take effect immediately.

10
11
12 STATEMENT

13
14 This bill amends the "Legislative Activities Disclosure Act of 1971"
15 (N.J.S.A.52:13C-19 et seq.) to expand the definition of legislative
16 agents and lobbyists to include those who seek to influence
17 governmental processes, and requires disclosure of such activity. That
18 activity is defined as making any attempt, whether successful or not,
19 to assist a represented entity or group to engage in communication
20 with, or to secure information from, an officer or staff member of the
21 Executive Branch, or any authority, board, commission or other
22 agency or instrumentality in or of a principal department of the
23 Executive Branch of State Government authorized by law to
24 administer governmental processes or perform such other functions
25 that relate to such processes.

26 The term "governmental process" is defined to mean promulgation
27 of executive orders; rate setting; development, negotiation, award,
28 modification or cancellation of public contracts; issuance, denial,
29 modification, renewal, revocation or suspension of permits, licenses or
30 waivers; procedures for bidding; imposition or modification of fines
31 or penalties; procedures for purchasing; rendition of administrative
32 determinations; or award, denial, modification, renewal or termination
33 of financial assistance, grants and loans.

34 The bill exempts from the law as it relates to influencing these
35 governmental processes any communications, matters or acts of an
36 attorney falling within the attorney-client privilege while engaging in
37 the practice of law to the extent that confidentiality is required in order
38 for the attorney to exercise his ethical duties as a lawyer, and any
39 communications, matters or acts involving collective negotiations, or
40 the interpretation or violation of collective negotiation agreements, of
41 a labor organization of any kind which exists or is constituted for the
42 purpose, in whole or in part, of collective bargaining, or of dealing
43 with employers concerning the grievances, terms or conditions of
44 employment, or of other mutual aid or protection in connection with
45 employment.

46 In addition, the bill changes the title of the "Legislative Activities

S22 KARCHER

24

1 Disclosure Act of 1971" to the "Legislative and Governmental Process
2 Activities Disclosure Act" and the term "legislative agent" to
3 "governmental affairs agent" to better reflect the broader scope of
4 N.J.S.A.52:13C-19 et seq. as amended by this bill. All current
5 provisions of the law regulating legislative agents who now influence
6 legislation or regulations will regulate governmental affairs agents who
7 influence legislation, regulation or governmental processes.

SENATE STATE GOVERNMENT COMMITTEE

STATEMENT TO

SENATE, No. 22

STATE OF NEW JERSEY

DATED: JUNE 3, 2004

The Senate State Government Committee reports favorably Senate Bill No. 22.

This bill amends the "Legislative Activities Disclosure Act of 1971" (N.J.S.A.52:13C-19 et seq.) to expand the definition of legislative agents and lobbyists to include those who seek to influence governmental processes, and requires disclosure of such activity. That activity is defined as making any attempt, whether successful or not, to assist a represented entity or group to engage in communication with, or to secure information from, an officer or staff member of the Executive Branch, or any authority, board, commission or other agency or instrumentality in or of a principal department of the Executive Branch of State Government authorized by law to administer governmental processes or perform such other functions that relate to such processes.

The term "governmental process" is defined to mean promulgation of executive orders; rate setting; development, negotiation, award, modification or cancellation of public contracts; issuance, denial, modification, renewal, revocation or suspension of permits, licenses or waivers; procedures for bidding; imposition or modification of fines or penalties; procedures for purchasing; rendition of administrative determinations; or award, denial, modification, renewal or termination of financial assistance, grants and loans.

The bill exempts from the law as it relates to influencing these governmental processes any communications, matters or acts of an attorney falling within the attorney-client privilege while engaging in the practice of law to the extent that confidentiality is required in order for the attorney to exercise his ethical duties as a lawyer, and any communications, matters or acts involving collective negotiations, or the interpretation or violation of collective negotiation agreements, of a labor organization of any kind which exists or is constituted for the purpose, in whole or in part, of collective bargaining, or of dealing with employers concerning the grievances, terms or conditions of employment, or of other mutual aid or protection in connection with employment.

In addition, the bill changes the title of the "Legislative Activities Disclosure Act of 1971" to the "Legislative and Governmental Process Activities Disclosure Act" and the term "legislative agent" to

"governmental affairs agent" to better reflect the broader scope of N.J.S.A.52:13C-19 et seq. as amended by this bill. All current provisions of the law regulating legislative agents who now influence legislation or regulations will regulate governmental affairs agents who influence legislation, regulation or governmental processes.

This bill is identical to Assembly, No. 22 of 2004.

LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 22
STATE OF NEW JERSEY
211th LEGISLATURE

DATED: JUNE 16, 2004

SUMMARY

Synopsis: Expands definition of lobbyist and legislative agent to include those who influence governmental processes; defines governmental processes.

Type of Impact: Minimal Revenue Gain

Agencies Affected: Department of Law and Public Safety; Election Law Enforcement Commission

Office of Legislative Services Estimate

Fiscal Impact	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
State Revenue	Minimal Revenue Gain		

- ! Changes the current "Legislative Activities Disclosure Act of 1971" into "Legislative and Governmental Process Activities Disclosure Act" and revises the law governing governmental affairs agents and lobbyist.
- ! Re-defines the terms "influence governmental processes" and "governmental process."
- ! Updates the law's references to misdemeanors, a graduation that is no longer used in the State's criminal code, to the appropriate degree of crime.
- ! According to information provided informally by the ELEC, as of June of 2004, there were 550 State registered agents. The current filing fee is \$325.

BILL DESCRIPTION

Senate Bill No. 22 of 2004 revises the law governing governmental affairs agents, expands that definition and the definition of lobbyist to include those who seek to influence governmental processes, and requires disclosure of activities to influence governmental processes.

This bill amends the title of the "Legislative Activities Disclosure Act of 1971" to the "Legislative and Governmental Process Activities Disclosure Act." All current provisions of the law regulating legislative agents who now influence legislation or regulations will regulate governmental affairs agents who influence legislation, regulation or governmental processes.

Under the bill, "influence governmental processes" is defined as making any attempt, whether

successful or not, to help a represented entity or group to engage in communication with, or to secure information from, an officer or staff member of the Executive Branch, or of any authority, board, commission or other agency or instrumentality in or of a principal department of the Executive Branch of State Government, authorized by law to administer governmental processes or perform other functions related to such processes.

The term "governmental process" is defined to mean promulgation of executive orders; rate setting; development, negotiation, award, modification or cancellation of public contracts; issuance, denial, modification, renewal, revocation or suspension of permits, licenses or waivers; procedures for bidding; imposition or modification of fines or penalties; procedures for purchasing; rendition of administrative determinations; or award, denial, modification, renewal or termination of financial assistance, grants and loans.

The bill exempts from the law as it relates to influencing these governmental processes any communication, matter or act of an attorney falling within the attorney-client privilege while engaging in the practice of law to the extent that confidentiality is required in order for the attorney to exercise ethical duties as a lawyer, as well as any communication, matter or act involving collective negotiations, or the interpretation or violation of collective negotiation agreements, of a labor organization of any kind which exists or is constituted for the purpose, in whole or in part, of collective bargaining, or of dealing with employers concerning the grievances, terms or conditions of employment, or of other mutual aid or protection in connection with employment.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The Office of Legislative Services (OLS) estimates the State will incur minimal expenses as a result of this bill, however ELEC may increase revenues as a result of the expanded definition of lobbyist and legislative agents.

According to information provided informally by the ELEC, as of June of 2004, there were 550 State registered agents. The current filing fee is \$325. It is unknown how many legislative agents and lobbyist would be included under this expanded definition.

Finally, OLS notes that there are several bills pending which would imposed additional responsibilities on ELEC in 2004. If a combination of these are enacted, additional funding for staff and resources may be needed.

Section: *Law and Public Safety*

Analyst: *Kristin A. Brunner*
Associate Fiscal Analyst

Approved: *David J. Rosen*
Legislative Budget and Finance Officer

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.

