

52:13D-21

LEGISLATIVE HISTORY CHECKLIST

Compiled by the NJ State Law Library

LAWS OF: 2005 **CHAPTER:** 382

NJSA: 52:13D-21 (Revises membership of Executive Commission on Ethical Standards; renames commission)

BILL NO: S2335 (Substituted for A3977)

SPONSOR(S) Baer and others

DATE INTRODUCED: February 7, 2005

COMMITTEE: **ASSEMBLY:**

SENATE: State Government

AMENDED DURING PASSAGE: No

DATE OF PASSAGE: **ASSEMBLY:** January 9, 2006

SENATE: January 5, 2006

DATE OF APPROVAL: January 14, 2006

FOLLOWING ARE ATTACHED IF AVAILABLE:

[FINAL TEXT OF BILL](#) (Senate Committee Substitute for S2335 enacted)

S2335

[SPONSOR'S STATEMENT](#): (Begins on page 21 of original bill) [Yes](#)

COMMITTEE STATEMENT: **ASSEMBLY:** No

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

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL ESTIMATE: No

A3977

[SPONSOR'S STATEMENT](#): (Begins on page 21 of original bill) [Yes](#)

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

SENATE: No

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL ESTIMATE: No

VETO MESSAGE: No

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

FOLLOWING WERE PRINTED:

To check for circulating copies, contact New Jersey State Government

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

REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: No

IS 3/19/08

§2 - C.52:13D-21.1
§13 - C.52:13D-21.2
§16 - C.52:32-47
§17 - Repealer
§18 - Note to §§1-17

P.L. 2005, CHAPTER 382, *approved January 14, 2006*
Senate Committee Substitute for
Senate, No. 2335

1 **AN ACT** concerning ethics and the Executive Commission on Ethical
2 Standards, amending and supplementing various parts of the
3 statutory law and repealing P.L.2004, c.35 (C.52:14-7.1).

4

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

7

8 1. Section 10 of P.L.1971, c.182 (C.52:13D-21) is amended to
9 read as follows:

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

14 Upon the effective date of P.L. , c. (now pending before the
15 Legislature as this bill), the Executive Commission on Ethical
16 Standards shall be renamed, and thereafter referred to, as the State
17 Ethics Commission. For the purposes of complying with the
18 provisions of Article V, Section IV, paragraph 1 of the New Jersey
19 Constitution, the State Ethics Commission is allocated in, but not of,
20 the Department of Law and Public Safety, but notwithstanding that
21 allocation, the commission shall be independent of any supervision and
22 control by the department or by any board or officer thereof.

23 (b) **[(1)]** The commission shall be composed of **[nine]** seven
24 members as follows: **[seven]** three members appointed by the
25 Governor from among State officers and employees serving in the
26 Executive Branch; and **[two]** four public members appointed by the
27 Governor, not more than **[one]** two of whom shall be of the same
28 political party.

29 Each member appointed from the Executive Branch shall serve at
30 the pleasure of the Governor during the term of office of the Governor
31 appointing the member and until the member's successor is appointed
32 and qualified. The public members shall serve for terms of four years
33 and until the appointment and qualification of their successors, but of
34 the public members first appointed pursuant to P.L.2003, c.160, one
35 shall serve for a term of two years and one shall serve for a term of
36 four years, and of the two public members first appointed pursuant to
37 P.L. , c. (now pending before the Legislature as this bill), one

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 shall serve for a term of one year and one shall serve for a term of
2 three years. The Governor shall designate one public member to serve
3 as chairman and one member to serve as vice-chairman of the
4 commission.

5 [(2) Commencing with the third Tuesday in January of the year in
6 which the Governor takes office, next following enactment of
7 P.L.2004, c.24, the commission shall be composed of eight members
8 as follows: four members appointed by the Governor from among
9 State officers and employees serving in the Executive Branch; and four
10 public members appointed by the Governor, not more than two of
11 whom shall be of the same political party.

12 Each member appointed from the Executive Branch shall serve at
13 the pleasure of the Governor during the term of office of the Governor
14 appointing the member and until the member's successor is appointed
15 and qualified. The public members shall serve for terms of four years.
16 The Governor shall designate one member to serve as chairman and
17 one member to serve as vice-chairman of the commission.]

18 The members of the [Executive] State Ethics Commission [on
19 Ethical Standards] who were appointed by the Governor from among
20 the State officers and employees serving in the Executive Branch
21 serving on [the third Tuesday in January of the year in which the
22 Governor takes office, next following enactment of P.L.2004, c.24,]
23 January 17, 2006 are terminated as of that day. A member terminated
24 pursuant to this paragraph shall be eligible for reappointment.

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

32 (c) Each member of the commission shall serve without
33 compensation but shall be entitled to be reimbursed for all actual and
34 necessary expenses incurred in the performance of the member's
35 duties.

36 (d) The Attorney General shall act as legal adviser and counsel to
37 the commission. The Attorney General shall upon request advise the
38 commission in the rendering of advisory opinions by the commission,
39 in the approval and review of codes of ethics adopted by State
40 agencies in the Executive Branch and in the recommendation of
41 revisions in codes of ethics or legislation relating to the conduct of
42 State officers and employees in the Executive Branch.

43 (e) (1) The commission may, within the limits of funds
44 appropriated or otherwise made available to it for the purpose, employ
45 such other professional, technical, clerical or other assistants,
46 excepting legal counsel, and incur such expenses as may be necessary

1 for the performance of its duties.

2 (2) The commission shall employ a training officer who shall be in
3 the unclassified service of the civil service of this State. The training
4 officer shall devote full-time to the creation, maintenance and
5 coordination of a training program on ethical standards. The program
6 shall be established for the purpose specified in section 2 of P.L. ,
7 c. (C.)(now pending before the Legislature as this bill). The
8 program shall be provided by the training officer or assistants or
9 deputies of such officer, or by such other persons as may be
10 designated by the commission. The commission shall approve the
11 form and content of the training program created by the training
12 officer and shall determine when and at what intervals State officers
13 and employees and special State officers and employees in a State
14 agency in the Executive Branch shall be required to complete such a
15 program. The training program may include content which in
16 particular addresses the situations of certain identified groups of
17 officers or employees such as those who are involved in contracting
18 processes.

19 (3) The commission shall employ a compliance officer who shall
20 be in the unclassified service of the civil service of this State. The
21 compliance officer shall devote full-time to the creation, maintenance,
22 monitoring and coordination of procedures to ensure that all State
23 officers and employees and special State officers and employees in
24 State agencies in the Executive Branch comply fully with all reporting
25 and training requirements and that all materials, forms, codes, orders
26 and notices are distributed to and acknowledged by appropriate
27 individuals, as may be required. In addition, the compliance officer
28 shall conduct, on such regular basis as determined by the commission,
29 systematic audits of State agencies in the Executive Branch for
30 compliance with the laws, regulations, codes, orders, procedures,
31 advisory opinions and rulings concerning the ethical standards for
32 State employees and officers and special State officers and employees.

33 (f) The commission, in order to perform its duties pursuant to the
34 provisions of P.L.1971, c.182 (C.52:13D-12 et al.), shall have the
35 power to conduct investigations, hold hearings, compel the attendance
36 of witnesses and the production before it of such books and papers as
37 it may deem necessary, proper and relevant to the matter under
38 investigation. The members of the commission and the persons
39 appointed by the commission for that purpose are hereby empowered
40 to administer oaths and examine witnesses under oath.

41 (g) The commission is authorized to render advisory opinions as
42 to whether a given set of facts and circumstances would, in its opinion,
43 constitute a violation of the provisions of P.L.1971, c.182
44 (C.52:13D-12 et al.) or of a code of ethics promulgated pursuant to
45 the provisions of P.L.1971, c.182 (C.52:13D-12 et al.).

46 (h) The commission shall have jurisdiction to initiate, receive, hear

1 and review complaints regarding violations, by any current or former
2 State officer or employee or current or former special State officer or
3 employee, in the Executive Branch, of the provisions of P.L.1971,
4 c.182 (C.52:13D-12 et al.) or of [any] a code of ethics promulgated
5 pursuant to the provisions of P.L.1971, c.182 (C.52:13D-12 et al.).
6 Any complaint regarding a violation of a code of ethics may be
7 referred by the commission for disposition in accordance with
8 subsection (d) of section 12 of P.L.1971, c.182 (C.52:13D-23).

9 An investigation regarding a violation committed during service by
10 a former State officer or employee or special State officer or employee
11 shall be initiated by the commission not later than two years following
12 the termination of service.

13 The commission shall have the authority to dismiss a complaint
14 that it determines to be frivolous.

15 (i) Any current or former State officer or employee or current or
16 former special State officer or employee found guilty by the
17 commission of violating any provision of P.L.1971, c.182
18 (C.52:13D-12 et al.) or of a code of ethics promulgated pursuant to
19 the provisions of P.L.1971, c.182 (C.52:13D-12 et al.) shall be fined
20 not less than \$500 nor more than \$10,000, which penalty may be
21 collected in a summary proceeding pursuant to the "Penalty
22 Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.), and
23 may be suspended from office or employment by order of the
24 commission for a period of not in excess of one year. If the
25 commission finds that the conduct of the officer or employee
26 constitutes a willful and continuous disregard of the provisions of
27 P.L.1971, c.182 (C.52:13D-12 et al.) or of a code of ethics
28 promulgated pursuant to the provisions of P.L.1971, c.182
29 (C.52:13D-12 et al.), it may order that person removed from office or
30 employment and may further bar the person from holding any public
31 office or employment in this State in any capacity whatsoever for a
32 period of not exceeding five years from the date on which the person
33 was found guilty by the commission.

34 In addition, for violations occurring after the effective date of
35 P.L. , c. (now pending before the Legislature as this bill), the
36 commission may order restitution, demotion, censure or reprimand, or
37 for a failure to file an appropriate financial disclosure statement or
38 form, shall impose a civil penalty of \$50 for each day of the violation,
39 which penalty may be collected in a summary proceeding pursuant to
40 the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10
41 et seq.).

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

44 (k) The commission shall promulgate, pursuant to the
45 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
46 seq.), such rules and regulations as may be necessary to effectuate the

1 purposes of P.L.1971, c.182 (C.52:13D-12 et al.).

2 (1) (1) The commission shall communicate periodically with the
3 State Auditor, the State Inspector General, the State Commission of
4 Investigation and the Office of Government Integrity, or its successor,
5 in the Department of Law and Public Safety.

6 (2) The Executive Director of the commission shall meet with the
7 head of each principal department of the Executive Branch of State
8 Government, each board member if a board is considered the head of
9 a principal department, and the Secretary of Agriculture, the
10 Commissioner of Education, and the Secretary and Chief Executive
11 Officer of the New Jersey Commerce and Economic Growth
12 Commission, within 30 days after the head, member, secretary or
13 commissioner takes office, and shall meet annually with these
14 individuals as a group, to inform them of the laws, regulations, codes,
15 orders, procedures, advisory opinions and rulings concerning
16 applicable ethical standards.

17 (m) The commission shall create and maintain a toll-free telephone
18 number to receive comments, complaints and questions concerning
19 matters under the jurisdiction of the commission. Information or
20 questions received by the commission by this means shall be
21 confidential and not accessible to the public pursuant to P.L.1963,
22 c.73 (C.47:1A-1 et seq).

23 (n) Financial disclosure statements required to be submitted to the
24 commission by law, regulation or executive order shall be made
25 available to the public, promptly after receipt, on the Internet site of
26 the commission, commencing with submissions for 2005.

