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Yes

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P.L. 2004, CHAPTER 32, *approved June 16, 2004*  
Assembly, No. 11

1 **AN ACT** concerning penalties for violating campaign contribution and  
2 expenditure limit and reporting requirements and remuneration  
3 restrictions, and amending P.L.1973, c.83 and P.L.1993, c.65.  
4

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

7  
8 1. Section 22 of P.L.1973, c.83 (C.19:44A-22) is amended to read  
9 as follows:

10 22. a . (1) Except as provided in subsection e. or f., any person,  
11 including any candidate, treasurer, candidate committee or joint  
12 candidates committee, political committee, continuing political  
13 committee, political party committee or legislative leadership  
14 committee, charged with the responsibility under the terms of this act  
15 for the preparation, certification, filing or retention of any reports,  
16 records, notices or other documents, who fails, neglects or omits to  
17 prepare, certify, file or retain any such report, record, notice or  
18 document at the time or during the time period, as the case may be,  
19 and in the manner prescribed by law, or who omits or incorrectly  
20 states or certifies any of the information required by law to be included  
21 in such report, record, notice or document, any person who proposes  
22 to undertake or undertakes a public solicitation, testimonial affair or  
23 other activity relating to contributions or expenditures in any way  
24 regulated by the provisions of this act who fails to comply with those  
25 regulatory provisions, and any other person who in any way violates  
26 any of the provisions of this act shall, in addition to any other penalty  
27 provided by law, be liable to a penalty of not more than **[\$3,000.00]**  
28 \$6,000 for the first offense and not more than **[\$6,000.00]** \$12,000  
29 for the second and each subsequent offense.

30 (2) No person shall willfully and intentionally agree with another  
31 person to make a contribution to a candidate, candidate committee,  
32 joint candidates committee, political committee, continuing political  
33 committee, political party committee, or legislative leadership  
34 committee with the intent, or upon the condition, understanding or  
35 belief, that the recipient candidate or committee shall make or have  
36 made a contribution to another such candidate or committee, but this  
37 paragraph shall not be construed to prohibit a county or municipal  
38 committee of a political party from making a contribution or  
39 contributions to any candidate, candidate committee, joint candidates  
40 committee, political committee, continuing political committee,  
41 political party committee, or legislative leadership committee. A

**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 finding of a violation of this paragraph shall be made only upon clear  
2 and convincing evidence. A person who violates the provisions of this  
3 paragraph shall be liable to a penalty equal to three times the amount  
4 of the contribution which that person agreed to make to the recipient  
5 candidate or committee.

6 b. Upon receiving evidence of any violation of this section, the  
7 Election Law Enforcement Commission shall have power to hold, or  
8 to cause to be held under the provisions of subsection d. of this  
9 section, hearings upon such violation and, upon finding any person to  
10 have committed such a violation, to assess such penalty, within the  
11 limits prescribed in subsection a. of this section, as it deems proper  
12 under the circumstances, which penalty shall be paid forthwith into the  
13 State Treasury for the general purposes of the State.

14 c. In assessing any penalty under this section, the Election Law  
15 Enforcement Commission may provide for the remission of all or any  
16 part of such penalty conditioned upon the prompt correction of any  
17 failure, neglect, error or omission constituting the violation for which  
18 said penalty was assessed.

19 d. The commission may designate a hearing officer to hear  
20 complaints of violations of this act. Such hearing officer shall take  
21 testimony, compile a record and make factual findings, and shall  
22 submit the same to the commission, which shall have power to assess  
23 penalties within the limits and under the conditions prescribed in  
24 subsections b. and c. of this section. The commission shall review the  
25 record and findings of the hearing officer, but it may also seek such  
26 additional testimony as it deems necessary. The commission's  
27 determination shall be by majority vote of the entire authorized  
28 membership thereof.

29 e. Any person who willfully and intentionally makes or accepts any  
30 contribution in violation of section 4 of P.L.1974, c.26 (C.19:44A-29)  
31 or section 18, 19 or 20 of P.L.1993, c.65 (C.19:44A-11.3,  
32 C.19:44A-11.4 or C.19:44A-11.5), shall be liable to a penalty of:

33 (1) Not more than ~~[\$5,000.00]~~ \$10,000 if the cumulative total  
34 amount of those contributions is less than or equal to \$5,000.00;

35 (2) Not more than ~~[\$75,000.00]~~ \$150,000 if the cumulative total  
36 amount of those contributions was more than \$5,000.00 but less than  
37 \$75,000; and

38 (3) Not more than ~~[\$100,000.00]~~ \$200,000 if the cumulative total  
39 amount of those contributions is equal to or more than \$75,000.00.

