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LAW

SENATE COMMITTEE SUBSTITUTE FOR
SENATE, No. 1987

STATE OF NEW JERSEY
213th LEGISLATURE

ADOPTED NOVEMBER 13, 2008

Sponsored by:

Senator JIM WHELAN

District 2 (Atlantic)

Senator JEFF VAN DREW

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District 1 (Cape May, Atlantic and Cumberland)

Assemblyman PAUL D. MORIARTY

District 4 (Camden and Gloucester)

Co-Sponsored by:

Assemblymen Polistina and Amodeo

SYNOPSIS

Permits casino employees to serve on Atlantic City governing body in certain circumstances.

CURRENT VERSION OF TEXT

Substitute as adopted by the Senate Wagering, Tourism & Historic Preservation Committee.

(Sponsorship Updated As Of: 3/17/2009)

1 AN ACT concerning casino employees' service on the governing
2 body of Atlantic City, amending P.L.1981, c.142 and P.L.1977,
3 c.110, and supplementing P.L.1971, c.182 (C.52:13D-12 et seq.).
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:
7

8 1. Section 4 of P.L.1981, c.142 (C.52:13D-17.2) is amended to
9 read as follows:

10 4. a. As used in this section "person" means any State officer
11 or employee subject to financial disclosure by law or executive
12 order and any other State officer or employee with responsibility for
13 matters affecting casino activity; any special State officer or
14 employee with responsibility for matters affecting casino activity;
15 the Governor; any member of the Legislature or any full-time
16 member of the Judiciary; any full-time professional employee of the
17 Office of the Governor, or the Legislature; members of the Casino
18 Reinvestment Development Authority; the head of a principal
19 department; the assistant or deputy heads of a principal department,
20 including all assistant and deputy commissioners; the head of any
21 division of a principal department; any member of the governing
22 body, or the municipal judge or the municipal attorney of a
23 municipality wherein a casino is located; any member of or attorney
24 for the planning board or zoning board of adjustment of a
25 municipality wherein a casino is located, or any professional
26 planner, or consultant regularly employed or retained by such
27 planning board or zoning board of adjustment.

28 b. No State officer or employee, nor any person, nor any
29 member of the immediate family of any State officer or employee,
30 or person, nor any partnership, firm or corporation with which any
31 such State officer or employee or person is associated or in which
32 he has an interest, nor any partner, officer, director or employee
33 while he is associated with such partnership, firm, or corporation,
34 shall hold, directly or indirectly, an interest in, or hold employment
35 with, or represent, appear for, or negotiate on behalf of, any holder
36 of, or applicant for, a casino license, or any holding or intermediary
37 company with respect thereto, in connection with any cause,
38 application, or matter, except as provided in section 3 of P.L. , c.
39 (C.) (pending before the Legislature as this bill), and except that
40 (1) a State officer or employee other than a State officer or
41 employee included in the definition of person, and (2) a member of
42 the immediate family of a State officer or employee, or of a person,
43 may hold employment with the holder of, or applicant for, a casino
44 license if, in the judgment of the State Ethics Commission, the Joint

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

Matter underlined thus is new matter.

1 Legislative Committee on Ethical Standards, or the Supreme Court,
2 as appropriate, such employment will not interfere with the
3 responsibilities of the State officer or employee, or person, and will
4 not create a conflict of interest, or reasonable risk of the public
5 perception of a conflict of interest, on the part of the State officer or
6 employee, or person. No special State officer or employee without
7 responsibility for matters affecting casino activity, excluding those
8 serving in the Departments of Education, Health and Senior
9 Services, and Human Services and the Commission on Higher
10 Education, shall hold, directly or indirectly, an interest in, or
11 represent, appear for, or negotiate on behalf of, any holder of, or
12 applicant for, a casino license, or any holding or intermediary
13 company with respect thereto, in connection with any cause,
14 application, or matter. However, a special State officer or employee
15 without responsibility for matters affecting casino activity may hold
16 employment directly with any holder of or applicant for a casino
17 license or any holding or intermediary company thereof and if so
18 employed may hold, directly or indirectly, an interest in, or
19 represent, appear for, or negotiate on behalf of, his employer,
20 except as otherwise prohibited by law.