ASSEMBLY, No. 22

STATE OF NEW JERSEY

211th LEGISLATURE

INTRODUCED JUNE 3, 2004

Sponsored by:

Assemblyman DAVID R. MAYER

District 4 (Camden and Gloucester)

Assemblyman JOSEPH VAS

District 19 (Middlesex)

Assemblyman BRIAN P. STACK

District 33 (Hudson)

Assemblyman DOUGLAS H. FISHER

District 3 (Salem, Cumberland and Gloucester)

Co-Sponsored by:

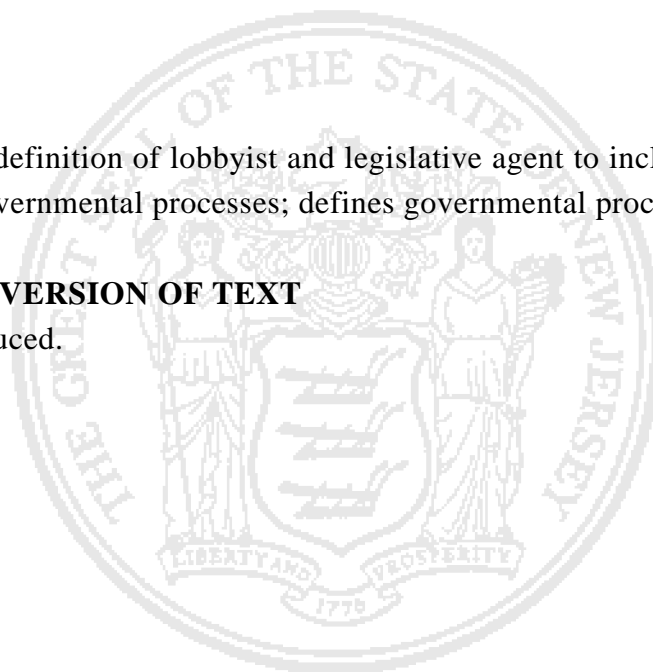
**Assemblymen Scalera, McKeon, Assemblywoman Cruz-Perez,
Assemblymen Chivukula, Payne, R.Smith, Connors, Panter, Morgan,
Greenwald and Assemblywoman Quigley**

SYNOPSIS

Expands definition of lobbyist and legislative agent to include those who influence governmental processes; defines governmental processes.

CURRENT VERSION OF TEXT

As introduced.



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

1 AN ACT expanding the definition of lobbyist and legislative agent and
2 amending various parts of the statutory law.

3
4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6
7 1. Section 1 of P.L.1971, c.183 (C.52:13C-18) is amended to read
8 as follows:

9 1. The Legislature affirms that the preservation of responsible
10 government requires that the fullest opportunity be afforded to the
11 people of the State to petition their government for the redress of
12 grievances and to express freely to individual legislators, committees
13 of the Legislature and the Governor their opinion on legislation and
14 current issues, **[and]** to Executive Branch officers and agencies their
15 opinion on rules and regulations developed and promulgated by those
16 officers and agencies in the exercise of powers delegated to them by
17 law, and to the Governor and Executive Branch officers and agencies
18 their opinion on matters involving the administration of various
19 governmental processes by the Governor and those officers and
20 agencies in the exercise of powers delegated to them by law.

21 The Legislature finds, however, that the preservation and
22 maintenance of the integrity of the legislative process, the regulatory
23 process and governmental process, including the development and
24 promulgation of rules and regulations or administration of various
25 governmental processes to effectuate the implementation of statutory
26 law, requires the identification in certain instances of persons and
27 groups who seek to influence the content, introduction, passage or
28 defeat of legislation **[or]**, the proposal, adoption, amendment, or
29 repeal of rules and regulations or the administration of various
30 governmental processes, and, where it is not otherwise apparent or
31 readily ascertainable, the nature of the interest which those persons
32 and groups seek to advance or protect through such activity.

33 It is in the public interest to closely monitor the activities of
34 governmental affairs agents and lobbyists with respect to their
35 involvement in influencing legislative, regulatory and governmental
36 processes to ensure the integrity of government.

37 **[It]** Therefore, it is the purpose of this act, as amended by P.L. .,
38 c. (now pending before the Legislature as this bill), to require
39 adequate disclosure in certain instances in order to make available to
40 the Legislature, governmental officials and the public information
41 relative to the activities of persons who seek to influence the content,
42 introduction, passage or defeat of legislation **[or]**, the proposal,

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 adoption, amendment[,] or repeal of rules and regulations or the
2 administration of various governmental processes by such means.

3 (cf: P.L.1991, c.243, s.2)

4

5 2. Section 2 of P.L.1971, c.183 (C.52:13C-19) is amended to read
6 as follows:

7 2. This act shall be known as the "Legislative and Governmental
8 Process Activities Disclosure Act [of 1971]."

9 (cf: P.L.1971, c.183, s.2)

10

11 3. Section 3 of P.L.1971, c.183 (C.52:13C-20) is amended to read
12 as follows:

13 3. For the purposes of this act, as amended and supplemented,
14 unless the context clearly requires a different meaning:

15 a. The term "person" includes an individual, partnership,
16 committee, association, corporation, and any other organization or
17 group of persons.

18 b. The term "legislation" includes all bills, resolutions,
19 amendments, nominations and appointments pending or proposed in
20 either House of the Legislature, and all bills and resolutions which,
21 having passed both Houses, are pending approval by the Governor.

22 c. The term "Legislature" includes the Senate and General
23 Assembly of the State of New Jersey and all committees and
24 commissions established by the Legislature or by either House thereof.

25 d. The term "lobbyist" means any person, partnership, committee,
26 association, corporation, labor union or any other organization that
27 employs, engages or otherwise uses the services of any [legislative]
28 governmental affairs agent to influence legislation [or] , regulation
29 or governmental processes.

30 e. The term "Governor" includes the Governor or the Acting
31 Governor.

32 f. The term "communication with a member of the Legislature,
33 "with legislative staff," "with the Governor," "with the Governor's
34 staff," or "with an officer or staff member of the Executive Branch"
35 means any communication, oral or in writing or any other medium,
36 addressed, delivered, distributed or disseminated, respectively, to a
37 member of the Legislature, to legislative staff, to the Governor, to the
38 Governor's staff, or to an officer or staff member of the Executive
39 Branch, as distinguished from communication to the general public
40 including but not limited to a member of the Legislature, legislative
41 staff, the Governor, the Governor's staff, or an officer or staff member
42 of the Executive Branch. If any person shall obtain, reproduce or
43 excerpt any communication or part thereof which in its original form
44 was not a communication under this subsection and shall cause such
45 excerpt or reproduction to be addressed, delivered, distributed or
46 disseminated to a member of the Legislature, to legislative staff, to the

1 Governor, to the Governor's staff, or to an officer or staff member of
2 the Executive Branch, such communication, reproduction or excerpt
3 shall be deemed a communication with the member of the Legislature,
4 with legislative staff, with the Governor, with the Governor's staff, or
5 with an officer or staff member of the Executive Branch by such
6 person.

7 g. The term "[legislative] governmental affairs agent" means any
8 person who receives or agrees to receive, directly or indirectly,
9 compensation, in money or anything of value including reimbursement
10 of his expenses where such reimbursement exceeds \$100.00 in any
11 three-month period, to influence legislation [or], to influence
12 regulation or to influence governmental processes, or [both] all of the
13 above, by direct or indirect communication with, or by making or
14 authorizing, or causing to be made or authorized, any expenditures
15 providing a benefit to, a member of the Legislature, legislative staff,
16 the Governor, the Governor's staff, or any officer or staff member of
17 the Executive Branch, or who holds himself out as engaging in the
18 business of influencing legislation [or], regulation[,] or governmental
19 processes, by such means, or who incident to his regular employment
20 engages in influencing legislation [or] , regulation or governmental
21 processes, by such means; provided, however, that a person shall not
22 be deemed a [legislative] governmental affairs agent who, in relation
23 to the duties or interests of his employment or at the request or
24 suggestion of his employer, communicates with a member of the
25 Legislature, with legislative staff, with the Governor, with the
26 Governor's staff, or with an officer or staff member of the Executive
27 Branch concerning any legislation [or] , regulation or governmental
28 process, if such communication is an isolated, exceptional or
29 infrequent activity in relation to the usual duties of his employment.

30 h. The term "influence legislation" means to make any attempt,
31 whether successful or not, to secure or prevent the initiation of any
32 legislation, or to secure or prevent the passage, defeat, amendment or
33 modification thereof by the Legislature, or the approval, amendment
34 or disapproval thereof by the Governor in accordance with his
35 constitutional authority.

36 i. The term "statement" includes a notice of representation or a
37 report required by this act, as amended and supplemented.

38 j. (Deleted by amendment, P.L.1991, c.243).

39 k. The term "member of the Legislature" includes any member or
40 member-elect of, or any person who shall have been selected to fill a
41 vacancy in, the Senate or General Assembly, and any other person who
42 is a member or member-designate of any committee or commission
43 established by the Legislature or by either House thereof.