27 (o) The commission shall prepare and ensure the distribution to
28 each State officer and employee and special State officer and employee
29 in a State agency in the Executive Branch of a plain language ethics
30 guide which provides a clear and concise summary of the laws,
31 regulations, codes, orders, procedures, advisory opinions and rulings
32 concerning ethical standards applicable to such officers and employees.
33 The guide shall be prepared to promote ethical day-to-day decision
34 making, to give general advice regarding conduct and situations, to
35 provide easy reference to sources, and to explain the role, activities
36 and jurisdiction of the State Ethics Commission. Each State officer
37 and employee and special State officer and employee shall certify that
38 he or she has received the guide, reviewed it and understands its
39 provisions.

40 (p) The commission shall have jurisdiction to enforce the
41 provisions of an Executive Order that specifically provides for
42 enforcement by the commission.

43 (cf: P.L.2004, c.25, s.1)

44

45 2. (New section) A State officer or employee or a special State
46 officer or employee in a State agency in the Executive Branch shall

1 complete a training program on ethical standards provided by the State
2 Ethics Commission at such times and intervals as the commission shall
3 require pursuant to subsection (e) of section 10 of P.L.1971, c.182
4 (C.52:13D-21). At a minimum, an officer or employee shall complete
5 annually, and acknowledge his or her completion of, a briefing on the
6 ethics standards applicable to such employee or officer pursuant to the
7 laws, regulations, codes, orders, procedures, advisory opinions or
8 rulings of this State. The format and content of the program and
9 briefing shall be determined by the training officer of the State Ethics
10 Commission and approved by the commission as provided in
11 subsection (e) of section 10 of P.L.1971, c.182 (C.52:13D-21).

12

13 3. Section 6 of P.L.1971, c.182 (C.52:13D-17) is amended to read
14 as follows:

15 6. No State officer or employee or special State officer or
16 employee, subsequent to the termination of his office or employment
17 in any State agency, shall represent, appear for, negotiate on behalf of,
18 or provide information not generally available to members of the
19 public or services to, or agree to represent, appear for, negotiate on
20 behalf of, or provide information not generally available to members
21 of the public or services to, whether by himself or through any
22 partnership, firm or corporation in which he has an interest or through
23 any partner, officer or employee thereof, any person or party other
24 than the State in connection with any cause, proceeding, application
25 or other matter with respect to which such State officer or employee
26 or special State officer or employee shall have made any investigation,
27 rendered any ruling, given any opinion, or been otherwise substantially
28 and directly involved at any time during the course of his office or
29 employment.

30 Any person who willfully violates the provisions of this section is
31 a disorderly person, and shall be subject to a fine not to exceed
32 ~~[\$500.00]~~ \$1,000 or imprisonment not to exceed six months, or both.

33 In addition, for violations occurring after the effective date of
34 P.L. _____, c. _____ (now pending before the Legislature as this bill), any
35 former State officer or employee or former special State officer or
36 employee of a State agency in the Executive Branch found by the State
37 Ethics Commission to have violated any of the provisions of this
38 section shall be assessed a civil penalty of not less than \$500 nor more
39 than \$10,000, which penalty may be collected in a summary
40 proceeding pursuant to the "Penalty Enforcement Law of 1999,"
41 P.L.1999, c.274 (C.2A:58-10 et seq.).

42 (cf: P.L.1987, c.432, s.4)

43

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

46 4. a. As used in this section "person" means any State officer or

1 employee subject to financial disclosure by law or executive order and
2 any other State officer or employee with responsibility for matters
3 affecting casino activity; any special State officer or employee with
4 responsibility for matters affecting casino activity; the Governor; any
5 member of the Legislature or any full-time member of the Judiciary;
6 any full-time professional employee of the Office of the Governor, or
7 the Legislature; members of the Casino Reinvestment Development
8 Authority; the head of a principal department; the assistant or deputy
9 heads of a principal department, including all assistant and deputy
10 commissioners; the head of any division of a principal department; any
11 member of the governing body, or the municipal judge or the
12 municipal attorney of a municipality wherein a casino is located; any
13 member of or attorney for the planning board or zoning board of
14 adjustment of a municipality wherein a casino is located, or any
15 professional planner, or consultant regularly employed or retained by
16 such planning board or zoning board of adjustment.

17 b. No State officer or employee, nor any person, nor any member
18 of the immediate family of any State officer or employee, or person,
19 nor any partnership, firm or corporation with which any such State
20 officer or employee or person is associated or in which he has an
21 interest, nor any partner, officer, director or employee while he is
22 associated with such partnership, firm, or corporation, shall hold,
23 directly or indirectly, an interest in, or hold employment with, or
24 represent, appear for, or negotiate on behalf of, any holder of, or
25 applicant for, a casino license, or any holding or intermediary company
26 with respect thereto, in connection with any cause, application, or
27 matter, except that (1) a State officer or employee other than a State
28 officer or employee included in the definition of person, and (2) a
29 member of the immediate family of a State officer or employee, or of
30 a person, may hold employment with the holder of, or applicant for, a
31 casino license if, in the judgment of the **[Executive] State Ethics**
32 **Commission [on Ethical Standards]**, the Joint Legislative Committee
33 on Ethical Standards, or the Supreme Court, as appropriate, such
34 employment will not interfere with the responsibilities of the State
35 officer or employee, or person, and will not create a conflict of
36 interest, or reasonable risk of the public perception of a conflict of
37 interest, on the part of the State officer or employee, or person. No
38 special State officer or employee without responsibility for matters
39 affecting casino activity, excluding those serving in the Departments
40 of Education, Health and Senior Services, and Human Services and the
41 Commission on Higher Education, shall hold, directly or indirectly, an
42 interest in, or represent, appear for, or negotiate on behalf of, any
43 holder of, or applicant for, a casino license, or any holding or
44 intermediary company with respect thereto, in connection with any
45 cause, application, or matter. However, a special State officer or
46 employee without responsibility for matters affecting casino activity

1 may hold employment directly with any holder of or applicant for a
2 casino license or any holding or intermediary company thereof and if
3 so employed may hold, directly or indirectly, an interest in, or
4 represent, appear for, or negotiate on behalf of, his employer, except
5 as otherwise prohibited by law.

6 c. No person or any member of his immediate family, nor any
7 partnership, firm or corporation with which such person is associated
8 or in which he has an interest, nor any partner, officer, director or
9 employee while he is associated with such partnership, firm or
10 corporation, shall, within two years next subsequent to the termination
11 of the office or employment of such person, hold, directly or
12 indirectly, an interest in, or hold employment with, or represent,
13 appear for or negotiate on behalf of, any holder of, or applicant for, a
14 casino license in connection with any cause, application or matter, or
15 any holding or intermediary company with respect to such holder of,
16 or applicant for, a casino license in connection with any phase of
17 casino development, permitting, licensure or any other matter
18 whatsoever related to casino activity, except that:

19 (1) a member of the immediate family of a person may hold
20 employment with the holder of, or applicant for, a casino license if, in
21 the judgment of the [Executive] State Ethics Commission [on Ethical
22 Standards], the Joint Legislative Committee on Ethical Standards, or
23 the Supreme Court, as appropriate, such employment will not interfere
24 with the responsibilities of the person and will not create a conflict of
25 interest, or reasonable risk of the public perception of a conflict of
26 interest, on the part of the person;

27 (2) an employee who is terminated as a result of a reduction in the
28 workforce at the agency where employed, other than an employee who
29 held a policy-making management position at any time during the five
30 years prior to termination of employment, may, at any time prior to the
31 end of the two-year period, accept employment with the holder of, or
32 applicant for, a casino license if, in the judgment of the [Executive]
33 State Ethics Commission [on Ethical Standards], the Joint Legislative
34 Committee on Ethical Standards, or the Supreme Court, as
35 appropriate, such employment will not create a conflict of interest, or
36 reasonable risk of the public perception of a conflict of interest, on the
37 part of the employee. In no case shall the restrictions of this subsection
38 apply to a secretarial or clerical employee. Nothing herein contained
39 shall alter or amend the post-employment restrictions applicable to
40 members and employees of the Casino Control Commission and
41 employees and agents of the Division of Gaming Enforcement
42 pursuant to subsection b. (2) of section 59 and to section 60 of
43 P.L.1977, c.110 (C.5:12-59 and C.5:12-60); and

44 (3) any partnership, firm or corporation engaged in the practice of
45 law with which a former member of the Judiciary is associated, and
46 any partner, officer, director or employee thereof, other than the

1 former member, may represent, appear for or negotiate on behalf of
2 any holder of, or applicant for, a casino license in connection with any
3 cause, application or matter or any holding company or intermediary
4 company with respect to such holder of, or applicant for, a casino
5 license in connection with any phase of casino development,
6 permitting, licensure or any other matter whatsoever related to casino
7 activity, and the former member shall not be barred from association
8 with such partnership, firm or corporation, if the former member: (1)
9 is screened, for a period of two years next subsequent to the
10 termination of the former member's employment, from personal
11 participation in any such representation, appearance or negotiation;
12 and (2) the former member is associated with the partnership, firm or
13 corporation in a position considered "of counsel," which does not
14 entail any equity interest in the partnership, firm or corporation.

15 d. This section shall not apply to the spouse of a State officer or
16 employee, which State officer or employee is without responsibility for
17 matters affecting casino activity, who becomes the spouse subsequent
18 to the State officer's or employee's appointment or employment as a
19 State officer or employee and who is not individually or directly
20 employed by a holder of, or applicant for, a casino license, or any
21 holding or intermediary company.

22 e. The Joint Legislative Committee on Ethical Standards and the
23 [Executive] State Ethics Commission [on Ethical Standards], as
24 appropriate, shall forthwith determine and publish, and periodically
25 update, a list of those positions in State government with responsibility
26 for matters affecting casino activity.

27 f. No person shall solicit or accept, directly or indirectly, any
28 complimentary service or discount from any casino applicant or
29 licensee which he knows or has reason to know is other than a service
30 or discount that is offered to members of the general public in like
31 circumstance.

32 g. No person shall influence, or attempt to influence, by use of his
33 official authority, the decision of the commission or the investigation
34 of the division in any application for licensure or in any proceeding to
35 enforce the provisions of this act or the regulations of the commission.
36 Any such attempt shall be promptly reported to the Attorney General;
37 provided, however, that nothing in this section shall be deemed to
38 proscribe a request for information by any person concerning the
39 status of any application for licensure or any proceeding to enforce the
40 provisions of this act or the regulations of the commission.

41 h. Any person who willfully violates the provisions of this section
42 is a disorderly person and shall be subject to a fine not to exceed
43 [\$500.00] \$1,000, or imprisonment not to exceed six months, or both.

44 In addition, for violations of subsection c. of this section occurring
45 after the effective date of P.L. _____, c. _____ (now pending before the
46 Legislature as this bill), a civil penalty of not less than \$500 nor more

1 than \$10,000 shall be imposed upon a former State officer or employee
2 or former special State officer or employee of a State agency in the
3 Executive Branch upon a finding of a violation by the State Ethics
4 Commission, which penalty may be collected in a summary proceeding
5 pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274
6 (C.2A:58-10 et seq.).

7 (cf: P.L.2001, c.75, s.1)

8

9 5. Section 58 of P.L.1977, c.110 (C.5:12-58) is amended to read
10 as follows:

11 58. Restrictions on Pre-Employment by Commissioners,
12 Commission Employees and Division Employees and Agents.

13 a. Deleted by amendment.

14 b. No person shall be appointed to or employed by the commission
15 or division if, during the period commencing three years prior to
16 appointment or employment, said person held any direct or indirect
17 interest in, or any employment by, any person which is licensed as a
18 casino licensee pursuant to section 87 of P.L.1977, c.110 (C.5:12-87)
19 or as a casino service industry pursuant to subsection a. of section 92
20 of P.L.1977, c.110 (C.5:12-92) or has an application for such a license
21 pending before the commission; provided, however, that
22 notwithstanding any other provision of this act to the contrary, any
23 such person may be appointed to or employed by the commission or
24 division if his interest in any such casino licensee or casino service
25 industry which is publicly traded would not, in the opinion of the
26 employing agency, interfere with the objective discharge of such
27 person's employment obligations, but in no instance shall any person
28 be appointed to or employed by the commission or division if his
29 interest in such a casino licensee or casino service industry which is
30 publicly traded constituted a controlling interest in that casino licensee
31 or casino service industry; and provided further, however, that
32 notwithstanding any other provision of this act to the contrary, any
33 such person may be employed by the commission or division in a
34 secretarial or clerical position if, in the opinion of the employing
35 agency, his previous employment by, or interest in, any such casino
36 licensee or casino service industry would not interfere with the
37 objective discharge of such person's employment obligations.