40 f. In addition to any penalty imposed pursuant to subsection e. of  
41 this section, a person holding any elective public office shall forfeit  
42 that public office if the Election Law Enforcement Commission  
43 determines that the cumulative total amount of the illegal contributions  
44 was more than \$50,000.00 and that the violation had a significant  
45 impact on the outcome of the election.

46 g. Any penalty prescribed in this section shall be enforced in a

1 summary proceeding under ["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.).  
4 (cf: P.L.1993, c.65, s.13)

5

6 2. Section 15 of P.L.1993, c.65 (C.19:44A-20.1) is amended to  
7 read as follows:

8 15. a. No corporation or labor organization of any kind shall  
9 provide to any of its officers, directors, attorneys, agents or other  
10 employees any additional increment of salary, bonus or monetary  
11 remuneration of any kind which, in whole or in part, is intended by  
12 that corporation or labor organization to be used for the express  
13 purpose of paying or making a contribution, either directly or  
14 indirectly, of money or other thing of value to any candidate, candidate  
15 committee, joint candidates committee, political party committee,  
16 legislative leadership committee, political committee or continuing  
17 political committee.

18 Any corporation or labor organization of any kind found to be in  
19 violation of this subsection shall, in addition to any other penalty  
20 provided by law, be liable to a penalty of not more than **[\$3,000]**  
21 \$6,000 for the first offense and not more than **[\$6,000]** \$12,000 for  
22 the second and each subsequent offense. Any officer, director,  
23 attorney, agent or other employee of a corporation or labor  
24 organization that provides to another employee of that corporation or  
25 labor organization any additional increment of salary, bonus or  
26 monetary remuneration of any kind for the purpose described in this  
27 subsection is guilty of a crime of the fourth degree.

28 b. No officer, director, attorney, agent or other employee of a  
29 corporation or labor organization of any kind shall use any part of any  
30 additional increment of salary, bonus or monetary remuneration of any  
31 kind which, in whole or in part, is intended by that corporation or  
32 labor organization to be used for the express and intentional purpose  
33 of paying or making a contribution, either directly or indirectly, of  
34 money or other thing of value to a candidate, candidate committee,  
35 joint candidates committee, political party committee, legislative  
36 leadership committee, political committee or continuing political  
37 committee by a corporation or labor organization of any kind, for the  
38 purpose of paying or making a contribution, either directly or  
39 indirectly, of money or other thing of value to a candidate, candidate  
40 committee, joint candidates committee, political party committee,  
41 legislative leadership committee, political committee or continuing  
42 political committee.

43 Any officer, director, attorney, agent or other employee of a  
44 corporation or labor organization of any kind found to be in violation  
45 of this subsection of this section is guilty of a crime of the fourth  
46 degree.

47 (cf: P.L.1993, c.65, s.15)

1       3. This act shall take effect on January 1 next following enactment.

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3

4

STATEMENT

5

6       This bill increases monetary penalties for violations of "The New  
7 Jersey Campaign Contributions and Expenditures Reporting Act."

8       This bill increases the maximum fines for violating the reporting  
9 requirements, for violating the act generally and for violating

10 contribution limits requirements. It also increases the maximum fines  
11 a corporation or labor organization would have to pay if it gives

12 remuneration to an officer or employee for the express purpose of  
13 making a political contribution through that officer or employee.

14

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16

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17

18       Increases monetary penalties for violating campaign contribution and  
19 expenditure limit and reporting requirements and remuneration

20 restrictions.

**ASSEMBLY, No. 11**

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**STATE OF NEW JERSEY**

**211th LEGISLATURE**

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INTRODUCED MAY 17, 2004

**Sponsored by:**

**Assemblywoman LINDA R. GREENSTEIN**

**District 14 (Mercer and Middlesex)**

**Assemblyman LOUIS D. GREENWALD**

**District 6 (Camden)**

**Assemblyman WILLIAM D. PAYNE**

**District 29 (Essex and Union)**

**Assemblywoman BONNIE WATSON COLEMAN**

**District 15 (Mercer)**

**Assemblyman HERBERT CONAWAY, JR.**

**District 7 (Burlington and Camden)**

**Co-Sponsored by:**

**Assemblymen Scalera, Mayer, McKeon, Assemblywoman Cruz-Perez,**

**Assemblymen Chivukula, R.Smith, Connors, Gordon, Eagler,**

**Assemblywoman Quigley, Assemblymen Vas, O'Toole and Senator Turner**

**SYNOPSIS**

Increases monetary penalties for violating campaign contribution and expenditure limit and reporting requirements and remuneration restrictions.