44 l. The term "legislative staff" includes all staff, assistants and
45 employees of the Legislature or any of its members in the member's
46 official capacity, whether or not they receive compensation from the

1 State of New Jersey.

2 m. The term "Governor's staff" includes the members of the
3 Governor's Cabinet, the Secretary to the Governor, the Counsel to the
4 Governor and all professional employees in the office of the Counsel
5 to the Governor, and all other employees of the Office of the
6 Governor.

7 n. The term "officer or staff member of the Executive Branch"
8 means any assistant or deputy head of a principal department in the
9 Executive Branch of State Government, including all assistant and
10 deputy commissioners; the members and chief executive officer of any
11 authority, board, commission or other agency or instrumentality in or
12 of such a principal department; and any officer of the Executive
13 Branch of State Government other than the Governor who is not
14 included among the foregoing or among the Governor's staff, but who
15 is empowered by law to issue, promulgate or adopt administrative
16 rules and regulations or to administer governmental processes, and any
17 person employed in the office of such an officer who is involved with
18 the development, issuance, promulgation or adoption of such rules and
19 regulations or administration of governmental processes in the regular
20 course of employment.

21 o. The term "regulation" includes any administrative rule or
22 regulation affecting the rights, privileges, benefits, duties, obligations,
23 or liabilities of any one or more persons subject by law to regulation
24 as a class, but does not include an administrative action (1) to issue,
25 renew or deny, or, in an adjudicative action, to suspend or revoke, a
26 license, order, permit or waiver under any law or administrative rule
27 or regulation, (2) to impose a penalty, or (3) to effectuate an
28 administrative reorganization within a single principal department of
29 the Executive Branch of State Government.

30 p. The term "influence regulation" means to make any attempt,
31 whether successful or not, to secure or prevent the proposal of any
32 regulation or to secure or prevent the consideration, amendment,
33 issuance, promulgation, adoption or rejection thereof by an officer or
34 any authority, board, commission or other agency or instrumentality
35 in or of a principal department of the Executive Branch of State
36 Government empowered by law to issue, promulgate or adopt
37 administrative rules and regulations.

38 q. The term "expenditures providing a benefit" or "expenditures
39 providing benefits" means any expenditures for entertainment, food
40 and beverage, travel and lodging, honoraria, loans, gifts or any other
41 thing of value, except for (1) any money or thing of value paid for
42 past, present, or future services in regular employment, whether in the
43 form of a fee, expense, allowance, forbearance, forgiveness, interest,
44 dividend, royalty, rent, capital gain, or any other form of recompense,
45 or any combination thereof, or (2) any dividends or other income paid
46 on investments, trusts, and estates.

1 r. The term "commission" means the Election Law Enforcement
2 Commission established pursuant to section 5 of P.L.1973, c.83
3 (C.19:44A-5).

4 s. The terms "influence governmental processes", "influencing
5 governmental processes" or "influence governmental process" means
6 to make any attempt, whether successful or not, to assist a represented
7 entity or group to engage in communication with, or to secure
8 information from, an officer or staff member of the Executive Branch,
9 or any authority, board, commission or other agency or instrumentality
10 in or of a principal department of the Executive Branch of State
11 Government, empowered by law to administer a governmental process
12 or perform other functions that relate to such processes.

13 t. The term "governmental process" means:

14 promulgation of executive orders;

15 rate setting;

16 development, negotiation, award, modification or cancellation of
17 public contracts;

18 issuance, denial, modification, renewal, revocation or suspension of
19 permits, licenses or waivers;

20 procedures for bidding;

21 imposition or modification of fines and penalties;

22 procedures for purchasing;

23 rendition of administrative determinations; and

24 award, denial, modification, renewal or termination of financial
25 assistance, grants and loans.

26 u. The term "public contract" means a contract the cost or price of
27 which is to be paid with or out of State funds or the funds of an
28 independent authority created by the State or by the Legislature.

29 (cf: P.L.1991, c.244, s.1)

30
31 4. Section 4 of P.L.1971, c.183 (C.52:13C-21) is amended to read
32 as follows:

33 4. a. Any person who, on or after the effective date of P.L.1991,
34 c.243 or on or after the effective date of P.L. , c. (now pending
35 before the Legislature as this bill) for the purpose of influencing
36 governmental processes, is employed, retained or engages himself as
37 a [legislative] governmental affairs agent shall, prior to any
38 communication with, or the making of any expenditures providing a
39 benefit to, a member of the Legislature, legislative staff, the Governor,
40 the Governor's staff, or an officer or staff member of the Executive
41 Branch, and in any event within 30 days of [that] the appropriate
42 effective date or of such employment, retainer or engagement,
43 whichever occurs later, file a signed notice of representation with the
44 Election Law Enforcement Commission in such detail as the
45 commission may prescribe, identifying himself and persons by whom
46 he is employed or retained, and the persons in whose interests he is

1 working, and the general nature of his proposed services as a
2 **[legislative]** governmental affairs agent for such persons, which notice
3 shall contain the following information:

4 (1) his name, business address and regular occupation;

5 (2) the name, business address and occupation or principal business
6 of the person from whom he receives compensation for acting as a
7 **[legislative]** governmental affairs agent;

8 (3) (a) the name, business address and occupation or principal
9 business of any person in whose interest he acts as a **[legislative]**
10 governmental affairs agent in consideration of the aforesaid
11 compensation, if such person is other than the person from whom said
12 compensation is received; and

13 (b) if a person, identified under paragraph (2) of this subsection as
14 one from whom the **[legislative]** governmental affairs agent receives
15 compensation, is a membership organization or corporation whose
16 name or occupation so identified does not, either explicitly or by virtue
17 of the nature of the principal business in which the organization or its
18 members, or the corporation or its shareholders, is commonly known
19 to be engaged, clearly reveal the primary specific economic, social,
20 political, or other interest which the organization or corporation may
21 reasonably be understood to seek to advance or protect through its
22 employment, retainer, or engagement of the **[legislative]** governmental
23 affairs agent, a description of that primary economic, social, political,
24 or other interest and a list of the persons having organizational or
25 financial control of the organization or corporation, including the
26 names, mailing addresses and occupations, respectively, of those
27 persons. The commission shall promulgate rules and regulations to
28 govern the content of any information required to be disclosed under
29 this subparagraph and shall take such steps as are reasonably necessary
30 to ensure that all such information is, in accordance with those rules
31 and regulations, both accurate and complete.

32 Any list of **[legislative]** governmental affairs agents and their
33 principals required to be published quarterly under subsection h. of
34 section 6 of P.L.1971, c.183 (C.52:13C-23) shall include, for each
35 such principal for whom it is not otherwise apparent, the primary
36 specific interest which the principal may reasonably be understood to
37 seek to advance or protect through its engagement of the **[legislative]**
38 governmental affairs agent and the category of persons required to file
39 additional information, as that interest and such category shall have
40 been determined under subparagraph (b) of this paragraph;

41 (4) whether the person from whom he receives said compensation
42 employs him solely as a **[legislative]** governmental affairs agent, or
43 whether he is a regular employee performing services for his employer
44 which include but are not limited to the influencing of legislation **[or]**,
45 regulation or governmental processes;

1 (5) the length of time for which he will be receiving compensation
2 from the person aforesaid for acting as a [legislative] governmental
3 affairs agent, if said length of time can be ascertained at the time of
4 filing;

5 (6) the type of legislation [or], regulation or governmental process
6 or the particular legislation [or], regulation or governmental process
7 in relation to which he is to act as [legislative] governmental affairs
8 agent in consideration of the aforesaid compensation, and any
9 particular legislation [or], regulation or governmental process, or type
10 of legislation [or], regulation or governmental process which he is to
11 promote or oppose;

12 (7) a full and particular description of any agreement, arrangement
13 or understanding according to which his compensation, or any portion
14 thereof, is or will be contingent upon the success of any attempt to
15 influence legislation [or], regulation or governmental processes.

16 b. Any [legislative] governmental affairs agent who receives
17 compensation from more than one person for his services as a
18 [legislative] governmental affairs agent shall file a separate notice of
19 representation with respect to each such person; except that a
20 [legislative] governmental affairs agent whose fee for acting as such
21 in respect to the same legislation [or], regulation or governmental
22 process or type of legislation [or], regulation or governmental process
23 is paid or contributed to by more than one person may file a single
24 statement, in which he shall detail the name, business address and
25 occupation or principal business of each person so paying or
26 contributing.