38 c. Prior to appointment or employment, each member of the
39 commission, each employee of the commission, the director of the
40 Division of Gaming Enforcement and each employee and agent of the
41 division shall swear or affirm that he possesses no interest in any
42 business or organization licensed by or registered with the
43 commission.

44 d. Each member of the commission and the director of the division
45 shall file with the [Executive] State Ethics Commission [on Ethical
46 Standards] a financial disclosure statement listing all assets and

1 liabilities, property and business interests, and sources of income of
2 said member or director and his spouse and shall provide to the
3 **[Executive] State Ethics Commission [on Ethical Standards]** a
4 financial disclosure statement listing all assets and liabilities, property
5 and business interests, and sources of income of the parents, brothers,
6 sisters, and children of said member or director. Such statement shall
7 be under oath and shall be filed at the time of appointment and
8 annually thereafter.

9 e. Each employee of the commission, except for secretarial and
10 clerical personnel, and each employee and agent of the division, except
11 for secretarial and clerical personnel, shall file with the **[Executive]**
12 **State Ethics Commission [on Ethical Standards]** a financial disclosure
13 statement listing all assets and liabilities, property and business
14 interests, and sources of income of said employee or agent and his
15 spouse. Such statement shall be under oath and shall be filed at the
16 time of employment and annually thereafter.

17 (cf: P.L.1991, c.182, s.12)

18

19 6. Section 59 of P.L.1977, c.110 (C.5:12-59) is amended to read
20 as follows:

21 59. Employment Restrictions on Commissioners, Commission
22 Employees and Division Employees.

23 a. The "New Jersey Conflicts of Interest Law," P.L.1971, c.182,
24 (C.52:13D-12 et seq.) shall apply to members of the commission and
25 to all employees of the commission and the division, except as herein
26 specifically provided.

27 b. The commission shall, no later than January 1, 1981,
28 promulgate a Code of Ethics that is modeled upon the Code of Judicial
29 Conduct of the American Bar Association, as amended and adopted by
30 the Supreme Court of New Jersey. This Code of Ethics shall include,
31 but not be limited to, provisions that address the propriety of
32 relationships and dealings between the commission and its staff, and
33 licensees and applicants for licensure under this act.

34 c. The division shall promulgate a Code of Ethics governing its
35 specific needs.

36 d. The Codes of Ethics promulgated by the commission and the
37 division shall not be in conflict with the laws of this State, except,
38 however, that said Codes of Ethics may be more restrictive than any
39 law of this State.

40 e. The Codes of Ethics promulgated by the commission and the
41 division shall be submitted to the **[Executive] State Ethics**
42 **Commission [on Ethical Standards]** for approval. The Codes of
43 Ethics shall include, but not be limited to provisions that:

44 (1) No commission member or employee or division employee or
45 agent shall be permitted to gamble in any establishment licensed by the
46 commission except in the course of his duties.

1 (2) No commission member or employee or division employee or
2 agent shall solicit or accept employment from any person licensed by
3 or registered with the commission or from any applicant for a period
4 of four years after termination of service with the commission or
5 division, except as otherwise provided in section 60 of this act.

6 (3) No commission member or employee or any division employee
7 or agent shall act in his official capacity in any matter wherein he or his
8 spouse, child, parent or sibling has a direct or indirect personal
9 financial interest that might reasonably be expected to impair his
10 objectivity or independence of judgment.

11 (4) No commission employee or any division employee or agent
12 shall act in his official capacity in a matter concerning an applicant for
13 licensure or a licensee who is the employer of a spouse, child, parent
14 or sibling of said commission or division employee or agent when the
15 fact of the employment of such spouse, child, parent or sibling might
16 reasonably be expected to impair the objectivity and independence of
17 judgment of said commission employee or division employee or agent.

18 (5) No spouse, child, parent or sibling of a commission member
19 shall be employed in any capacity by an applicant for a casino license
20 or a casino licensee nor by any holding, intermediary or subsidiary
21 company thereof.

22 (6) No commission member shall meet with any person, except for
23 any other member of the commission or employee of the commission,
24 or discuss any issues involving any pending or proposed application or
25 any matter whatsoever which may reasonably be expected to come
26 before the commission, or any member thereof, for determination
27 unless the meeting or discussion takes place on the business premises
28 of the commission, provided, however, that commission members may
29 meet to consider matters requiring the physical inspection of
30 equipment or premises at the location of the equipment or premises.
31 All meetings or discussions subject to this paragraph shall be noted in
32 a log maintained for this purpose and available for inspection pursuant
33 to the provisions of P.L.1963, c.73 (C.47:1A-1 et seq.).

34 f. No commission member or employee or division employee or
35 agent shall have any interest, direct or indirect, in any applicant or in
36 any person licensed by or registered with the commission during his
37 term of office or employment.

38 g. Each commission member and employee of the commission,
39 including legal counsel, and each employee and agent of the division
40 shall devote his entire time and attention to his duties and shall not
41 pursue any other business or occupation or other gainful employment;
42 provided, however, that secretarial and clerical personnel may engage
43 in such other gainful employment as shall not interfere with their duties
44 to the commission or division, unless otherwise directed; and provided
45 further, however, that other employees of the commission and division
46 and agents of the division may engage in such other gainful

1 employment as shall not interfere or be in conflict with their duties to
2 the commission or division, upon approval by the commission or the
3 director of the division, as the case may be.

4 h. No member of the commission, employee of the commission, or
5 employee or agent of the division shall:

6 (1) Use his official authority or influence for the purpose of
7 interfering with or affecting the result of an election or a nomination
8 for office;

9 (2) Directly or indirectly coerce, attempt to coerce, command or
10 advise any person to pay, lend or contribute anything of value to a
11 party, committee, organization, agency or person for political
12 purposes; or

13 (3) Take any active part in political campaigns or the management
14 thereof; provided, however, that nothing herein shall prohibit a person
15 from voting as he chooses or from expressing his personal opinions on
16 political subjects and candidates.

17 i. For the purpose of applying the provisions of the "New Jersey
18 Conflicts of Interest Law," any consultant or other person under
19 contract for services to the commission and the division shall be
20 deemed to be a special State employee, except that the restrictions of
21 section 4 of P.L.1981, c.142 (C.52:13D-17.2) shall not apply to such
22 person. Such person and any corporation, firm or partnership in which
23 he has an interest or by which he is employed shall not represent any
24 person or party other than the commission or the division before the
25 commission.

26 (cf: P.L.1995, c.18, s.12)

27
28 7. Section 60 of P.L.1977, c.110 (C.5:12-60) is amended to read
29 as follows:

30 60. Post-employment restrictions.

31 a. No member of the commission shall hold any direct or indirect
32 interest in, or be employed by, any applicant or by any person licensed
33 by or registered with the commission for a period of 4 years
34 commencing on the date his membership on the commission
35 terminates.

36 b. (1) No employee of the commission or employee or agent of
37 the division may acquire any direct or indirect interest in, or accept
38 employment with, any applicant or any person licensed by or registered
39 with the commission, for a period of two years commencing at the
40 termination of employment with the commission or division, except
41 that a secretarial or clerical employee of the commission or the
42 division may accept such employment at any time after the termination
43 of employment with the commission or division. At the end of two
44 years and for a period of two years thereafter, a former employee or
45 agent who held a policy-making management position at any time
46 during the five years prior to termination of employment may acquire

1 an interest in, or accept employment with, any applicant or person
2 licensed by or registered with the commission upon application to and
3 the approval of the commission upon a finding that the interest to be
4 acquired or the employment will not create the appearance of a
5 conflict of interest and does not evidence a conflict of interest in fact.

6 (2) Notwithstanding the provisions of this subsection, if the
7 employment of a commission employee or a division employee or
8 agent, other than an employee or agent who held a policy-making
9 management position at any time during the five years prior to
10 termination of employment, is terminated as a result of a reduction in
11 the workforce at the commission or division, the employee or agent
12 may, at any time prior to the end of the two-year period, accept
13 employment with any applicant or person licensed by or registered
14 with the commission upon application to and the approval of the
15 commission upon a finding that the employment will not create the
16 appearance of a conflict of interest and does not evidence a conflict of
17 interest in fact. The decision of the commission shall be final, and the
18 employee or agent shall not be subject to a determination by the
19 **[Executive] State Ethics Commission [on Ethical Standards]** under
20 section 4 of P.L.1981, c.142 (C.52:13D-17.2).

21 c. No commission member or person employed by the commission
22 or division shall represent any person or party other than the State
23 before or against the commission for a period of two years from the
24 termination of his office or employment with the commission or
25 division.

26 d. No partnership, firm or corporation in which a former
27 commission member or employee or former division employee or agent
28 has an interest, nor any partner, officer or employee of any such
29 partnership, firm or corporation shall make any appearance or
30 representation which is prohibited to said former member, employee,
31 or agent; provided, however, that nothing herein shall prohibit such
32 partnership, firm or corporation from making such appearance or
33 representation on behalf of a casino service industry licensed under
34 subsection c. of section 92 of P.L.1977, c.110 (C.5:12-92).

35 e. Notwithstanding any post-employment restriction imposed by
36 this section, nothing herein shall prohibit a former commission member
37 or employee or former division employee or agent, at any time after
38 termination of such membership or employment, from acquiring an
39 interest in, or soliciting or obtaining employment with, any person
40 licensed as a casino service industry under subsection c. of section 92
41 of this act or any applicant for such licensure.

42 (cf: P.L.1995, c.18, s.13)

43

44 8. Section 62 of P.L.1977, c.110 (C.5:12-62) is amended to read
45 as follows:

46 62. Enforcement

1 a. The [Executive] State Ethics Commission [on Ethical
2 Standards], established pursuant to the "New Jersey Conflicts of
3 Interest Law" (P.L.1971, c.182; C.52:13D-12 et seq.) shall enforce the
4 provisions of sections 58, 59, and 60 of this act.

5 b. Penalties for violation of sections 58, 59, and 60 shall be those
6 set forth in P.L.1971, c.182 (C.52:13D-12 et seq.).

7 In addition, for violations of section 60 occurring after the
8 effective date of P.L. ., c. (now pending before the Legislature as
9 this bill), the commission shall impose a civil penalty of not less than
10 \$500 nor more than \$10,000, which penalty may be collected in a
11 summary proceeding pursuant to the "Penalty Enforcement Law of
12 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).

13 (cf: P.L.1977, c.110, s.62)

14
15 9. Section 8 of P.L.1971, c.182 (C.52:13D-19) is amended to
16 read as follows:

17 8. a. No member of the Legislature or State officer or employee
18 shall knowingly himself, or by his partners or through any corporation
19 which he controls or in which he owns or controls more than 1% of
20 the stock, or by any other person for his use or benefit or on his
21 account, undertake or execute, in whole or in part, any contract,
22 agreement, sale or purchase of the value of \$25.00 or more, made,
23 entered into, awarded or granted by any State agency, except as
24 provided in subsection b. of this section. No special State officer or
25 employee having any duties or responsibilities in connection with the
26 purchase or acquisition of property or services by the State agency
27 where he is employed or an officer shall knowingly himself, by his
28 partners or through any corporation which he controls or in which he
29 owns or controls more than 1% of the stock, or by any other person
30 for his use or benefit or on his account, undertake or execute, in whole
31 or in part, any contract, agreement, sale or purchase of the value of
32 \$25.00 or more, made, entered into, awarded or granted by that State
33 agency, except as provided in subsection b. of this section. The
34 restriction contained in this subsection shall apply to the contracts of
35 interstate agencies to the extent consistent with law only if the
36 contract, agreement, sale or purchase is undertaken or executed by a
37 New Jersey member to that agency or by his partners or a corporation
38 in which he owns or controls more than 1% of the stock.