21 c. No person or any member of his immediate family, nor any
22 partnership, firm or corporation with which such person is
23 associated or in which he has an interest, nor any partner, officer,
24 director or employee while he is associated with such partnership,
25 firm or corporation, shall, within two years next subsequent to the
26 termination of the office or employment of such person, hold,
27 directly or indirectly, an interest in, or hold employment with, or
28 represent, appear for or negotiate on behalf of, any holder of, or
29 applicant for, a casino license in connection with any cause,
30 application or matter, or any holding or intermediary company with
31 respect to such holder of, or applicant for, a casino license in
32 connection with any phase of casino development, permitting,
33 licensure or any other matter whatsoever related to casino activity,
34 except as provided in section 3 of P.L. , c. (C.) (pending before
35 the Legislature as this bill), and except that:

36 (1) a member of the immediate family of a person may hold
37 employment with the holder of, or applicant for, a casino license if,
38 in the judgment of the State Ethics Commission, the Joint
39 Legislative Committee on Ethical Standards, or the Supreme Court,
40 as appropriate, such employment will not interfere with the
41 responsibilities of the person and will not create a conflict of
42 interest, or reasonable risk of the public perception of a conflict of
43 interest, on the part of the person;

44 (2) an employee who is terminated as a result of a reduction in
45 the workforce at the agency where employed, other than an
46 employee who held a policy-making management position at any
47 time during the five years prior to termination of employment, may,

1 at any time prior to the end of the two-year period, accept
2 employment with the holder of, or applicant for, a casino license if,
3 in the judgment of the State Ethics Commission, the Joint
4 Legislative Committee on Ethical Standards, or the Supreme Court,
5 as appropriate, such employment will not create a conflict of
6 interest, or reasonable risk of the public perception of a conflict of
7 interest, on the part of the employee. In no case shall the restrictions
8 of this subsection apply to a secretarial or clerical employee.
9 Nothing herein contained shall alter or amend the post-employment
10 restrictions applicable to members and employees of the Casino
11 Control Commission and employees and agents of the Division of
12 Gaming Enforcement pursuant to subsection b. (2) of section 59 and
13 to section 60 of P.L.1977, c.110 (C.5:12-59 and C.5:12-60); and

14 (3) any partnership, firm or corporation engaged in the practice
15 of law with which a former member of the Judiciary is associated,
16 and any partner, officer, director or employee thereof, other than the
17 former member, may represent, appear for or negotiate on behalf of
18 any holder of, or applicant for, a casino license in connection with
19 any cause, application or matter or any holding company or
20 intermediary company with respect to such holder of, or applicant
21 for, a casino license in connection with any phase of casino
22 development, permitting, licensure or any other matter whatsoever
23 related to casino activity, and the former member shall not be
24 barred from association with such partnership, firm or corporation,
25 if the former member: (1) is screened, for a period of two years next
26 subsequent to the termination of the former member's employment,
27 from personal participation in any such representation, appearance
28 or negotiation; and (2) the former member is associated with the
29 partnership, firm or corporation in a position considered "of
30 counsel," which does not entail any equity interest in the
31 partnership, firm or corporation.

32 d. This section shall not apply to the spouse of a State officer
33 or employee, which State officer or employee is without
34 responsibility for matters affecting casino activity, who becomes
35 the spouse subsequent to the State officer's or employee's
36 appointment or employment as a State officer or employee and who
37 is not individually or directly employed by a holder of, or applicant
38 for, a casino license, or any holding or intermediary company.

39 e. The Joint Legislative Committee on Ethical Standards and
40 the State Ethics Commission, as appropriate, shall forthwith
41 determine and publish, and periodically update, a list of those
42 positions in State government with responsibility for matters
43 affecting casino activity.

44 f. No person shall solicit or accept, directly or indirectly, any
45 complimentary service or discount from any casino applicant or
46 licensee which he knows or has reason to know is other than a

1 service or discount that is offered to members of the general public
2 in like circumstance.