27 (cf: P.L.1991, c.244, s.2)

28

29 5. Section 4 of P.L.1981, c.150 (C.52:13C-21a) is amended to read
30 as follows:

31 4. Any [legislative] governmental affairs agent or lobbyist not a
32 resident of this State, or not a corporation of this State or authorized
33 to do business in this State, shall file with the Election Law
34 Enforcement Commission, before attempting to influence legislation,
35 regulation or governmental process, or within 30 days of the effective
36 date of P.L. , c. (now pending before the Legislature as this bill),
37 as appropriate, its consent to service of process at an address within
38 this State, or by regular mail at an address outside this State.

39 (cf: P.L.1981, c.150, s.4)

40

41 6. Section 3 of P.L.2003, c.255 (C.52:13C-21b) is amended to
42 read as follows:

43 3. Except as expressly authorized in section 13 of P.L.1971, c.182
44 (C.52:13D-24) or when the lobbyist or [legislative] governmental
45 affairs agent is a member of the immediate family of the officer or

1 staff member of the Executive Branch or member of the Legislature or
2 legislative staff, no lobbyist or **[legislative]** governmental affairs
3 agent shall offer or give or agree to offer or give, directly or indirectly,
4 any compensation, reward, employment, gift, honorarium or other
5 thing of value to an officer or staff member of the Executive Branch
6 or member of the Legislature or legislative staff, totaling more
7 than \$250.00 in a calendar year. The \$250.00 limit on any
8 compensation, reward, gift, honorarium or other thing of value shall
9 also apply to each member of the immediate family of a member of the
10 Legislature, as defined in section 2 of P.L.1971, c.182 (C.52:13D-13)
11 to be a spouse, child, parent, or sibling of the member residing in the
12 same household as the member of the Legislature.

13 b. The prohibition in subsection a. of this section on offering or
14 giving, or agreeing to offer or give, any compensation, reward, gift,
15 honorarium or other thing of value shall not apply if it is in the course
16 of employment, by an employer other than the State, of an individual
17 covered in subsection a. of this section or a member of the immediate
18 family. The prohibition in subsection a. of this section on offering or
19 giving, or agreeing to offer or give, any compensation, reward, gift,
20 honorarium or other thing of value shall not apply if receipt is from a
21 member of the immediate family when the family member received
22 such in the course of his or her employment.

23 c. Subsection a. of this section shall not apply if an officer or staff
24 member of the Executive Branch or member of the Legislature or
25 legislative staff who accepted any compensation, reward, gift,
26 honorarium or other thing of value offered or given by a lobbyist or
27 **[legislative]** governmental affairs agent makes a full reimbursement,
28 within 90 days of acceptance, to the lobbyist or **[legislative]**
29 governmental affairs agent in an amount equal to the money accepted
30 or the fair market value of that which was accepted if other than
31 money. As used in this subsection, "fair market value" means the
32 actual cost of the compensation, reward, gift, honorarium or other
33 thing of value accepted.

34 d. A violation of this section shall not constitute a crime or offense
35 under the laws of this State.

36 (cf: P.L.2003, c.255, s.3)

37

38 7. Section 1 of P.L.1977, c.92 (C.52:13C-21.1) is amended to read
39 as follows:

40 1. Any person who knowingly employs another person to serve as
41 a **[legislative]** governmental affairs agent who is not registered as
42 required by section 4 of the act of which this act is a supplement,
43 except upon the condition that such person register as a **[legislative]**
44 governmental affairs agent as provided by law or who continues to
45 employ any such person who has not registered within the time
46 required by law, shall, upon conviction, be guilty of a **[misdemeanor]**

1 crime of the fourth degree.

2 (cf: P.L.1977, c.92, s.1)

3

4 8. Section 1 of P.L.1977, c.90 (C.52:13C-21.2) is amended to read
5 as follows:

6 1. Any **[legislative]** governmental affairs agent who knowingly
7 represents an interest adverse to any of his employer's without first
8 obtaining such employer's written consent thereto, after full disclosure
9 to such employer of such adverse interest, shall, upon conviction, be
10 guilty of a **[misdemeanor]** crime of the fourth degree.

11 (cf: P.L.1977, c.90, s.1)

12

13 9. Section 1 of P.L.1977, c.91 (C.52:13C-21.3) is amended to read
14 as follows:

15 1. Any **[legislative]** governmental affairs agent who knowingly
16 causes, influences, or otherwise secures the introduction of any
17 legislation or amendment thereto for the purpose of thereafter being
18 employed to prevent the passage thereof, shall upon conviction be
19 guilty of a **[misdemeanor]** crime of the fourth degree.

20 (cf: P.L.1977, c.91, s.1)

21

22 10. Section 5 of P.L.1971, c.183 (C.52:13C-22) is amended to
23 read as follows:

24 5. a. Every **[legislative]** governmental affairs agent shall file with
25 the commission a signed quarterly report of his activity in attempting
26 to influence legislation, regulation or governmental processes during
27 each such quarter.

28 b. The quarterly reports required under this section shall be made
29 in the form and manner prescribed by the commission and shall be filed
30 between the first and tenth days of each calendar quarter for such
31 activity during the preceding calendar quarter. The commission may,
32 in its discretion, permit joint reports by persons subject to this act.

33 c. Each such quarterly report shall

34 (1) describe the particular items of legislation, regulation, or
35 governmental process and any general category or type of legislation,
36 regulation or governmental process regarding which the **[legislative]**
37 governmental affairs agent acted as a **[legislative]** governmental
38 affairs agent during the quarter, and any particular items or general
39 types of legislation, regulation, or governmental processes which he
40 actively promoted or opposed during the quarter; and

41 (2) supply any information necessary to make the notice of
42 representation filed by the **[legislative]** governmental affairs agent
43 pursuant to section 4 of P.L.1971, c.183 (C.52:13C-21), current and
44 accurate as of the final day of the calendar quarter covered by the
45 report.

46 (cf: P.L.1991, c.244, s.3)

1 11. Section 2 of P.L.1981, c.150 (C.52:13C-22.1) is amended to
2 read as follows:

3 2. Each **[legislative]** governmental affairs agent or lobbyist shall
4 make and certify the correctness of a full annual report to the Election
5 Law Enforcement Commission, of those moneys, loans, paid personal
6 services or other things of value contributed to it and those
7 expenditures made, incurred or authorized by it for the purpose of
8 communication with or providing benefits to any member of the
9 Legislature, legislative staff, the Governor, the Governor's staff, or an
10 officer or staff member of the Executive Branch during the previous
11 year. The report shall include, but not be limited to, the following
12 expenditures which relate to communication with, or providing
13 benefits to, any member of the Legislature, legislative staff, the
14 Governor, the Governor's staff, or an officer or staff member of the
15 Executive Branch: media, including advertising; entertainment; food
16 and beverage; travel and lodging; honoraria; loans; gifts; and salary,
17 fees, allowances or other compensation paid to **[a legislative]** an
18 agent. The expenditures shall be reported whether made to the
19 intended recipient of the communication or benefit or to a **[legislative]**
20 governmental affairs agent or a lobbyist. The expenditures shall be
21 reported in the aggregate by category, except that if the aggregate
22 expenditures on behalf of a member of the Legislature, legislative staff,
23 the Governor, the Governor's staff, or an officer or staff member of
24 the Executive Branch exceed \$25.00 per day, they shall be detailed
25 separately as to the name of the member of the Legislature, member
26 of legislative staff, the Governor, member of the Governor's staff, or
27 officer or staff member of the Executive Branch, date and type of
28 expenditure, amount of expenditure and to whom paid. Where the
29 aggregate expenditures for the purpose of communication with or
30 providing benefits to any one member of the Legislature, member of
31 legislative staff, the Governor, the Governor's staff, or officer or staff
32 member of the Executive Branch exceed \$200.00 per year, the
33 expenditures, together with the name of the intended recipient of the
34 communication or benefits, shall be stated in detail including the type
35 of each expenditure, amount of expenditure and to whom paid. Where
36 the expenditures in the aggregate with respect to any specific occasion
37 are in excess of \$100.00, the report shall include the date and type of
38 expenditure, amount of expenditure and to whom paid. The Election
39 Law Enforcement Commission may, in its discretion, permit joint
40 reports by **[legislative]** governmental affairs agents. No **[legislative]**
41 governmental affairs agent shall be required to file a report unless all
42 moneys, loans, paid personal services or other things of value
43 contributed to it for the purpose of communication with or making
44 expenditures providing a benefit to a member of the Legislature,
45 legislative staff, the Governor, the Governor's staff, or officer or staff
46 member of the Executive Branch exceed \$2,500.00 in any year or

1 unless all expenditures made, incurred or authorized by it for the
2 purpose of communication with or providing benefits to a member of
3 the Legislature, legislative staff, the Governor, the Governor's staff, or
4 officer or staff member of the Executive Branch exceed \$2,500.00 in
5 any year.