39 b. The provisions of subsection a. of this section shall not apply
40 to (a) purchases, contracts, agreements or sales which (1) are made or
41 let after public notice and competitive bidding or which (2), pursuant
42 to section 5 of chapter 48 of the laws of 1944 (C. 52:34-10) or such
43 other similar provisions contained in the public bidding laws or
44 regulations applicable to other State agencies, may be made,
45 negotiated or awarded without public advertising for bids, or (b) any
46 contract of insurance entered into by the Director of the Division of

1 Purchase and Property pursuant to section 10 of article 6 of chapter
2 112 of the laws of 1944 (C. 52:27B-62), if such purchases, contracts
3 or agreements, including change orders and amendments thereto, shall
4 receive prior approval of the Joint Legislative Committee on Ethical
5 Standards if a member of the Legislature or State officer or employee
6 or special State officer or employee in the Legislative Branch has an
7 interest therein, or the [Executive] State Ethics Commission [on
8 Ethical Standards] if a State officer or employee or special State
9 officer or employee in the Executive Branch has an interest therein.
10 (cf: P.L.1987, c.432, s.5)

11

12 10. Section 12 of P.L.1971, c.182 (C.52:13D-23) is amended to
13 read as follows:

14 12. (a) (1) The head of each State agency, or the principal officer
15 in charge of a division, board, bureau, commission or other
16 instrumentality within a department of State Government designated
17 by the head of such department for the purposes hereinafter set forth,
18 shall within six months from the date of enactment, promulgate a code
19 of ethics to govern and guide the conduct of the members of the
20 Legislature, the State officers and employees or the special State
21 officers and employees in the agency to which said code is applicable.
22 Such code shall conform to the general standards hereinafter set forth
23 in this section, but it shall be formulated with respect to the particular
24 needs and problems of the agency to which said code is to apply and,
25 when applicable, shall be a supplement to the uniform ethics code
26 promulgated pursuant to paragraph (2) of this subsection.
27 Notwithstanding any other provisions of this section, the New Jersey
28 members to any interstate agency to which New Jersey is a party and
29 the officers and employees of any State agency which fails to
30 promulgate a code of ethics shall be deemed to be subject to a code of
31 ethics the provisions of which shall be paragraphs (1) through (6) of
32 subsection (e) of this section.

33 (2) Within 180 days following the effective date of this act,
34 P.L. , c. (now pending before the Legislature as this bill), the State
35 Ethics Commission shall promulgate a uniform ethics code to govern
36 and guide the conduct of State officers and employees and special
37 State officers and employees in State agencies in the Executive
38 Branch. Such code shall conform to the general standards hereinafter
39 set forth in this section, shall be the primary code of ethics for State
40 agencies once it is adopted and a code promulgated pursuant to
41 paragraph (1) of this subsection shall be a supplement to the primary
42 code. The head of each State agency, or the principal officer in charge
43 of a division, board, bureau, commission or other instrumentality
44 within a department of State Government designated by the head of
45 such department shall revise each code of ethics promulgated prior to
46 the uniform code to recognize the uniform code as the primary code.

1 (b) A code of ethics formulated pursuant to subsection (a) of this
2 section to govern and guide the conduct of the State officers and
3 employees or the special State officers and employees in any State
4 agency in the Executive Branch, or any portion of such a code, shall
5 not be effective unless it has first been approved by the [Executive]
6 State Ethics Commission [on Ethical Standards]. When a proposed
7 code is submitted to the said commission it shall be accompanied by
8 an opinion of the Attorney General as to its compliance with the
9 provisions of this act and any other applicable provision of law.
10 Nothing contained herein shall prevent officers of State agencies in the
11 Executive Branch from consulting with the Attorney General or with
12 the [Executive] State Ethics Commission [on Ethical Standards] at
13 any time in connection with the preparation or revision of such codes
14 of ethics.

15 (c) A code of ethics formulated pursuant to this section to govern
16 and guide the conduct of the members of the Legislature, State officers
17 and employees or special State officers and employees in any State
18 agency in the Legislative Branch, or any portion of such code, shall
19 not be effective unless it has first been approved by the Legislature by
20 concurrent resolution. When a proposed code is submitted to the
21 Legislature for approval it shall be accompanied by an opinion of the
22 chief counsel as to its compliance with the provisions of this act and
23 any other applicable provisions of law. Nothing contained herein shall
24 prevent officers of State agencies in the Legislative Branch from
25 consulting with the Chief Legislative Counsel or the Joint Legislative
26 Committee on Ethical Standards at any time in connection with the
27 preparation or revision of such codes of ethics.

28 (d) Violations of a code of ethics promulgated pursuant to this
29 section shall be cause for removal, suspension, demotion or other
30 disciplinary action by the State officer or agency having the power of
31 removal or discipline. When a person who is in the classified civil
32 service is charged with a violation of such a code of ethics, the
33 procedure leading to such removal or discipline shall be governed by
34 any applicable provisions of the Civil Service [Law] Act, N.J.S.
35 11A:1-1 et seq., and the Rules of the Department of [Civil Service]
36 Personnel. No action for removal or discipline shall be taken under this
37 subsection except upon the referral or with the approval of the
38 [Executive] State Ethics Commission [on Ethical Standards] or the
39 Joint Legislative Committee on Ethical Standards, whichever is
40 authorized to exercise jurisdiction with respect to the complaint upon
41 which such action for removal or discipline is to be taken.

42 (e) A code of ethics for officers and employees of a State agency
43 shall conform to the following general standards:

44 (1) No State officer or employee or special State officer or
45 employee should have any interest, financial or otherwise, direct or
46 indirect, or engage in any business or transaction or professional

1 activity, which is in substantial conflict with the proper discharge of
2 his duties in the public interest.

3 (2) No State officer or employee or special State officer or
4 employee should engage in any particular business, profession, trade
5 or occupation which is subject to licensing or regulation by a specific
6 agency of State Government without promptly filing notice of such
7 activity with the [Executive] State Ethics Commission [on Ethical
8 Standards], if he is an officer or employee in the Executive Branch, or
9 with the Joint Legislative Committee on Ethical Standards, if he is an
10 officer or employee in the Legislative Branch.

11 (3) No State officer or employee or special State officer or
12 employee should use or attempt to use his official position to secure
13 unwarranted privileges or advantages for himself or others.

14 (4) No State officer or employee or special State officer or
15 employee should act in his official capacity in any matter wherein he
16 has a direct or indirect personal financial interest that might reasonably
17 be expected to impair his objectivity or independence of judgment.

18 (5) No State officer or employee or special State officer or
19 employee should undertake any employment or service, whether
20 compensated or not, which might reasonably be expected to impair his
21 objectivity and independence of judgment in the exercise of his official
22 duties.

23 (6) No State officer or employee or special State officer or
24 employee should accept any gift, favor, service or other thing of value
25 under circumstances from which it might be reasonably inferred that
26 such gift, service or other thing of value was given or offered for the
27 purpose of influencing him in the discharge of his official duties.

28 (7) No State officer or employee or special State officer or
29 employee should knowingly act in any way that might reasonably be
30 expected to create an impression or suspicion among the public having
31 knowledge of his acts that he may be engaged in conduct violative of
32 his trust as a State officer or employee or special State officer or
33 employee.

34 (8) Rules of conduct adopted pursuant to these principles should
35 recognize that under our democratic form of government public
36 officials and employees should be drawn from all of our society, that
37 citizens who serve in government cannot and should not be expected
38 to be without any personal interest in the decisions and policies of
39 government; that citizens who are government officials and employees
40 have a right to private interests of a personal, financial and economic
41 nature; that standards of conduct should separate those conflicts of
42 interest which are unavoidable in a free society from those conflicts of
43 interest which are substantial and material, or which bring government
44 into disrepute.

45 (f) The code of ethics for members of the Legislature shall

1 conform to subsection (e) hereof as nearly as may be possible.
2 (cf: P.L.1987, c.432, s.6)

3
4 11. Section 13 of P.L.1971, c.182 (C.52:13D-24) is amended to
5 read as follows:

6 13. a. No State officer or employee, special State officer or
7 employee, or member of the Legislature shall solicit, receive or agree
8 to receive, whether directly or indirectly, any compensation, reward,
9 employment, gift, honorarium, out-of-State travel or subsistence
10 expense or other thing of value from any source other than the State
11 of New Jersey, for any service, advice, assistance, appearance, speech
12 or other matter related to the officer, employee, or member's official
13 duties, except as authorized in this section.

14 b. A State officer or employee, special State officer or employee,
15 or member of the Legislature may, in connection with any service,
16 advice, assistance, appearance, speech or other matter related to the
17 officer, employee, or member's official duties, solicit, receive or agree
18 to receive, whether directly or indirectly, from sources other than the
19 State, the following:

20 (1) reasonable fees for published books on matters within the
21 officer, employee, or member's official duties;

22 (2) reimbursement or payment of actual and reasonable
23 expenditures for travel or subsistence and allowable entertainment
24 expenses associated with attending an event in New Jersey if
25 expenditures for travel or subsistence and entertainment expenses are
26 not paid for by the State of New Jersey;

27 (3) reimbursement or payment of actual and reasonable
28 expenditures for travel or subsistence outside New Jersey, not to
29 exceed \$500.00 per trip, if expenditures for travel or subsistence and
30 entertainment expenses are not paid for by the State of New Jersey.
31 The \$500 per trip limitation shall not apply if the reimbursement or
32 payment is made by (a) a nonprofit organization of which the officer,
33 employee, or member is, at the time of reimbursement or payment, an
34 active member as a result of the payment of a fee or charge for
35 membership to the organization by the State or the Legislature in the
36 case of a member of the Legislature; [or] (b) a nonprofit organization
37 that does not contract with the State to provide goods, materials,
38 equipment, or services; or (c) any agency of the federal government,
39 any agency of another state or of two or more states, or any political
40 subdivision of another state.

41 Members of the Legislature shall obtain the approval of the
42 presiding officer of the member's House before accepting any
43 reimbursement or payment of expenditures for travel or subsistence
44 outside New Jersey.

45 As used in this subsection, "reasonable expenditures for travel or
46 subsistence" means commercial travel rates directly to and from an

1 event and food and lodging expenses which are moderate and neither
2 elaborate nor excessive; and "allowable entertainment expenses" means
3 the costs for a guest speaker, incidental music and other ancillary
4 entertainment at any meal at an event, provided they are moderate and
5 not elaborate or excessive, but does not include the costs of personal
6 recreation, such as being a spectator at or engaging in a sporting or
7 athletic activity which may occur as part of that event.

8 c. This section shall not apply to the solicitation or acceptance of
9 contributions to the campaign of an announced candidate for elective
10 public office, except that campaign contributions may not be accepted
11 if they are known to be given in lieu of a payment prohibited pursuant
12 to this section.