3 g. No person shall influence, or attempt to influence, by use of
4 his official authority, the decision of the commission or the
5 investigation of the division in any application for licensure or in
6 any proceeding to enforce the provisions of this act or the
7 regulations of the commission. Any such attempt shall be promptly
8 reported to the Attorney General; provided, however, that nothing
9 in this section shall be deemed to proscribe a request for
10 information by any person concerning the status of any application
11 for licensure or any proceeding to enforce the provisions of this act
12 or the regulations of the commission.

13 h. Any person who willfully violates the provisions of this
14 section is a disorderly person and shall be subject to a fine not to
15 exceed \$1,000, or imprisonment not to exceed six months, or both.

16 In addition, for violations of subsection c. of this section
17 occurring after the effective date of P.L.2005, c.382, a civil penalty
18 of not less than \$500 nor more than \$10,000 shall be imposed upon
19 a former State officer or employee or former special State officer or
20 employee of a State agency in the Executive Branch upon a finding
21 of a violation by the State Ethics Commission, which penalty may
22 be collected in a summary proceeding pursuant to the "Penalty
23 Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).
24 (cf: P.L.2005, c.382, s.4)

25

26 2. Section 138 of P.L.1977, c.110 (C.5:12-138) is amended to
27 read as follows:

28 138. No applicant for or holder of a casino license, nor any
29 holding, intermediary or subsidiary company thereof, nor any
30 officer, director, casino key employee or principal employee of an
31 applicant for or holder of a casino license or of any holding,
32 intermediary or subsidiary company thereof nor any person or agent
33 on behalf of any such applicant, holder, company or person, shall
34 directly or indirectly, pay or contribute any money or thing of value
35 to any candidate for nomination or election to any public office in
36 this State, or to any committee of any political party in this State, or
37 to any group, committee or association organized in support of any
38 such candidate or political party; except that the provisions of this
39 section shall not be construed to prohibit any individual who is a
40 candidate for the governing body of Atlantic City from contributing
41 to the candidate's own campaign.

42 (cf: P L.1977, c.110, s.138)

43

44 3. (New section) Notwithstanding the provisions of section 4 of
45 P.L.1981, c.142 (C.52:13D-17.2), a member of the governing body
46 of a municipality wherein a casino is located, other than the mayor,
47 and a member of the immediate family thereof, may hold

1 employment with the holder of, or applicant for, a casino license, or
2 any holding or intermediary company with respect thereto, while
3 serving in that elective office and thereafter, if that member of the
4 governing body, or member of the immediate family thereof, held
5 that specific employment when that member of the governing body
6 took office. Such a member of the governing body shall consult
7 with the Local Finance Board in the Division of Local Government
8 Services in the Department of Community Affairs regarding any
9 potential conflict of interests that may arise as a result of the
10 employment while serving on the governing body. The board shall
11 provide guidance to the member with respect to the "Local
12 Government Ethics Law," P.L.1991, c.29 (C.40A:9-22.1 et seq.).

13

14 4. This act shall take effect immediately.

1 regulations of the commission. Any such attempt shall be promptly
2 reported to the Attorney General; provided, however, that nothing
3 in this section shall be deemed to proscribe a request for
4 information by any person concerning the status of any application
5 for licensure or any proceeding to enforce the provisions of this act
6 or the regulations of the commission.

7 h. Any person who willfully violates the provisions of this
8 section is a disorderly person and shall be subject to a fine not to
9 exceed \$1,000, or imprisonment not to exceed six months, or both.

10 In addition, for violations of subsection c. of this section
11 occurring after the effective date of P.L.2005, c.382, a civil penalty
12 of not less than \$500 nor more than \$10,000 shall be imposed upon
13 a former State officer or employee or former special State officer or
14 employee of a State agency in the Executive Branch upon a finding
15 of a violation by the State Ethics Commission, which penalty may
16 be collected in a summary proceeding pursuant to the "Penalty
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23 holding, intermediary or subsidiary company thereof, nor any
24 officer, director, casino key employee or principal employee of an
25 applicant for or holder of a casino license or of any holding,
26 intermediary or subsidiary company thereof nor any person or agent
27 on behalf of any such applicant, holder, company or person, shall
28 directly or indirectly, pay or contribute any money or thing of value
29 to any candidate for nomination or election to any public office in
30 this State, or to any committee of any political party in this State, or
31 to any group, committee or association organized in support of any
32 such candidate or political party; except that the provisions of this
33 section shall not be construed as prohibiting any of the aforesaid
34 individuals who is a candidate for the governing body of Atlantic
35 City from contributing to the candidate's own campaign.