6 Any lobbyist who receives contributions or makes expenditures to
7 influence legislation or regulation shall be required to file and certify
8 the correctness of a report of such contributions or expenditures if the
9 contributions or expenditures made, incurred or authorized by it for
10 the purpose of communication with or providing benefits to a member
11 of the Legislature, legislative staff, the Governor, the Governor's staff,
12 or an officer or staff member of the Executive Branch exceed, in the
13 aggregate, \$2,500.00 in any year. Any lobbyist required to file a report
14 pursuant to this section may designate a [legislative] governmental
15 affairs agent in its employ or otherwise engaged or used by it to file a
16 report on its behalf; provided such designation is made in writing by
17 the lobbyist, is acknowledged in writing by the designated [legislative]
18 governmental affairs agent and is filed with the Election Law
19 Enforcement Commission on or before the date on which the report of
20 the lobbyist is due for filing, and further provided that any violation of
21 this act shall subject both the lobbyist and the designated [legislative]
22 governmental affairs agent to the penalties provided in this act.

23 This section shall not be construed to authorize any person to make
24 or authorize, or to cause to be made or authorized, any expenditure
25 providing a benefit, or to provide a benefit, the provision or receipt of
26 which is prohibited under the "New Jersey Conflicts of Interest Law,"
27 P.L.1971, c.182 (C.52:13D-12 et seq.) or any code of ethics
28 promulgated thereunder, or under any other law or any executive
29 order, rule or regulation.

30 (cf: P.L.1991, c.243, s.5)

31

32 12. Section 7 of P.L.1991, c.243 (C.52:13C-22.1a) is amended to
33 read as follows:

34 7. A person who is registered as a [legislative] governmental
35 affairs agent and who, on or after the effective date of P.L.1991, c.243
36 (C.52:13C-18 et al.) or on or after P.L. , c. (C.52:13C-18 et
37 al)(now pending before the Legislature as this bill) for the purpose of
38 influencing governmental processes, serves or shall serve as a member
39 of any independent State authority, county improvement authority or
40 municipal utilities authority, or as a member from New Jersey on an
41 inter-state or bi-state authority, or as a member of any board or
42 commission established by statute or resolution or by executive order
43 of the Governor or by the Legislature or by any agency, department or
44 other instrumentality of the State shall disclose such service, including
45 the name of the authority, board or commission and the date upon
46 which his term as a member thereof expires, in the annual report

1 required to be made under section 2 of P.L.1981, c.150
2 (C.52:13C-22.1).

3 (cf: P.L.1991, c.243, s.7)

4

5 13. Section 1 of P.L.1996, c.144 (C.52:13C-22.4) is amended to
6 read as follows:

7 1. a. Each **[legislative]** governmental affairs agent and lobbyist
8 shall provide to each member of the Legislature, legislative staff, the
9 Governor, the Governor's staff, or an officer or staff member of the
10 Executive Branch who receives a benefit that is required to be
11 reported to the commission pursuant to section 2 of P.L.1981, c.150
12 (C.52:13C-22.1), a full written and certified report describing the
13 benefit, including a description of the benefit, the amount of the
14 benefit, the date it was provided and to whom it was paid.

15 b. The reports shall be transmitted to the member of the
16 Legislature, legislative staff, the Governor, the Governor's staff, or an
17 officer or staff member of the Executive Branch by each **[legislative]**
18 governmental affairs agent or lobbyist no later than February 1 of
19 each year and shall cover benefits provided in the immediately
20 preceding calendar year. In the event that a **[legislative]**
21 governmental affairs agent or lobbyist provides more than one benefit
22 to a member of the Legislature, legislative staff, the Governor, the
23 Governor's staff, or an officer or staff member of the Executive Branch
24 during a calendar year, the reports describing those benefits required
25 pursuant to subsection a. of this section may be combined into one
26 report or filed as separate reports.

27 (cf: P.L.1996, c.144, s.1)

28

29 14. Section 6 of P.L.1971, c.183 (C.52:13C-23) is amended to
30 read as follows:

31 6. The commission shall:

32 a. permit public inspection of all statements filed pursuant to this
33 act, as amended and supplemented;

34 b. compile and summarize information contained in statements filed
35 pursuant to this act, as amended and supplemented, and report the
36 same to the Legislature and the Governor;

37 c. ascertain whether any persons have failed to file statements as
38 required by this act, as amended and supplemented, or have filed
39 incomplete or inaccurate statements, and give notice to such persons
40 to file such statements as will conform to the requirements of this act,
41 as amended and supplemented;

42 d. investigate violations of this act, as amended and supplemented,
43 report to the Legislature and the Governor thereon, and notify the
44 Attorney General of any possible criminal violations of this act, as
45 amended and supplemented, that may warrant further investigation and
46 action;

- 1 e. make such recommendations to the Legislature and the
2 Governor as will tend to further the objectives of this act, as amended
3 and supplemented, and take such other action as shall be necessary and
4 proper to effectuate the purposes of this act, as amended and
5 supplemented;
- 6 f. report to the Legislature and the Governor annually on the
7 administration of this act, as amended and supplemented;
- 8 g. develop and prescribe methods and forms for statements
9 required to be filed by this act, as amended and supplemented, and
10 require the use of such forms by persons subject to this act, as
11 amended and supplemented;
- 12 h. compile and publish quarterly a list of all [legislative]
13 governmental affairs agents then registered, together with the
14 information contained in their notices of representation and last
15 quarterly report, which compilation shall be distributed to all members
16 of the Legislature and the Governor, and published in the New Jersey
17 Register;
- 18 i. prepare and publish a summary and explanation of the
19 registration and reporting requirements of this act, as amended and
20 supplemented, for the use and guidance of those persons who may be
21 required to file statements under this act, as amended and
22 supplemented;
- 23 j. in accordance with a fee schedule adopted by the commission as
24 a rule or regulation, establish and charge reasonable fees for the filing
25 of notices of representation and quarterly and annual reports pursuant
26 to this act, as amended and supplemented, provided that such fees
27 shall not apply to the organizations which qualify under subsection (b)
28 of section 9 of chapter 30 of the laws of 1966, as amended
29 (C.54:32B-9), and provided further that the amount of such fees shall
30 not exceed the cost to the commission of processing and maintaining
31 those notices and reports and of compiling, summarizing and
32 publishing the information contained therein as prescribed by this act,
33 as amended and supplemented; and
- 34 k. during periods when the Legislature is in session, report monthly
35 to the members of the Legislature and the Governor and his staff all
36 new notices of representation, notices of termination and other notices
37 filed pursuant to this act, as amended and supplemented, during the
38 preceding month.

39 (cf: P.L.1991, c.244, s.4)

40

41 15. Section 11 of P.L. 1991, c.244 (C.52:13C-23.1) is amended to
42 read as follows:

43 11. Upon receiving evidence of any violation of P.L.1971, c.183
44 (C.52:13C-18 et seq.), as amended and supplemented, the commission
45 shall have power to bring complaint proceedings, to issue subpoenas
46 for the production of witnesses and documents, and to hold or to

1 cause to be held by the Office of Administrative Law, hearings upon
2 such complaint. In addition to any other penalty provided by law, any
3 person who is found to have committed such a violation shall be liable
4 for civil penalty not in excess of \$1,000, which penalty may be
5 collected in a summary proceeding pursuant to ["the penalty
6 enforcement law" (N.J.S.2A:58-1 et seq.)] the "Penalty Enforcement
7 Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).

8 (cf: P.L.1991, c.244, s.11)

9

10 16. Section 7 of P.L.1971, c.183 (C.52:13C-24) is amended to
11 read as follows:

12 7. Any person engaged in activity which makes him subject to filing
13 a statement under this act shall keep and preserve all records of his
14 receipts, disbursements and other financial transactions in the course
15 of and as a part of his activities as a [legislative] governmental affairs
16 agent. Such records shall be preserved for a period of 3 calendar years
17 next succeeding the calendar year in which they were made. The
18 provisions of this section shall not apply to any [legislative]
19 governmental affairs agent with respect to any quarterly period within
20 which the total of his compensation including reimbursement of
21 expenses is less than \$500.00.