13 d. (1) Notwithstanding any other provision of law, a designated
14 State officer as defined in paragraph (2) of this subsection shall not
15 solicit, receive or agree to receive, whether directly or indirectly, any
16 compensation, salary, honorarium, fee, or other form of income from
17 any source, other than the compensation paid or reimbursed to him or
18 her by the State for the performance of official duties, for any service,
19 advice, assistance, appearance, speech or other matter, except for
20 investment income from stocks, mutual funds, bonds, bank accounts,
21 notes, a beneficial interest in a trust, financial compensation received
22 as a result of prior employment or contractual relationships, and
23 income from the disposition or rental of real property, or any other
24 similar financial instrument and except for reimbursement for travel as
25 authorized in subsections (2) and (3) of paragraph b. of this section.
26 To receive such income, a designated State officer shall first seek
27 review and approval by the [Executive] State Ethics Commission [on
28 Ethical Standards] to ensure that the receipt of such income does not
29 violate the "New Jersey Conflicts of Interest Law," P.L.1971, c.182
30 (C.52:13D-12 et seq.) or any applicable code of ethics, and does not
31 undermine the full and diligent performance of the designated State
32 officer's duties.

33 (2) For the purposes of this subsection, "designated State officer"
34 shall include: the Governor, the Adjutant General, the Secretary of
35 Agriculture, the Attorney General, the Commissioner of Banking and
36 Insurance, the Secretary and Chief Executive Officer of the Commerce
37 and Economic Growth Commission, the Commissioner of Community
38 Affairs, the Commissioner of Corrections, the Commissioner of
39 Education, the Commissioner of Environmental Protection, the
40 Commissioner of Health and Senior Services, the Commissioner of
41 Human Services, the Commissioner of Labor, the Commissioner of
42 Personnel, the President of the State Board of Public Utilities, the
43 Secretary of State, the Superintendent of State Police, the
44 Commissioner of Transportation, the State Treasurer, the head of any
45 other department in the Executive Branch, and the following members
46 of the staff of the Office of the Governor: Chief of Staff, Chief of

1 Management and Operations, Chief of Policy and Communications,
2 Chief Counsel to the Governor, Director of Communications, Policy
3 Counselor to the Governor, and any deputy or principal administrative
4 assistant to any of the aforementioned members of the staff of the
5 Office of the Governor listed in this subsection.

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

8 (cf: P.L.2003, c.255, s.1)

9

10 12. Section 11 of P.L.1996, c.24 (C.52:13H-11) is amended to
11 read as follows:

12 11. The members and employees of the council shall be subject to
13 the provisions of the "New Jersey Conflicts of Interest Law,"
14 P.L.1971, c.182 (C.52:13D-12 et seq.), except that in addition to the
15 requirements of that act, a member of the council, while serving on the
16 council, shall not hold any other State or local office or employment
17 or hold any State or local elective public office and shall not, for a
18 period of two years thereafter, hold any State or local elective public
19 office or hold any office or employment with a county, municipality or
20 school district which filed a complaint with the council, or with a State
21 agency that promulgated a rule or regulation which was the subject of
22 a complaint filed with the council, while the member served on the
23 council. The council shall adopt a code of ethics to govern the
24 conduct of its members and employees. The [Executive] State Ethics
25 Commission [on Ethical Standards] shall have jurisdiction to consider
26 complaints regarding violations of P.L.1971, c.182 (C.52:13D-12 et
27 seq.) or of the code of ethics or of this section by any member or
28 employee of the council and for a violation of the restriction on
29 holding office or employment after serving on the council occurring
30 after the effective date of P.L. , c. (now pending before the
31 Legislature as this bill), the commission shall impose a civil penalty of
32 not less than \$500 nor more than \$10,000, which penalty may be
33 collected in a summary proceeding pursuant to the "Penalty
34 Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).

35 Nothing contained in this section shall be construed as prohibiting
36 a member of the council from serving as a member of a study
37 commission or similar advisory body for which service no
38 compensation is authorized or provided by law other than
39 reimbursement of expenses.

40 (cf: P.L.1999, c.65, s.2)

41

42 13. (New section supplementing P.L.1971, c.182; C.52:13D-12 et
43 seq.) a. (1) A relative of the Governor shall not be employed in an
44 office or position in the unclassified service of the civil service of the
45 State in the Executive Branch of State Government.

46 (2) A relative of the commissioner or head of a principal

1 department in the Executive Branch of State Government shall not be
2 employed in an office or position in the unclassified service of the civil
3 service of the State in the principal department over which the
4 commissioner or head of the principal department exercises authority,
5 supervision, or control.

6 (3) A relative of an assistant or deputy commissioner or head of a
7 principal department in the Executive Branch of State Government
8 who is employed in an office or position in the unclassified service of
9 the civil service of the State may be employed in the principal
10 department in which the assistant or deputy commissioner or head
11 serves, but shall not be assigned to a position over which the assistant
12 or deputy commissioner or head exercises authority, supervision, or
13 control.

14 (4) A relative of a head or assistant head of a division of a principal
15 department in the Executive Branch of State government who is
16 employed in an office or position in the unclassified service of the civil
17 service of the State may be employed in the principal department in
18 which the head or assistant head of a division serves, but shall not be
19 assigned to a position over which the head or assistant head exercises
20 authority, supervision, or control.

21 b. (1) A relative of an appointed member of a governing or
22 advisory body of an independent authority, board, commission, agency
23 or instrumentality of the State shall not be employed in an office or
24 position in that independent authority, board, commission, agency or
25 instrumentality.

26 (2) A relative of an appointed New Jersey member of a governing
27 body of a bi-state or multi-state agency shall not be employed in an
28 office or position in that bi-state or multi-state agency, to the extent
29 permitted by law.

30 c. A State officer or employee or a special State officer or
31 employee of a State agency in the Executive Branch shall not
32 supervise, or exercise authority with regard to personnel actions over,
33 a relative of the officer or employee.

34 d. As used in this section, "relative" means an individual's spouse
35 or the individual's or spouse's parent, child, brother, sister, aunt, uncle,
36 niece, nephew, grandparent, grandchild, son-in-law, daughter-in-law,
37 stepparent, stepchild, stepbrother, stepsister, half brother or half sister,
38 whether the relative is related to the individual or the individual's
39 spouse by blood, marriage or adoption.

40

41 14. Section 3 of P.L.1969, c. 213 (C.52:15A-3) is amended to
42 read as follows:

43 3 . (a) The Director of the Division of Purchase and Property
44 referred to hereafter in this act as "the director," is authorized to
45 provide, upon request, to each Governor-elect, for use in connection
46 with his preparations for the assumption of official duties as Governor

1 necessary services and facilities, including:

2 (1) Suitable office space appropriately equipped with furniture,
3 furnishings, office machines and equipment, and office supplies as
4 determined by the director, after consultation with the Governor-elect,
5 or his designee provided for in subsection (e) of this section, at such
6 place or places within the State of New Jersey as the Governor-elect
7 shall designate;

8 (2) Payment of the compensation of members of office staffs
9 designated by the Governor-elect at rates determined by him.
10 Provided, that any employee of any agency of any branch of the State
11 Government may be detailed to such staffs on a reimbursable or
12 nonreimbursable basis with the consent of the head of the agency;
13 and while so detailed such employee shall be responsible only to the
14 Governor-elect for the performance of his duties. Provided further,
15 that any employee so detailed shall continue to receive the
16 compensation provided pursuant to law for his regular employment,
17 and shall retain the rights and privileges of such employment without
18 interruption. Notwithstanding any other law, persons receiving
19 compensation as members of office staffs under this subsection, other
20 than those detailed from agencies, shall not be held or considered to
21 be employees of the State Government except for purposes of the
22 Public Employees' Retirement System (chapter 15A of Title 43) and
23 the "New Jersey Conflicts of Interest Law," P.L.1971, c.182
24 (C.52:13D-12 et seq.);

25 (3) Payment of expenses for the procurement of services of experts
26 or consultants or organizations thereof for the Governor-elect may be
27 authorized at rates not to exceed \$100.00 per diem for individuals;

28 (4) Payment of travel expenses and subsistence allowances,
29 including rental by the State Government of hired motor vehicles,
30 found necessary by the Governor-elect, as authorized for persons
31 employed intermittently or for persons serving without compensation,
32 as may be appropriate;

33 (5) Communications services found necessary by the
34 Governor-elect;

35 (6) Payment of expenses for necessary printing and binding.

36 (b) The director shall expend no funds for the provision of services
37 and facilities under this act in connection with any obligations incurred
38 by the Governor-elect before the day following the date of the general
39 elections.

40 (c) The term "Governor-elect" as used in this act shall mean such
41 person as is the apparent successful candidate for the office of
42 Governor, respectively, as ascertained by the Secretary of State
43 following the general election.

44 (d) Each Governor-elect shall be entitled to conveyance of all mail
45 matter, including airmail, sent by him in connection with his
46 preparations for the assumption of official duties as Governor.

1 (e) Each Governor-elect may designate to the director an assistant
2 authorized to make on his behalf such designations or findings of
3 necessity as may be required in connection with the services and
4 facilities to be provided under this act.

5 (f) In the case where the Governor-elect is the incumbent Governor
6 there shall be no expenditures of funds for the provision of services
7 and facilities to such incumbent under this act, and any funds
8 appropriated for such purposes shall be returned to the general funds
9 of the treasury.

10 (g) The salary of each person receiving compensation as a member
11 of the office staff under paragraph (2) subsection (a) of this section,
12 other than one detailed from an agency, shall be reported to the State
13 Ethics Commission and made available by the commission to the
14 public. Each such person shall complete the training program required
15 pursuant to section 2 of P.L. , c. (C.)(now pending before the
16 Legislature as this bill) promptly after employment, and shall be
17 provided by the commission, and shall acknowledge receipt thereof,
18 with all ethics materials, forms, codes, guides, orders and notices
19 required to be distributed to State employees. The Governor-elect
20 shall designate which of these persons shall (1) file with the
21 commission the financial disclosure statement required of State
22 officers and employees by law, regulation or executive order and (2)
23 certify that the person is not in violation of ethical standards or
24 conflicts of interest restrictions or requirements.

25 (cf: P.L.1969, c.213, s.3)

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

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

45 b. The prohibition in subsection a. of this section on accepting any
46 compensation, reward, gift, honorarium or other thing of value shall

1 not apply if received in the course of employment, by an employer
2 other than the State, of an individual covered in subsection a. of this
3 section or a member of the immediate family. The prohibition in
4 subsection a. of this section on accepting any compensation, reward,
5 gift, honorarium or other thing of value shall not apply if acceptance
6 is from a member of the immediate family when the family member
7 received such in the course of his or her employment.

8 c. Subsection a. of this section shall not apply if [an officer or
9 staff member of the Executive Branch or] a member of the Legislature
10 or legislative staff who accepted any compensation, reward, gift,
11 honorarium or other thing of value provided by a lobbyist or
12 governmental affairs agent makes a full reimbursement, within 90 days
13 of acceptance, to the lobbyist or governmental affairs agent in an
14 amount equal to the money accepted or the fair market value of that
15 which was accepted if other than money. As used in this subsection,
16 "fair market value" means the actual cost of the compensation, reward,
17 gift, honorarium or other thing of value accepted.

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

20 (cf: P.L.2004, c.27, s.26)

21
22 16. (New section supplementing chapter 32 of Title 52 of the
23 Revised Statutes) a. The State Treasurer shall post on the official
24 Internet site of the State for the Division of Purchase and Property in
25 the Department of Treasury a business ethics guide prepared in
26 accordance with Executive Order No. 189 of 1988, or any other
27 executive order that modifies, supplements or replaces Executive
28 Order No. 189 of 1988.

29 b. A person or private entity covered by the executive order that
30 seeks to submit a bid for a contract with a State agency covered by the
31 executive order, or enter into negotiations for a contract with such a
32 State agency, shall be required to submit to the contracting agency a
33 certification that the person or entity has read the guide, understands
34 its provisions and is in compliance with its provisions.

35
36 17. Section 1 of P.L.2004, c.35 (C.52:14-7.1) is repealed.

37
38 18. This act shall take effect on the 60th day following enactment,
39 except that the change in membership of the Executive Commission on
40 Ethical Standards as set forth in subsection (b) of section 10 of
41 P.L.1971, c.182 (C.52:13D-21) shall take effect January 17, 2006.