**CURRENT VERSION OF TEXT**

As introduced.

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

1 AN ACT concerning penalties for violating campaign contribution and  
2 expenditure limit and reporting requirements and remuneration  
3 restrictions, and amending P.L.1973, c.83 and P.L.1993, c.65.

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5 **BE IT ENACTED** by the Senate and General Assembly of the State  
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14 committee, charged with the responsibility under the terms of this act  
15 for the preparation, certification, filing or retention of any reports,  
16 records, notices or other documents, who fails, neglects or omits to  
17 prepare, certify, file or retain any such report, record, notice or  
18 document at the time or during the time period, as the case may be,  
19 and in the manner prescribed by law, or who omits or incorrectly  
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22 to undertake or undertakes a public solicitation, testimonial affair or  
23 other activity relating to contributions or expenditures in any way  
24 regulated by the provisions of this act who fails to comply with those  
25 regulatory provisions, and any other person who in any way violates  
26 any of the provisions of this act shall, in addition to any other penalty  
27 provided by law, be liable to a penalty of not more than [~~\$3,000.00~~]  
28 \$6,000 for the first offense and not more than [~~\$6,000.00~~] \$12,000  
29 for the second and each subsequent offense.

30 (2) No person shall willfully and intentionally agree with another  
31 person to make a contribution to a candidate, candidate committee,  
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2 of the contribution which that person agreed to make to the recipient  
3 candidate or committee.

4 b. Upon receiving evidence of any violation of this section, the  
5 Election Law Enforcement Commission shall have power to hold, or  
6 to cause to be held under the provisions of subsection d. of this  
7 section, hearings upon such violation and, upon finding any person to  
8 have committed such a violation, to assess such penalty, within the  
9 limits prescribed in subsection a. of this section, as it deems proper  
10 under the circumstances, which penalty shall be paid forthwith into the  
11 State Treasury for the general purposes of the State.

12 c. In assessing any penalty under this section, the Election Law  
13 Enforcement Commission may provide for the remission of all or any  
14 part of such penalty conditioned upon the prompt correction of any  
15 failure, neglect, error or omission constituting the violation for which  
16 said penalty was assessed.

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18 complaints of violations of this act. Such hearing officer shall take  
19 testimony, compile a record and make factual findings, and shall  
20 submit the same to the commission, which shall have power to assess  
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39 this section, a person holding any elective public office shall forfeit  
40 that public office if the Election Law Enforcement Commission  
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43 impact on the outcome of the election.

44 g. Any penalty prescribed in this section shall be enforced in a  
45 summary proceeding under ["the penalty enforcement law,"  
46 N.J.S.2A:58-1 et seq.] the "Penalty Enforcement Law of 1999,"

1 P.L.1999, c.274 (C.2A:58-10 et seq.).

2 (cf: P.L.1993, c.65, s.13)

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4 2. Section 15 of P.L.1993, c.65 (C.19:44A-20.1) is amended to  
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10 that corporation or labor organization to be used for the express  
11 purpose of paying or making a contribution, either directly or  
12 indirectly, of money or other thing of value to any candidate, candidate  
13 committee, joint candidates committee, political party committee,  
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15 political committee.

16 Any corporation or labor organization of any kind found to be in  
17 violation of this subsection shall, in addition to any other penalty  
18 provided by law, be liable to a penalty of not more than **[\$3,000]**  
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23 labor organization any additional increment of salary, bonus or  
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28 additional increment of salary, bonus or monetary remuneration of any  
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33 joint candidates committee, political party committee, legislative  
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40 political committee.

41 Any officer, director, attorney, agent or other employee of a  
42 corporation or labor organization of any kind found to be in violation  
43 of this subsection of this section is guilty of a crime of the fourth  
44 degree.

45 (cf: P.L.1993, c.65, s.15)

1       3. This act shall take effect on January 1 next following enactment.