22 (cf: P.L.1971, c.183, s.7)

23

24 17. Section 8 of P.L.1971, c.183 (C.52:13C-25) is amended to
25 read as follows:

26 8. a. Every [legislative] governmental affairs agent shall file a
27 notice of termination report within 30 days after his activity shall
28 cease, on such form as the commission shall prescribe, and any person
29 who engages a [legislative] governmental affairs agent may file a
30 notice of termination after such agent ceases to represent such person.

31 b. A [legislative] governmental affairs agent who receives or
32 agrees to receive compensation for acting as such from any person not
33 named in the notice of representation filed pursuant to section 4 of
34 P.L.1971, c.183 (C.52:13C-21) shall, within 15 days of receiving or
35 agreeing to receive such compensation, file an appropriate notification
36 thereof in writing with the commission.

37 c. A [legislative] governmental affairs agent shall notify the
38 commission in writing of any material change in the information
39 supplied by him in the notice of representation filed pursuant to
40 section 4 of P.L.1971, c.183 (C.52:13C-21) within 15 days of the
41 effective date of such change.

42 (cf: P.L.1991, c.244, s.5)

43

44 18. Section 10 of P.L.1971, c.183 (C.52:13C-27) is amended to
45 read as follows:

46 10. This act shall not apply to the following activities:

- 1 a. the publication or dissemination, in the ordinary course of
2 business, of news items, advertising, editorials or other comments by
3 a newspaper, book publisher, regularly published periodical, or radio
4 or television station, including an owner, editor or employee thereof;
- 5 b. acts of an officer or employee of the Government of this State
6 or any of its political subdivisions, or of the Government of the United
7 States or of any State or territory thereof or any of their political
8 subdivisions, in carrying out the duties of their public office or
9 employment;
- 10 c. acts of bona fide religious groups acting solely for the purpose
11 of protecting the public right to practice the doctrines of such religious
12 groups;
- 13 d. acts of a duly organized national, State or local committee of a
14 political party;
- 15 e. acts of a person in testifying before a legislative committee or
16 commission, at a public hearing duly called by the Governor on
17 legislative proposals or on legislation passed and pending his approval,
18 or before any officer or body empowered by law to issue, promulgate
19 or adopt administrative rules and regulations in behalf of a nonprofit
20 organization incorporated as such in this State who receives no
21 compensation therefor beyond the reimbursement of necessary and
22 actual expenses, and who makes no other communication with a
23 member of the Legislature, legislative staff, the Governor, the
24 Governor's staff, or an officer or staff member of the Executive Branch
25 in connection with the subject of his testimony; [and]
- 26 f. acts of a person in communicating with or providing benefits to
27 a member of the Legislature, legislative staff, the Governor, the
28 Governor's staff, or an officer or staff member of the Executive Branch
29 if such communication or provision of benefits is undertaken by him
30 as a personal expression and not incident to his employment, even if
31 it is upon a matter relevant to the interests of a person by whom or
32 which he is employed, and if he receives no additional compensation
33 or reward, in money or otherwise, for or as a result of such
34 communication or provision of benefits;
- 35 g. with regard to influencing governmental processes as defined in
36 subsection s. and t. of section 3 of P.L.1971, c.183 (C.52:13C-20)
37 any communications, matters or acts of an attorney falling within the
38 attorney-client privilege while engaging in the practice of law to the
39 extent that confidentiality is required in order for the attorney to
40 exercise his ethical duties as a lawyer; and
- 41 h. with regard to influencing governmental processes as defined in
42 subsections s. and t. of section 3 of P.L.1971, c.183 (C.52:13C-20)
43 any communications, matters or acts involving collective negotiations,
44 or the interpretation or violation of collective negotiation agreements,
45 of a labor organization of any kind which exists or is constituted for
46 the purpose, in whole or in part, of collective bargaining, or of dealing

1 with employers concerning the grievances, terms or conditions of
2 employment, or of other mutual aid or protection in connection with
3 employment.

4 (cf: P.L.1991,c.243, s.6)

5
6 19. Section 11 of P.L.1971, c.183 (C.52:13C-28) is amended to
7 read as follows:

8 11. Every **[legislative]** governmental affairs agent who, for the
9 purpose of influencing legislation, is in the State House, the State
10 House Annex, or any other State building or other location when and
11 where an authorized meeting of a legislative committee is being held
12 shall at all times wear a descriptive name tag of a type prescribed by
13 the commission.

14 (cf: P.L.1991, c.244, s.7)

15
16 20. Section 12 of P.L.1971, c.183 (C.52:13C-29) is amended to
17 read as follows:

18 12 All staff, assistants and employees of the Legislature who
19 receive for their services a stated salary or similar compensation from
20 the State of New Jersey are forbidden to act as **[legislative]**
21 governmental affairs agents or to seek, receive or agree to receive,
22 directly or indirectly, compensation, in money or any thing of value,
23 for influencing or purporting to influence legislation. Whoever violates
24 this section is guilty of a **[misdemeanor]** crime of the fourth degree.

25 (cf: P.L.1971, c.183, s.12)

26
27 21. Section 13 of P.L.1971, c.183 (C.52:13C-30) is amended to
28 read as follows:

29 13. Any person who knowingly and willfully falsifies all or any part
30 of any statement, notice or report under this act shall, upon conviction,
31 be guilty of a **[misdemeanor]** crime of the fourth degree.

32 (cf: P.L.1971, c.183, s.13)

33
34 22. Section 14 of P.L.1971, c.183 (C.52:13C-31) is amended to
35 read as follows:

36 14. Any person who shall transmit, utter or publish to the
37 Legislature or the Governor or his staff any communication relating to
38 any legislation or be a party to the preparation thereof, knowing such
39 communication or any signature thereto is false, forged, counterfeit,
40 or fictitious, shall upon conviction, be guilty of a **[misdemeanor]**
41 crime of the fourth degree.

42 (cf: P.L.1971, c.183, s.14)

43
44 23. Section 16 of P.L.1971, c.183 (C.52:13C-33) is amended to
45 read as follows:

46 16. Any **[legislative]** governmental affairs agent required to file a

1 notice of representation or report or maintain any record under this
2 act who fails to file such a notice or report or maintain such record
3 shall, upon conviction, be guilty of a [misdemeanor] crime of the
4 fourth degree.

5 (cf: P.L.1971, c.183, s.16)

6

7 24. Section 19 of P.L.1971, c.183 (C.52:13C-36) is amended to
8 read as follows:

9 19. a. When it shall appear to the commission that a person
10 required to file any statement under this act, as amended and
11 supplemented, has failed to file such required statement, or has filed
12 a statement false, inaccurate or incomplete in any material matter, or
13 has otherwise violated the provisions of this act, as amended and
14 supplemented; or when the commission believes it to be in the public
15 interest that an investigation should be made to ascertain whether a
16 person has in fact violated any of the provisions of this act, as
17 amended and supplemented, it may apply to the Superior Court for an
18 order or orders directing:

19 (1) That any such person or persons make available to the
20 commission's inspection, or to the inspection of any of its authorized
21 deputies or agents, such records as are required to be kept by that
22 person pursuant to section 7 of P.L.1971, c.183 (C.52:13C-24); or

23 (2) That any such person file a statement or report in writing under
24 oath concerning the facts and circumstances upon which the
25 commission's belief in the necessity of an investigation is based; or

26 (3) That any person submit to examination under oath by the
27 commission in connection with said circumstances, and produce any
28 and all records, books and other documents which may be specified by
29 order of the court; or

30 (4) That the commission may impound any record, book or other
31 documents specified by order of the court.

32 b. Such application by the commission shall set forth all the facts
33 and circumstances upon which its belief in the necessity of an
34 investigation is based. The court may proceed on such application in
35 a summary manner; and if the court determines that from the evidence
36 submitted it appears that a person required to file any statement under
37 this act, as amended and supplemented, has failed to file such
38 statement, or has filed a statement false, inaccurate or incomplete in
39 any material respect, or has otherwise violated any of the provisions
40 of this act, as amended and supplemented, or that it is in the public
41 interest that an investigation be held to determine whether such
42 violation has occurred, the court shall issue such order pursuant to
43 subsection a. of this section as it may deem necessary and proper.

44 c. The commission shall hold as confidential all statements, books,
45 records, testimony and other information or sources of information
46 coming into its possession or knowledge as a result of an investigation

1 pursuant to this section and shall not disclose or divulge any such
2 materials or information to anyone except the court under whose order
3 such material or information comes into its knowledge or possession,
4 unless the court shall order its disclosure to a grand jury of this State
5 or other appropriate authorities for the purposes of enforcing the
6 provisions of this act, as amended and supplemented, or any other law.