42
43
44
45 Revises membership of Executive Commission on Ethical Standards;
46 renames commission; makes various other changes concerning ethics.

SENATE, No. 2335

STATE OF NEW JERSEY
211th LEGISLATURE

INTRODUCED FEBRUARY 7, 2005

Sponsored by:

Senator BYRON M. BAER

District 37 (Bergen)

Senator THOMAS H. KEAN, JR.

District 21 (Essex, Morris, Somerset and Union)

Co-Sponsored by:

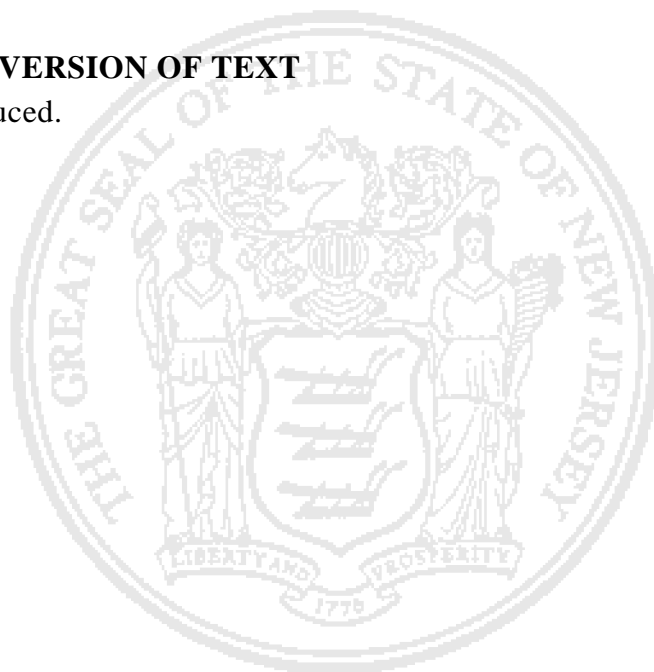
Senators Adler and Connors

SYNOPSIS

Revises membership of Executive Commission on Ethical Standards; renames commission; requires ethics training for State employees; increases penalties for ethics violations.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 12/6/2005)

1 AN ACT concerning the Executive Commission on Ethical Standards,
2 amending various parts of the statutory law and supplementing
3 P.L.1971, c.182 (C.52:13D-12 et al.).

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

7
8 1. Section 10 of P.L.1971, c.182 (C.52:13D-21) is amended to
9 read as follows:

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

14 Upon the effective date of P.L. , c. (now pending before the
15 Legislature as this bill), the Executive Commission on Ethical
16 Standards shall be renamed, and thereafter referred to, as the State
17 Ethics Commission. For the purposes of complying with the
18 provisions of Article V, Section IV, paragraph 1 of the New Jersey
19 Constitution, the State Ethics Commission is allocated in, but not of,
20 the Department of Law and Public Safety, but notwithstanding that
21 allocation, the commission shall be independent of any supervision and
22 control by the department or by any board or officer thereof.

23 (b) [(1)] The commission shall be composed of [nine] seven
24 members as follows: [seven] three members appointed by the
25 Governor from among State officers and employees serving in the
26 Executive Branch; and [two] four public members appointed by the
27 Governor, not more than [one] two of whom shall be of the same
28 political party.

29 Each member appointed from the Executive Branch shall serve at
30 the pleasure of the Governor during the term of office of the Governor
31 appointing the member and until the member's successor is appointed
32 and qualified. The public members shall serve for terms of four years
33 and until the appointment and qualification of their successors, but of
34 the public members first appointed pursuant to P.L.2003, c.160, one
35 shall serve for a term of two years and one shall serve for a term of
36 four years, and of the two public members first appointed pursuant to
37 P.L. , c. (now pending before the Legislature as this bill), one
38 shall serve for a term of one year and one shall serve for a term of
39 three years. The Governor shall designate one public member to serve
40 as chairman and one member to serve as vice-chairman of the
41 commission.

42 [(2)] Commencing with the third Tuesday in January of the year in

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 which the Governor takes office, next following enactment of
2 P.L.2004, c.24, the commission shall be composed of eight members
3 as follows: four members appointed by the Governor from among
4 State officers and employees serving in the Executive Branch; and four
5 public members appointed by the Governor, not more than two of
6 whom shall be of the same political party.

7 Each member appointed from the Executive Branch shall serve at
8 the pleasure of the Governor during the term of office of the Governor
9 appointing the member and until the member's successor is appointed
10 and qualified. The public members shall serve for terms of four years.
11 The Governor shall designate one member to serve as chairman and
12 one member to serve as vice-chairman of the commission.】

13 The members of the **【Executive】 State Ethics Commission** **【on**
14 **Ethical Standards】** who were appointed by the Governor from among
15 the State officers and employees serving in the Executive Branch
16 serving on the **【third Tuesday in January of the year in which the**
17 **Governor takes office, next following enactment of P.L.2004, c.24,】**
18 **effective date of P.L. , c. (now pending before the Legislature as**
19 **this bill)** are terminated as of that day. A member terminated pursuant
20 to this paragraph shall be eligible for reappointment.

21 **【(3)】** Vacancies in the membership of the commission shall be
22 filled in the same manner as the original appointments but, in the case
23 of public members, for the unexpired term only. None of the public
24 members shall be State officers or employees or special State officers
25 or employees, except by reason of their service on the commission. A
26 public member may be reappointed for subsequent terms on the
27 commission.

28 (c) Each member of the commission shall serve without
29 compensation but shall be entitled to be reimbursed for all actual and
30 necessary expenses incurred in the performance of the member's
31 duties.

32 (d) The Attorney General shall act as legal adviser and counsel to
33 the commission. The Attorney General shall upon request advise the
34 commission in the rendering of advisory opinions by the commission,
35 in the approval and review of codes of ethics adopted by State
36 agencies in the Executive Branch and in the recommendation of
37 revisions in codes of ethics or legislation relating to the conduct of
38 State officers and employees in the Executive Branch.

39 (e) **(1)** The commission may, within the limits of funds
40 appropriated or otherwise made available to it for the purpose, employ
41 such other professional, technical, clerical or other assistants,
42 excepting legal counsel, and incur such expenses as may be necessary
43 for the performance of its duties.

44 **(2)** **The commission shall employ a training officer who shall be in**
45 **the unclassified service of the civil service of this State. The training**
46 **officer shall devote full-time to the creation, maintenance and**

1 coordination of a training program on ethical standards. The program
2 shall be established for the purpose specified in section 2 of P.L. ,
3 c. (C.)(now pending before the Legislature as this bill). The
4 program shall be provided by the training officer or assistants or
5 deputies of such officer, or by such other persons as may be
6 designated by the commission. The commission shall approve the
7 form and content of the training program created by the training
8 officer and shall determine when and at what intervals State officers
9 and employees and special State officers and employees in a State
10 agency in the Executive Branch shall be required to complete such a
11 program.

12 (3) The commission shall employ a compliance officer who shall be
13 in the unclassified service of the civil service of this State. The
14 training officer shall devote full-time to the creation, maintenance,
15 monitoring and coordination of procedures to ensure that all State
16 officers and employees and special State officers and employees in
17 State agencies in the Executive Branch comply fully with all reporting
18 and training requirements and that all materials, forms, codes and
19 notices are distributed to and acknowledged by appropriate
20 individuals, as may be required. In addition, the compliance officer
21 shall conduct, on such regular basis as determined by the commission,
22 systematic audits of State agencies in the Executive Branch for
23 compliance with the laws, regulations, codes, procedures, advisory
24 opinions and rulings concerning the ethical standards for State
25 employees and officers and special State officers and employees.

26 (f) The commission, in order to perform its duties pursuant to the
27 provisions of P.L.1971, c.182 (C.52:13D-12 et al.), shall have the
28 power to conduct investigations, hold hearings, compel the attendance
29 of witnesses and the production before it of such books and papers as
30 it may deem necessary, proper and relevant to the matter under
31 investigation. The members of the commission and the persons
32 appointed by the commission for that purpose are hereby empowered
33 to administer oaths and examine witnesses under oath.

34 (g) The commission is authorized to render advisory opinions as to
35 whether a given set of facts and circumstances would, in its opinion,
36 constitute a violation of the provisions of P.L.1971, c.182
37 (C.52:13D-12 et al.) or of a code of ethics promulgated pursuant to
38 the provisions of P.L.1971, c.182 (C.52:13D-12 et al.).

39 (h) The commission shall have jurisdiction to initiate, receive, hear
40 and review complaints regarding violations, by any current or former
41 State officer or employee or current or former special State officer or
42 employee, in the Executive Branch, of the provisions of P.L.1971,
43 c.182 (C.52:13D-12 et al.) or of any code of ethics promulgated
44 pursuant to the provisions of P.L.1971, c.182 (C.52:13D-12 et al.).
45 Any complaint regarding a violation of a code of ethics may be
46 referred by the commission for disposition in accordance with

1 subsection (d) of section 12 of P.L.1971, c.182 (C.52:13D-23).

2 (i) Any current or former State officer or employee or current or
3 former special State officer or employee found guilty by the
4 commission of violating any provision of P.L.1971, c.182
5 (C.52:13D-12 et al.) or of a code of ethics promulgated pursuant to
6 the provisions of P.L.1971, c.182 (C.52:13D-12 et al.) shall be fined
7 not less than \$500 nor more than \$10,000, which penalty may be
8 collected in a summary proceeding pursuant to the "Penalty
9 Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.), and
10 may be suspended from office or employment by order of the
11 commission for a period of not in excess of one year. If the
12 commission finds that the conduct of the officer or employee
13 constitutes a willful and continuous disregard of the provisions of
14 P.L.1971, c.182 (C.52:13D-12 et al.) or of a code of ethics
15 promulgated pursuant to the provisions of P.L.1971, c.182
16 (C.52:13D-12 et al.), it may order that person removed from office or
17 employment and may further bar the person from holding any public
18 office or employment in this State in any capacity whatsoever for a
19 period of not exceeding five years from the date on which the person
20 was found guilty by the commission.

21 In addition, for violations occurring after the effective date of
22 P.L. , c. (now pending before the Legislature as this bill), the
23 commission may order restitution, demotion, censure or reprimand, or
24 for a failure to file an appropriate financial disclosure statement or
25 form, a civil penalty of \$25 for each day of the violation, which penalty
26 may be collected in a summary proceeding pursuant to the "Penalty
27 Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).

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

30 (k) The commission shall promulgate, pursuant to the
31 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.)
32 such rules and regulations as may be necessary to effectuate the
33 purposes of P.L.1971, c.182 (C.52:13D-12 et al.).

34 (cf: P.L.2004, c.25, s.1)

35

36 2. (New section) A State officer or employee or a special State
37 officer or employee in a State agency in the Executive Branch shall
38 complete a training program on ethical standards provided by the State
39 Ethics Commission at such times and intervals as the commission shall
40 require pursuant to subsection (e) of section 10 of P.L.1971, c.182
41 (C.52:13D-21). At a minimum, an officer or employee shall complete
42 annually, and acknowledge his or her completion of, a briefing on the
43 ethics standards applicable to such employee or officer pursuant to the
44 laws, regulations, codes, procedures, advisory opinions or rulings of
45 this State. The format and content of the program and briefing shall
46 be determined by the training officer of the State Ethics Commission

1 and approved by the commission as provided in subsection (e) of
2 section 10 of P.L.1971, c.182 (C.52:13D-21).