2

3

4

STATEMENT

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6       This bill increases monetary penalties for violations of "The New  
7 Jersey Campaign Contributions and Expenditures Reporting Act."

8       This bill increases the maximum fines for violating the reporting  
9 requirements, for violating the act generally and for violating  
10 contribution limits requirements. It also increases the maximum fines  
11 a corporation or labor organization would have to pay if it gives  
12 remuneration to an officer or employee for the express purpose of  
13 making a political contribution through that officer or employee.

ASSEMBLY STATE GOVERNMENT COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 11**

**STATE OF NEW JERSEY**

DATED: MAY 20, 2004

The Assembly State Government Committee reports favorably Assembly, No. 11.

This bill increases monetary penalties for violations of The New Jersey Campaign Contributions and Expenditures Reporting Act. The bill increases the maximum fines for violating the reporting requirements, for violating the act generally and for violating contribution limit requirements. It also increases the maximum fines a corporation or labor organization will have to pay if it gives remuneration to an officer or employee for the express purpose of making a political contribution through that officer or employee.

# SENATE, No. 11

## STATE OF NEW JERSEY 211th LEGISLATURE

INTRODUCED MAY 20, 2004

**Sponsored by:**  
**Senator SHIRLEY K. TURNER**  
**District 15 (Mercer)**

### **SYNOPSIS**

Increases monetary penalties for violating campaign contribution and expenditure limit and reporting requirements and remuneration restrictions.

### **CURRENT VERSION OF TEXT**

As introduced.



S11 TURNER

2

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2 expenditure limit and reporting requirements and remuneration  
3 restrictions, and amending P.L.1973, c.83 and P.L.1993, c.65.

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11 purpose of paying or making a contribution, either directly or  
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42 corporation or labor organization of any kind found to be in violation  
43 of this subsection of this section is guilty of a crime of the fourth  
44 degree.

45 (cf: P.L.1993, c.65, s.15)



1       3. This act shall take effect on January 1 next following enactment.

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STATEMENT

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6       This bill increases monetary penalties for violations of "The New  
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SENATE STATE GOVERNMENT COMMITTEE

STATEMENT TO

**SENATE, No. 11**

**STATE OF NEW JERSEY**

DATED: JUNE 3, 2004

The Senate State Government Committee reports favorably Senate, No. 11.

This bill increases monetary penalties for violations of "The New Jersey Campaign Contributions and Expenditures Reporting Act." This bill increases the maximum fines for violating the reporting requirements, for violating the act generally and for violating contribution limits requirements. It also increases the maximum fines a corporation or labor organization would have to pay if it gives remuneration to an officer or employee for the express purpose of making a political contribution through that officer or employee.

This bill is identical to Assembly, No. 11 of 2004.

## Office of the Governor

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PO BOX 004  
TRENTON, NJ 08625

Contact: Micah Rasmussen  
609-777-2600

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### **McGreevey Signs Landmark Ethics Reform Legislation**

#### ***Bills Provide A More Accountable and Transparent Government***

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

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

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

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

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

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

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

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

The ethics reform package signed into law today includes:

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

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

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

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

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

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

members of the Legislature.

- **S-19**-- Requires candidates seeking office of Governor or legislator to disclose prior conviction for criminal offense. Candidates would be required to file a form setting out whether they have been convicted of an indictable crime.

"As legislators, we often consider measures that would require members of the public to undergo criminal background checks or disclose criminal histories prior to consideration for employment," said Assemblyman Jeff Van Drew (D-Cape May). "However, current state law fails to require state elected officials to disclose similar backgrounds. This is more than a statutory anomaly. It is an error in need of immediate correction."

- **S-22** -- Expands the definition of lobbyist and legislative agent to include those who influence the governmental process and actions in the Executive Branch, agency, or instrumentality.
- **A-23** -- Requires ELEC to conduct random audits of records kept by legislative agents. Currently, ELEC has the authority to conduct such audits, but this bill would require them to do so.
- **A-24** -- Directs ELEC to collect \$100 annual fee from legislative agents. The fee would be deposited in the general fund to be appropriated to ELEC. The fee would offset the costs of ELEC's new responsibilities.
- **A-25** -- Prohibits legislative agents from accepting contingency fees to influence legislation or regulations. This bill amends the existing law by eliminating the ability of a legislative agent to enter into a contingency fee agreement with a client. The legislative agent's reimbursement could not be dependent upon the whether or not he or she was successful in trying to influence legislation or regulation.

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