36 (cf: P L.1977, c.110, s.138)

37

38 3. This act shall take effect immediately.

39

40

41 SPONSOR'S STATEMENT

42

43 The purpose of this bill is to allow casino employees to serve on
44 the Atlantic City governing body. It eliminates a provision of
45 existing law which has the effect of prohibiting a member of the
46 governing body of Atlantic City, or a member of the immediate
47 family thereof, as well as certain persons having a business
48 relationship with that member, from holding employment with, or

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1 having an interest in, or representing, the holder of, or applicant for,
2 a casino license or any holding or intermediary company with
3 respect thereto. It also creates an exception to the current
4 prohibition on political contributions by high-level employees of
5 casinos and certain related businesses that would allow such an
6 individual who is a candidate for the governing body of Atlantic
7 City to contribute to the candidate's own campaign.

SENATE WAGERING, TOURISM & HISTORIC
PRESERVATION COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR
SENATE, No. 1987

STATE OF NEW JERSEY

DATED: NOVEMBER 13, 2008

The Senate Wagering, Tourism & Historic Preservation Committee reports favorably a Senate Committee Substitute for Senate Bill No. 1987.

The purpose of this Senate committee substitute bill is to allow casino employees to serve on the Atlantic City governing body, other than as the mayor, while continuing to hold their casino employment if they held casino employment upon taking that public office.

Under current law, members of the Atlantic City governing body, including the mayor, are prohibited from holding employment with, having an interest in, or representing the holder of or applicant for a casino license, or any holding or intermediary company with respect thereto. This employment prohibition also applies to a member of the immediate family of, and to certain persons having a business relationship with, the member of the governing body.

This bill maintains in the law these prohibitions against casino employment by members of the Atlantic City governing body, certain business associates, and members of their immediate family. However, the bill carves an exception for members of the governing body, other than the mayor, who hold casino employment at the time they take public office. The exception would also apply to members of the immediate family of the member of the governing body who hold casino employment when the member of the governing body takes that public office.

The bill requires a member of the governing body who is employed by a casino, or whose immediate family member is so employed, as provided in the bill, to consult with the Local Finance Board in the Division of Local Government Services in the Department of Community Affairs regarding any potential conflict of interests that may arise as a result of the employment while the member is serving on the governing body. The bill directs the board to provide guidance to the member with respect to the "Local Government Ethics Law."

This bill also creates an exception to the current prohibition on political contributions by high-level employees of casinos and certain

related businesses that would allow such an individual who is a candidate for the governing body of Atlantic City to contribute to the candidate's own campaign.

1 took office. Such a member of the governing body shall consult
2 with the Local Finance Board in the Division of Local Government
3 Services in the Department of Community Affairs regarding any
4 potential conflict of interests that may arise as a result of the
5 employment while serving on the governing body. The board shall
6 provide guidance to the member with respect to the "Local
7 Government Ethics Law," P.L.1991, c.29 (C.40A:9-22.1 et seq.).

8
9 4. This act shall take effect immediately.

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12 SPONSOR'S STATEMENT
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14 The purpose of this bill is to allow casino employees to serve on
15 the Atlantic City governing body, other than as the mayor, while
16 continuing to hold their casino employment if they held casino
17 employment upon taking that public office.

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19 including the mayor, are prohibited from holding employment with,
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35 employed by a casino, or whose immediate family member is so
36 employed, as provided in the bill, to consult with the Local Finance
37 Board in the Division of Local Government Services in the
38 Department of Community Affairs regarding any potential conflict
39 of interests that may arise as a result of the employment while the
40 member is serving on the governing body. The bill directs the
41 board to provide guidance to the member with respect to the "Local
42 Government Ethics Law."

43 This bill also creates an exception to the current prohibition on
44 political contributions by high-level employees of casinos and
45 certain related businesses that would allow such an individual who
46 is a candidate for the governing body of Atlantic City to contribute
47 to the candidate's own campaign.