3
4 3. Section 6 of P.L.1971, c.182 (C.52:13D-17) is amended to read
5 as follows:

6 6. No State officer or employee or special State officer or
7 employee, subsequent to the termination of his office or employment
8 in any State agency, shall represent, appear for, negotiate on behalf of,
9 or provide information not generally available to members of the
10 public or services to, or agree to represent, appear for, negotiate on
11 behalf of, or provide information not generally available to members
12 of the public or services to, whether by himself or through any
13 partnership, firm or corporation in which he has an interest or through
14 any partner, officer or employee thereof, any person or party other
15 than the State in connection with any cause, proceeding, application
16 or other matter with respect to which such State officer or employee
17 or special State officer or employee shall have made any investigation,
18 rendered any ruling, given any opinion, or been otherwise substantially
19 and directly involved at any time during the course of his office or
20 employment. Any person who willfully violates the provisions of this
21 section is a disorderly person, and shall be subject to a fine not to
22 exceed [~~\$500.00~~] \$1,000, or imprisonment not to exceed six months,
23 or both.

24 In addition, for violations occurring after the effective date of
25 P.L. , c. (now pending before the Legislature as this bill), any
26 former State officer or employee or former special State officer or
27 employee of a State agency in the Executive Branch found by the State
28 Ethics Commission to have violated any of the provisions of this
29 section shall be assessed a civil penalty of not less than \$500 nor more
30 than \$10,000, which penalty may be collected in a summary
31 proceeding pursuant to the "Penalty Enforcement Law of 1999,"
32 P.L.1999, c.274 (C.2A:58-10 et seq.).

33 (cf: P.L.1987, c.432, s.4)

34
35 4. Section 4 of P.L.1981, c.142 (C.52:13D-17.2) is amended to
36 read as follows:

37 4. a. As used in this section "person" means any State officer or
38 employee subject to financial disclosure by law or executive order and
39 any other State officer or employee with responsibility for matters
40 affecting casino activity; any special State officer or employee with
41 responsibility for matters affecting casino activity; the Governor; any
42 member of the Legislature or any full-time member of the Judiciary;
43 any full-time professional employee of the Office of the Governor, or
44 the Legislature; members of the Casino Reinvestment Development
45 Authority; the head of a principal department; the assistant or deputy
46 heads of a principal department, including all assistant and deputy

1 commissioners; the head of any division of a principal department; any
2 member of the governing body, or the municipal judge or the
3 municipal attorney of a municipality wherein a casino is located; any
4 member of or attorney for the planning board or zoning board of
5 adjustment of a municipality wherein a casino is located, or any
6 professional planner, or consultant regularly employed or retained by
7 such planning board or zoning board of adjustment.

8 b. No State officer or employee, nor any person, nor any member
9 of the immediate family of any State officer or employee, or person,
10 nor any partnership, firm or corporation with which any such State
11 officer or employee or person is associated or in which he has an
12 interest, nor any partner, officer, director or employee while he is
13 associated with such partnership, firm, or corporation, shall hold,
14 directly or indirectly, an interest in, or hold employment with, or
15 represent, appear for, or negotiate on behalf of, any holder of, or
16 applicant for, a casino license, or any holding or intermediary company
17 with respect thereto, in connection with any cause, application, or
18 matter, except that (1) a State officer or employee other than a State
19 officer or employee included in the definition of person, and (2) a
20 member of the immediate family of a State officer or employee, or of
21 a person, may hold employment with the holder of, or applicant for, a
22 casino license if, in the judgment of the [Executive] State Ethics
23 Commission [on Ethical Standards], the Joint Legislative Committee
24 on Ethical Standards, or the Supreme Court, as appropriate, such
25 employment will not interfere with the responsibilities of the State
26 officer or employee, or person, and will not create a conflict of
27 interest, or reasonable risk of the public perception of a conflict of
28 interest, on the part of the State officer or employee, or person. No
29 special State officer or employee without responsibility for matters
30 affecting casino activity, excluding those serving in the Departments
31 of Education, Health and Senior Services, and Human Services and the
32 Commission on Higher Education, shall hold, directly or indirectly, an
33 interest in, or represent, appear for, or negotiate on behalf of, any
34 holder of, or applicant for, a casino license, or any holding or
35 intermediary company with respect thereto, in connection with any
36 cause, application, or matter. However, a special State officer or
37 employee without responsibility for matters affecting casino activity
38 may hold employment directly with any holder of or applicant for a
39 casino license or any holding or intermediary company thereof and if
40 so employed may hold, directly or indirectly, an interest in, or
41 represent, appear for, or negotiate on behalf of, his employer, except
42 as otherwise prohibited by law.

43 c. No person or any member of his immediate family, nor any
44 partnership, firm or corporation with which such person is associated
45 or in which he has an interest, nor any partner, officer, director or
46 employee while he is associated with such partnership, firm or

1 corporation, shall, within two years next subsequent to the termination
2 of the office or employment of such person, hold, directly or
3 indirectly, an interest in, or hold employment with, or represent,
4 appear for or negotiate on behalf of, any holder of, or applicant for, a
5 casino license in connection with any cause, application or matter, or
6 any holding or intermediary company with respect to such holder of,
7 or applicant for, a casino license in connection with any phase of
8 casino development, permitting, licensure or any other matter
9 whatsoever related to casino activity, except that:

10 (1) a member of the immediate family of a person may hold
11 employment with the holder of, or applicant for, a casino license if, in
12 the judgment of the [Executive] State Ethics Commission [on Ethical
13 Standards], the Joint Legislative Committee on Ethical Standards, or
14 the Supreme Court, as appropriate, such employment will not interfere
15 with the responsibilities of the person and will not create a conflict of
16 interest, or reasonable risk of the public perception of a conflict of
17 interest, on the part of the person;

18 (2) an employee who is terminated as a result of a reduction in the
19 workforce at the agency where employed, other than an employee who
20 held a policy-making management position at any time during the five
21 years prior to termination of employment, may, at any time prior to the
22 end of the two-year period, accept employment with the holder of, or
23 applicant for, a casino license if, in the judgment of the [Executive]
24 State Ethics Commission [on Ethical Standards], the Joint Legislative
25 Committee on Ethical Standards, or the Supreme Court, as
26 appropriate, such employment will not create a conflict of interest, or
27 reasonable risk of the public perception of a conflict of interest, on the
28 part of the employee. In no case shall the restrictions of this subsection
29 apply to a secretarial or clerical employee. Nothing herein contained
30 shall alter or amend the post-employment restrictions applicable to
31 members and employees of the Casino Control Commission and
32 employees and agents of the Division of Gaming Enforcement
33 pursuant to subsection b. (2) of section 59 and to section 60 of
34 P.L.1977, c.110 (C.5:12-59 and C.5:12-60); and

35 (3) any partnership, firm or corporation engaged in the practice of
36 law with which a former member of the Judiciary is associated, and
37 any partner, officer, director or employee thereof, other than the
38 former member, may represent, appear for or negotiate on behalf of
39 any holder of, or applicant for, a casino license in connection with any
40 cause, application or matter or any holding company or intermediary
41 company with respect to such holder of, or applicant for, a casino
42 license in connection with any phase of casino development,
43 permitting, licensure or any other matter whatsoever related to casino
44 activity, and the former member shall not be barred from association
45 with such partnership, firm or corporation, if the former member: (1)
46 is screened, for a period of two years next subsequent to the

1 termination of the former member's employment, from personal
2 participation in any such representation, appearance or negotiation;
3 and (2) the former member is associated with the partnership, firm or
4 corporation in a position considered "of counsel," which does not
5 entail any equity interest in the partnership, firm or corporation.

6 d. This section shall not apply to the spouse of a State officer or
7 employee, which State officer or employee is without responsibility for
8 matters affecting casino activity, who becomes the spouse subsequent
9 to the State officer's or employee's appointment or employment as a
10 State officer or employee and who is not individually or directly
11 employed by a holder of, or applicant for, a casino license, or any
12 holding or intermediary company.

13 e. The Joint Legislative Committee on Ethical Standards and the
14 ~~[Executive] State Ethics Commission [on Ethical Standards]~~, as
15 appropriate, shall forthwith determine and publish, and periodically
16 update, a list of those positions in State government with responsibility
17 for matters affecting casino activity.

18 f. No person shall solicit or accept, directly or indirectly, any
19 complimentary service or discount from any casino applicant or
20 licensee which he knows or has reason to know is other than a service
21 or discount that is offered to members of the general public in like
22 circumstance.

23 g. No person shall influence, or attempt to influence, by use of his
24 official authority, the decision of the commission or the investigation
25 of the division in any application for licensure or in any proceeding to
26 enforce the provisions of this act or the regulations of the commission.
27 Any such attempt shall be promptly reported to the Attorney General;
28 provided, however, that nothing in this section shall be deemed to
29 proscribe a request for information by any person concerning the
30 status of any application for licensure or any proceeding to enforce the
31 provisions of this act or the regulations of the commission.

32 h. Any person who willfully violates the provisions of this section
33 is a disorderly person and shall be subject to a fine not to exceed
34 ~~[\$500.00] \$1,000~~, or imprisonment not to exceed six months, or both.

35 In addition, for violations of subsection c. of this section occurring
36 after the effective date of P.L. _____, c. _____ (now pending before the
37 Legislature as this bill), a civil penalty of not less than \$500 nor more
38 than \$10,000 shall be imposed upon a former State officer or employee
39 or former special State officer or employee of a State agency in the
40 Executive Branch upon a finding of a violation by the State Ethics
41 Commission, which penalty may be collected in a summary proceeding
42 pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274
43 (C.2A:58-10 et seq.).

44 (cf: P.L.2001, c.75, s.1)

45

46 5. Section 58 of P.L.1977, c.110 (C.5:12-58) is amended to read

1 as follows:

2 58. Restrictions on Pre-Employment by Commissioners,
3 Commission Employees and Division Employees and Agents.

4 a. Deleted by amendment.

5 b. No person shall be appointed to or employed by the commission
6 or division if, during the period commencing three years prior to
7 appointment or employment, said person held any direct or indirect
8 interest in, or any employment by, any person which is licensed as a
9 casino licensee pursuant to section 87 of P.L.1977, c.110 (C.5:12-87)
10 or as a casino service industry pursuant to subsection a. of section 92
11 of P.L.1977, c.110 (C.5:12-92) or has an application for such a license
12 pending before the commission; provided, however, that
13 notwithstanding any other provision of this act to the contrary, any
14 such person may be appointed to or employed by the commission or
15 division if his interest in any such casino licensee or casino service
16 industry which is publicly traded would not, in the opinion of the
17 employing agency, interfere with the objective discharge of such
18 person's employment obligations, but in no instance shall any person
19 be appointed to or employed by the commission or division if his
20 interest in such a casino licensee or casino service industry which is
21 publicly traded constituted a controlling interest in that casino licensee
22 or casino service industry; and provided further, however, that
23 notwithstanding any other provision of this act to the contrary, any
24 such person may be employed by the commission or division in a
25 secretarial or clerical position if, in the opinion of the employing
26 agency, his previous employment by, or interest in, any such casino
27 licensee or casino service industry would not interfere with the
28 objective discharge of such person's employment obligations.

29 c. Prior to appointment or employment, each member of the
30 commission, each employee of the commission, the director of the
31 Division of Gaming Enforcement and each employee and agent of the
32 division shall swear or affirm that he possesses no interest in any
33 business or organization licensed by or registered with the
34 commission.

35 d. Each member of the commission and the director of the division
36 shall file with the **[Executive] State Ethics Commission [on Ethical**
37 **Standards]** a financial disclosure statement listing all assets and
38 liabilities, property and business interests, and sources of income of
39 said member or director and his spouse and shall provide to the
40 **[Executive] State Ethics Commission [on Ethical Standards]** a
41 financial disclosure statement listing all assets and liabilities, property
42 and business interests, and sources of income of the parents, brothers,
43 sisters, and children of said member or director. Such statement shall
44 be under oath and shall be filed at the time of appointment and
45 annually thereafter.