7 d. If any person shall refuse to testify or produce any book, paper
8 or other document in any proceeding under this section as ordered by
9 the court on the grounds that the testimony or evidence, documentary
10 or otherwise, which is required of him may tend to incriminate him,
11 convict him of a crime, or subject him to a penalty or forfeiture, and
12 shall, notwithstanding, be directed to testify or to produce such book,
13 paper or document, he shall comply with such direction. A person
14 who is entitled by law to assert such privilege, and does so assert, and
15 thereafter complies with such direction, shall not thereafter be
16 prosecuted or subjected to any penalty or forfeiture in any criminal
17 proceeding which arises out of and relates to the subject matter of the
18 proceeding. No person so testifying shall be exempt from prosecution
19 or punishment for perjury on false swearing committed by him in
20 giving such testimony.

21 e. In any action brought under this section, the court may award to
22 the State all costs of investigation and trial, including a reasonable
23 attorney's fee to be fixed by the court. If costs are awarded in such an
24 action brought against a [legislative] governmental affairs agent, the
25 judgment may be awarded against the [legislative] governmental
26 affairs agent, and the [legislative] governmental affairs agent's
27 employer or employers joined as defendants, jointly, severally, or both.
28 If the defendant prevails, he shall be awarded all costs of trial, and may
29 be awarded a reasonable attorney's fee to be fixed by the court and
30 paid by the State of New Jersey.

31 (cf: P.L.1991, c.244, s.10)

32

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

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

40 (b) The joint committee shall be composed of 12 members as
41 follows: four members of the Senate appointed by the President
42 thereof, no more than two of whom shall be of the same political
43 party; four members of the General Assembly, appointed by the
44 Speaker thereof, no more than two of whom shall be of the same
45 political party; and four public members, one appointed by the
46 President of the Senate, one appointed by the Speaker of the General

1 Assembly, one appointed by the Minority Leader of the Senate and one
2 appointed by the Minority Leader of the General Assembly. No public
3 member shall be a lobbyist or [legislative] governmental affairs agent
4 as defined by the "Legislative and Governmental Process Activities
5 Disclosure Act [of 1971]," P.L.1971, c.183 (C.52:13C-18 et seq.), a
6 full-time State employee or an officer or director of any entity which
7 is required to file a statement with the Election Law Enforcement
8 Commission, and no former lobbyist or [legislative] governmental
9 affairs agent shall be eligible to serve as a public member for one year
10 following the cessation of all activity by that person as a [legislative]
11 governmental affairs agent or lobbyist. The legislative members shall
12 serve until the end of the two-year legislative term during which the
13 members are appointed. The public members shall serve for terms of
14 two years and until the appointment and qualification of their
15 successors. The terms of the public members shall run from the
16 second Tuesday in January of an even-numbered year to the second
17 Tuesday in January of the next even-numbered year, regardless of the
18 original date of appointment. Notwithstanding the terms of the public
19 members as established in this section, the public members first
20 appointed shall serve from their initial appointments, all of which shall
21 be made not later than the 60th day following the effective date of this
22 act, until the second Tuesday in January of the next even-numbered
23 year. Vacancies in the membership of the joint committee shall be
24 filled in the same manner as the original appointments, but for the
25 unexpired term only. Public members of the joint committee shall
26 serve without compensation, but shall be entitled to be reimbursed for
27 all actual and necessary expenses incurred in the performance of their
28 duties.

29 (c) The joint committee shall organize as soon as may be
30 practicable after the appointment of its members, by the selection of
31 a chairman and vice chairman from among its membership and the
32 appointment of a secretary, who need not be a member of the joint
33 committee.

34 (d) The Legislative Counsel in the Office of Legislative Services
35 shall act as legal adviser to the joint committee. He shall, upon
36 request, assist and advise the joint committee in the rendering of
37 advisory opinions by the joint committee, in the approval and review
38 of codes of ethics adopted by State agencies in the Legislative Branch,
39 and in the recommendation of revisions in codes of ethics or legislation
40 relating to the conduct of members of the Legislature or State officers
41 and employees in the Legislative Branch.

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

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

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

9 (h) The joint committee shall have jurisdiction to initiate, receive,
10 hear and review complaints regarding violations of the provisions of
11 this act or of a code of ethics promulgated pursuant to the provisions
12 of this act. It shall further have such jurisdiction as to enforcement of
13 the rules of either or both Houses of the Legislature governing the
14 conduct of the members or employees thereof as those rules may
15 confer upon the joint committee. A complaint regarding a violation of
16 a code of ethics promulgated pursuant to the provisions of this act may
17 be referred by the joint committee for disposition in accordance with
18 subsection 12(d) of this act.

19 (i) Any State officer or employee or special State officer or
20 employee in the Legislative Branch found guilty by the joint committee
21 of violating any provisions of this act, of a code of ethics promulgated
22 pursuant to the provisions of this act or of any rule of either or both
23 Houses which gives the joint committee jurisdiction and the authority
24 to investigate a matter shall be fined not less than \$500.00 nor more
25 than \$1,500.00, which penalty may be collected in a summary
26 proceeding pursuant to ["the penalty enforcement law"
27 (N.J.S.2A:58-1 et seq.)] the "Penalty Enforcement Law of 1999,"
28 P.L.1999, c.274 (C.2A:58-10 et seq.), and may be reprimanded and
29 ordered to pay restitution where appropriate and may be suspended
30 from his office or employment by order of the joint committee for a
31 period not in excess of 1 year. If the joint committee finds that the
32 conduct of such officer or employee constitutes a willful and
33 continuous disregard of the provisions of this act, of a code of ethics
34 promulgated pursuant to the provisions of this act or of any rule of
35 either or both Houses which gives the joint committee jurisdiction and
36 the authority to investigate a matter, it may order such person
37 removed from his office or employment and may further bar such
38 person from holding any public office or employment in this State in
39 any capacity whatsoever for a period of not exceeding 5 years from the
40 date on which he was found guilty by the joint committee.

41 (j) A member of the Legislature who shall be found guilty by the
42 joint committee of violating the provisions of this act, of a code of
43 ethics promulgated pursuant to the provisions of this act or of any rule
44 of either or both Houses which gives the joint committee jurisdiction
45 and the authority to investigate a matter shall be fined not less than
46 \$500.00 nor more than \$1,500.00, which penalty may be collected in

1 a 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 shall be subject to such
4 further action as may be determined by the House of which he is a
5 member. In such cases the joint committee shall report its findings to
6 the appropriate House and shall recommend to the House such further
7 action as the joint committee deems appropriate, but it shall be the
8 sole responsibility of the House to determine what further action, if
9 any, shall be taken against such member.

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

11

12 26. Section 2 of P.L.2003, c.255 (C.52:13D-24.1) is amended to
13 read as follows:

14 2. a. Except as expressly authorized in section 13 of P.L.1971,
15 c.182 (C.52:13D-24) or when the lobbyist or [legislative]
16 governmental affairs agent is a member of the immediate family of the
17 officer or staff member of the Executive Branch or member of the
18 Legislature or legislative staff, no officer or staff member of the
19 Executive Branch or member of the Legislature or legislative staff may
20 accept, directly or indirectly, any compensation, reward, employment,
21 gift, honorarium or other thing of value from each lobbyist or
22 [legislative] governmental affairs agent, as defined in the "Legislative
23 and Governmental Process Activities Disclosure Act [of 1971],"
24 P.L.1971, c.183 (C.52:13C-18 et seq.), totaling more than \$250.00 in
25 a calendar year. The \$250.00 limit on acceptance of compensation,
26 reward, gift, honorarium or other thing of value shall also apply to
27 each member of the immediate family of a member of the Legislature,
28 as defined in section 2 of P.L.1971, c.182 (C.52:13D-13) to be a
29 spouse, child, parent, or sibling of the member residing in the same
30 household as the member of the Legislature.

31 b. The prohibition in subsection a. of this section on accepting any
32 compensation, reward, gift, honorarium or other thing of value shall
33 not apply if received in the course of employment, by an employer
34 other than the State, of an individual covered in subsection a. of this
35 section or a member of the immediate family. The prohibition in
36 subsection a. of this section on accepting any compensation, reward,
37 gift, honorarium or other thing of value shall not apply if acceptance
38 is from a member of the immediate family when the family member
39 received such in the course of his or her employment.

40 c. Subsection a. of this section shall not apply if an officer or staff
41 member of the Executive Branch or member of the Legislature or
42 legislative staff who accepted any compensation, reward, gift,
43 honorarium or other thing of value provided by a lobbyist or
44 [legislative] governmental affairs agent makes a full reimbursement,
45 within 90 days of acceptance, to the lobbyist or [legislative]
46 governmental affairs agent in an amount equal to the money accepted

1 or the fair market value of that which was accepted if other than
2 money. As used in this subsection, "fair market value" means the
3 actual cost of the compensation, reward, gift, honorarium or other
4 thing of value accepted.

5 d. A violation of this section shall not constitute a crime or offense
6 under the laws of this State.

7 (cf: P.L.2003, c.255, s.2)

8
9 27. This act shall take effect immediately.

10
11
12 STATEMENT

13
14 This bill amends the "Legislative Activities Disclosure Act of 1971"
15 (N.J.S.A. 52:13C-19 et seq.) to expand the definition of legislative
16 agents and lobbyists to include those who seek to influence
17 governmental processes, and requires disclosure of such activity. That
18 activity is defined as making any attempt, whether successful or not,
19 to assist a represented entity or group to engage in communication
20 with, or to secure information from, an officer or staff member of the
21 Executive Branch, or any authority, board, commission or other
22 agency or instrumentality in or of a principal department of the
23 Executive Branch of State Government authorized by law to
24 administer governmental processes or perform such other functions
25 that relate to such processes.

26 The term "governmental process" is defined to mean promulgation
27 of executive orders; rate setting; development, negotiation, award,
28 modification or cancellation of public contracts; issuance, denial,
29 modification, renewal, revocation or suspension of permits, licenses
30 or waivers; procedures for bidding; imposition or modification of fines
31 or penalties; procedures for purchasing; rendition of administrative
32 determinations; or award, denial, modification, renewal or termination
33 of financial assistance, grants and loans.

34 The bill exempts from the law as it relates to influencing these
35 governmental processes any communications, matters or acts of an
36 attorney falling within the attorney-client privilege while engaging in
37 the practice of law to the extent that confidentiality is required in order
38 for the attorney to exercise his ethical duties as a lawyer, and any
39 communications, matters or acts involving collective negotiations, or
40 the interpretation or violation of collective negotiation agreements, of
41 a labor organization of any kind which exists or is constituted for the
42 purpose, in whole or in part, of collective bargaining, or of dealing
43 with employers concerning the grievances, terms or conditions of
44 employment, or of other mutual aid or protection in connection with
45 employment.

46 In addition, the bill changes the title of the "Legislative Activities

1 Disclosure Act of 1971" to the "Legislative and Governmental Process
2 Activities Disclosure Act" and the term "legislative agent" to
3 "governmental affairs agent" to better reflect the broader scope of
4 N.J.S.A.52:13C-19 et seq. as amended by this bill. All current
5 provisions of the law regulating legislative agents who now influence
6 legislation or regulations will regulate governmental affairs agents who
7 influence legislation, regulation or governmental processes.

ASSEMBLY STATE GOVERNMENT COMMITTEE

STATEMENT TO

ASSEMBLY, No. 22

STATE OF NEW JERSEY

DATED: JUNE 3, 2004

The Assembly State Government Committee reports favorably Assembly Bill No. 22.

This bill changes the title of the "Legislative Activities Disclosure Act of 1971" to the "Legislative and Governmental Process Activities Disclosure Act." It redefines legislative agent as governmental affairs agent, expands that definition and the definition of lobbyist to include those who seek to influence governmental processes, and requires disclosure of activities to influence governmental processes. All current provisions of the law regulating legislative agents who now influence legislation or regulations will regulate governmental affairs agents who influence legislation, regulation or governmental processes.

Under the bill, "influence governmental processes" is defined as making any attempt, whether successful or not, to help a represented entity or group to engage in communication with, or to secure information from, an officer or staff member of the Executive Branch, or of any authority, board, commission or other agency or instrumentality in or of a principal department of the Executive Branch of State Government, authorized by law to administer governmental processes or perform other functions related to such processes. The term "governmental process" is defined to mean promulgation of executive orders; rate setting; development, negotiation, award, modification or cancellation of public contracts; issuance, denial, modification, renewal, revocation or suspension of permits, licenses or waivers; procedures for bidding; imposition or modification of fines or penalties; procedures for purchasing; rendition of administrative determinations; or award, denial, modification, renewal or termination of financial assistance, grants and loans.

The bill exempts from the law as it relates to influencing these governmental processes any communication, matter or act of an attorney falling within the attorney-client privilege while engaging in the practice of law to the extent that confidentiality is required in order for the attorney to exercise ethical duties as a lawyer, as well as any communication, matter or act involving collective negotiations, or the interpretation or violation of collective negotiation agreements, of a labor organization of any kind which exists or is constituted for the purpose, in whole or in part, of collective bargaining, or of dealing

with employers concerning the grievances, terms or conditions of employment, or of other mutual aid or protection in connection with employment.

This bill is the same as Senate, No. 22 of 2004.

LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY, No. 22
STATE OF NEW JERSEY
211th LEGISLATURE

DATED: JUNE 24, 2004

SUMMARY

Synopsis: Expands definition of lobbyist and legislative agent to include those who influence governmental processes; defines governmental processes.

Type of Impact: Minimal Revenue Gain.

Agencies Affected: Department of Law and Public Safety; Election Law Enforcement Commission

Office of Legislative Services Estimate

Fiscal Impact	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
State Revenue	Minimal Revenue Gain		

- ! Changes the current "Legislative Activities Disclosure Act of 1971" into "Legislative and Governmental Process Activities Disclosure Act" and revises the law governing governmental affairs agents and lobbyist.

- ! Re-defines the terms "influence governmental processes" and "governmental process."

- ! Updates the law's references to misdemeanors, a graduation that is no longer used in the State's criminal code, to the appropriate degree of crime.

- ! According to information provided informally by the ELEC, as of June of 2004, there were 550 State registered agents. The current filing fee is \$325.

BILL DESCRIPTION

Assembly Bill No. 22 of 2004 revises the law governing governmental affairs agents, expands that definition and the definition of lobbyist to include those who seek to influence governmental processes, and requires disclosure of activities to influence governmental processes.

This bill amends the title of the "Legislative Activities Disclosure Act of 1971" to the "Legislative and Governmental Process Activities Disclosure Act." All current provisions of the



law regulating legislative agents who now influence legislation or regulations will regulate governmental affairs agents who influence legislation, regulation or governmental processes.

Under the bill, "influence governmental processes" is defined as making any attempt, whether successful or not, to help a represented entity or group to engage in communication with, or to secure information from, an officer or staff member of the Executive Branch, or of any authority, board, commission or other agency or instrumentality in or of a principal department of the Executive Branch of State Government, authorized by law to administer governmental processes or perform other functions related to such processes.

The term "governmental process" is defined to mean promulgation of executive orders; rate setting; development, negotiation, award, modification or cancellation of public contracts; issuance, denial, modification, renewal, revocation or suspension of permits, licenses or waivers; procedures for bidding; imposition or modification of fines or penalties; procedures for purchasing; rendition of administrative determinations; or award, denial, modification, renewal or termination of financial assistance, grants and loans.

The bill exempts from the law as it relates to influencing these governmental processes any communication, matter or act of an attorney falling within the attorney-client privilege while engaging in the practice of law to the extent that confidentiality is required in order for the attorney to exercise ethical duties as a lawyer, as well as any communication, matter or act involving collective negotiations, or the interpretation or violation of collective negotiation agreements, of a labor organization of any kind which exists or is constituted for the purpose, in whole or in part, of collective bargaining, or of dealing with employers concerning the grievances, terms or conditions of employment, or of other mutual aid or protection in connection with employment.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The Office of Legislative Services (OLS) estimates the State will incur minimal expenses as a result of this bill, however ELEC may increase revenues as a result of the expanded definition of lobbyist and legislative agents.

According to information provided informally by the ELEC, as of June of 2004, there were 550 State registered agents. The current filing fee is \$325. It is unknown how many legislative agents and lobbyist would be included under this expanded definition.

Finally, OLS notes that there are several bills pending which would imposed additional responsibilities on ELEC in 2004. If a combination of these are enacted, additional funding for staff and resources may be needed.

Section: *Law and Public Safety*

Analyst: *Kristin A. Brunner*
Associate Fiscal Analyst

Approved: *David J. Rosen*
Legislative Budget and Finance Officer

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.

Office of the Governor

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Contact: Micah Rasmussen
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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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