46 e. Each employee of the commission, except for secretarial and

1 clerical personnel, and each employee and agent of the division, except
2 for secretarial and clerical personnel, shall file with the [Executive]
3 State Ethics Commission [on Ethical Standards] a financial disclosure
4 statement listing all assets and liabilities, property and business
5 interests, and sources of income of said employee or agent and his
6 spouse. Such statement shall be under oath and shall be filed at the
7 time of employment and annually thereafter.

8 (cf: P.L.1991, c.182, s.12)

9

10 6. Section 59 of P.L.1977, c.110 (C.5:12-59) is amended to read
11 as follows:

12 59. Employment Restrictions on Commissioners, Commission
13 Employees and Division Employees.

14 a. The "New Jersey Conflicts of Interest Law," P.L.1971, c.182,
15 (C.52:13D-12 et seq.) shall apply to members of the commission and
16 to all employees of the commission and the division, except as herein
17 specifically provided.

18 b. The commission shall, no later than January 1, 1981, promulgate
19 a Code of Ethics that is modeled upon the Code of Judicial Conduct
20 of the American Bar Association, as amended and adopted by the
21 Supreme Court of New Jersey. This Code of Ethics shall include, but
22 not be limited to, provisions that address the propriety of relationships
23 and dealings between the commission and its staff, and licensees and
24 applicants for licensure under this act.

25 c. The division shall promulgate a Code of Ethics governing its
26 specific needs.

27 d. The Codes of Ethics promulgated by the commission and the
28 division shall not be in conflict with the laws of this State, except,
29 however, that said Codes of Ethics may be more restrictive than any
30 law of this State.

31 e. The Codes of Ethics promulgated by the commission and the
32 division shall be submitted to the [Executive] State Ethics
33 Commission [on Ethical Standards] for approval. The Codes of
34 Ethics shall include, but not be limited to provisions that:

35 (1) No commission member or employee or division employee or
36 agent shall be permitted to gamble in any establishment licensed by the
37 commission except in the course of his duties.

38 (2) No commission member or employee or division employee or
39 agent shall solicit or accept employment from any person licensed by
40 or registered with the commission or from any applicant for a period
41 of four years after termination of service with the commission or
42 division, except as otherwise provided in section 60 of this act.

43 (3) No commission member or employee or any division employee
44 or agent shall act in his official capacity in any matter wherein he or his
45 spouse, child, parent or sibling has a direct or indirect personal
46 financial interest that might reasonably be expected to impair his

1 objectivity or independence of judgment.

2 (4) No commission employee or any division employee or agent
3 shall act in his official capacity in a matter concerning an applicant for
4 licensure or a licensee who is the employer of a spouse, child, parent
5 or sibling of said commission or division employee or agent when the
6 fact of the employment of such spouse, child, parent or sibling might
7 reasonably be expected to impair the objectivity and independence of
8 judgment of said commission employee or division employee or agent.

9 (5) No spouse, child, parent or sibling of a commission member
10 shall be employed in any capacity by an applicant for a casino license
11 or a casino licensee nor by any holding, intermediary or subsidiary
12 company thereof.

13 (6) No commission member shall meet with any person, except for
14 any other member of the commission or employee of the commission,
15 or discuss any issues involving any pending or proposed application or
16 any matter whatsoever which may reasonably be expected to come
17 before the commission, or any member thereof, for determination
18 unless the meeting or discussion takes place on the business premises
19 of the commission, provided, however, that commission members may
20 meet to consider matters requiring the physical inspection of
21 equipment or premises at the location of the equipment or premises.
22 All meetings or discussions subject to this paragraph shall be noted in
23 a log maintained for this purpose and available for inspection pursuant
24 to the provisions of P.L.1963, c.73 (C.47:1A-1 et seq.).

25 f. No commission member or employee or division employee or
26 agent shall have any interest, direct or indirect, in any applicant or in
27 any person licensed by or registered with the commission during his
28 term of office or employment.

29 g. Each commission member and employee of the commission,
30 including legal counsel, and each employee and agent of the division
31 shall devote his entire time and attention to his duties and shall not
32 pursue any other business or occupation or other gainful employment;
33 provided, however, that secretarial and clerical personnel may engage
34 in such other gainful employment as shall not interfere with their duties
35 to the commission or division, unless otherwise directed; and provided
36 further, however, that other employees of the commission and division
37 and agents of the division may engage in such other gainful
38 employment as shall not interfere or be in conflict with their duties to
39 the commission or division, upon approval by the commission or the
40 director of the division, as the case may be.

41 h. No member of the commission, employee of the commission, or
42 employee or agent of the division shall:

43 (1) Use his official authority or influence for the purpose of
44 interfering with or affecting the result of an election or a nomination
45 for office;

46 (2) Directly or indirectly coerce, attempt to coerce, command or

1 advise any person to pay, lend or contribute anything of value to a
2 party, committee, organization, agency or person for political
3 purposes; or

4 (3) Take any active part in political campaigns or the management
5 thereof; provided, however, that nothing herein shall prohibit a person
6 from voting as he chooses or from expressing his personal opinions on
7 political subjects and candidates.

8 i. For the purpose of applying the provisions of the "New Jersey
9 Conflicts of Interest Law," any consultant or other person under
10 contract for services to the commission and the division shall be
11 deemed to be a special State employee, except that the restrictions of
12 section 4 of P.L.1981, c.142 (C.52:13D-17.2) shall not apply to such
13 person. Such person and any corporation, firm or partnership in which
14 he has an interest or by which he is employed shall not represent any
15 person or party other than the commission or the division before the
16 commission.

17 (cf: P.L.1995, c.18, s.12)

18

19 7. Section 60 of P.L.1977, c.110 (C.5:12-60) is amended to read
20 as follows:

21 60. Post-employment restrictions.

22 a. No member of the commission shall hold any direct or indirect
23 interest in, or be employed by, any applicant or by any person licensed
24 by or registered with the commission for a period of 4 years
25 commencing on the date his membership on the commission
26 terminates.

27 b. (1) No employee of the commission or employee or agent of the
28 division may acquire any direct or indirect interest in, or accept
29 employment with, any applicant or any person licensed by or registered
30 with the commission, for a period of two years commencing at the
31 termination of employment with the commission or division, except
32 that a secretarial or clerical employee of the commission or the
33 division may accept such employment at any time after the termination
34 of employment with the commission or division. At the end of two
35 years and for a period of two years thereafter, a former employee or
36 agent who held a policy-making management position at any time
37 during the five years prior to termination of employment may acquire
38 an interest in, or accept employment with, any applicant or person
39 licensed by or registered with the commission upon application to and
40 the approval of the commission upon a finding that the interest to be
41 acquired or the employment will not create the appearance of a
42 conflict of interest and does not evidence a conflict of interest in fact.

43 (2) Notwithstanding the provisions of this subsection, if the
44 employment of a commission employee or a division employee or
45 agent, other than an employee or agent who held a policy-making
46 management position at any time during the five years prior to

1 termination of employment, is terminated as a result of a reduction in
2 the workforce at the commission or division, the employee or agent
3 may, at any time prior to the end of the two-year period, accept
4 employment with any applicant or person licensed by or registered
5 with the commission upon application to and the approval of the
6 commission upon a finding that the employment will not create the
7 appearance of a conflict of interest and does not evidence a conflict of
8 interest in fact. The decision of the commission shall be final, and the
9 employee or agent shall not be subject to a determination by the
10 **[Executive] State Ethics Commission [on Ethical Standards]** under
11 section 4 of P.L.1981, c.142 (C.52:13D-17.2).

12 c. No commission member or person employed by the commission
13 or division shall represent any person or party other than the State
14 before or against the commission for a period of two years from the
15 termination of his office or employment with the commission or
16 division.

17 d. No partnership, firm or corporation in which a former
18 commission member or employee or former division employee or agent
19 has an interest, nor any partner, officer or employee of any such
20 partnership, firm or corporation shall make any appearance or
21 representation which is prohibited to said former member, employee,
22 or agent; provided, however, that nothing herein shall prohibit such
23 partnership, firm or corporation from making such appearance or
24 representation on behalf of a casino service industry licensed under
25 subsection c. of section 92 of P.L.1977, c.110 (C.5:12-92).

26 e. Notwithstanding any post-employment restriction imposed by
27 this section, nothing herein shall prohibit a former commission member
28 or employee or former division employee or agent, at any time after
29 termination of such membership or employment, from acquiring an
30 interest in, or soliciting or obtaining employment with, any person
31 licensed as a casino service industry under subsection c. of section 92
32 of this act or any applicant for such licensure.

33 (cf: P.L.1995, c.18, s.13)

34

35 8. Section 62 of P.L.1977, c.110 (C.5:12-62) is amended to read
36 as follows:

37 62. Enforcement

38 a. The **[Executive] State Ethics Commission [on Ethical**
39 **Standards]**, established pursuant to the "New Jersey Conflicts of
40 Interest Law" (P.L.1971, c.182; C.52:13D-12 et seq.) shall enforce the
41 provisions of sections 58, 59, and 60 of this act.

42 b. Penalties for violation of sections 58, 59, and 60 shall be those
43 set forth in P.L.1971, c.182 (C.52:13D-12 et seq.).

44 In addition, for violations of section 60 occurring after the effective
45 date of P.L. , c. (now pending before the Legislature as this bill),
46 the commission shall impose a civil penalty of not less than \$500 nor

1 more than \$10,000, which penalty may be collected in a summary
2 proceeding pursuant to the "Penalty Enforcement Law of 1999,"
3 P.L.1999, c.274 (C.2A:58-10 et seq.).
4 (cf: P.L.1977, c.110, s.62)

5
6 9. Section 8 of P.L.1971, c.182 (C.52:13D-19) is amended to
7 read as follows:

8 8. a. No member of the Legislature or State officer or employee
9 shall knowingly himself, or by his partners or through any corporation
10 which he controls or in which he owns or controls more than 1% of
11 the stock, or by any other person for his use or benefit or on his
12 account, undertake or execute, in whole or in part, any contract,
13 agreement, sale or purchase of the value of \$25.00 or more, made,
14 entered into, awarded or granted by any State agency, except as
15 provided in subsection b. of this section. No special State officer or
16 employee having any duties or responsibilities in connection with the
17 purchase or acquisition of property or services by the State agency
18 where he is employed or an officer shall knowingly himself, by his
19 partners or through any corporation which he controls or in which he
20 owns or controls more than 1% of the stock, or by any other person
21 for his use or benefit or on his account, undertake or execute, in whole
22 or in part, any contract, agreement, sale or purchase of the value of
23 \$25.00 or more, made, entered into, awarded or granted by that State
24 agency, except as provided in subsection b. of this section. The
25 restriction contained in this subsection shall apply to the contracts of
26 interstate agencies to the extent consistent with law only if the
27 contract, agreement, sale or purchase is undertaken or executed by a
28 New Jersey member to that agency or by his partners or a corporation
29 in which he owns or controls more than 1% of the stock.

30 b. The provisions of subsection a. of this section shall not apply to
31 (a) purchases, contracts, agreements or sales which (1) are made or let
32 after public notice and competitive bidding or which (2), pursuant to
33 section 5 of chapter 48 of the laws of 1944 (C. 52:34-10) or such
34 other similar provisions contained in the public bidding laws or
35 regulations applicable to other State agencies, may be made,
36 negotiated or awarded without public advertising for bids, or (b) any
37 contract of insurance entered into by the Director of the Division of
38 Purchase and Property pursuant to section 10 of article 6 of chapter
39 112 of the laws of 1944 (C. 52:27B-62), if such purchases, contracts
40 or agreements, including change orders and amendments thereto, shall
41 receive prior approval of the Joint Legislative Committee on Ethical
42 Standards if a member of the Legislature or State officer or employee
43 or special State officer or employee in the Legislative Branch has an
44 interest therein, or the [Executive] State Ethics Commission [on
45 Ethical Standards] if a State officer or employee or special State
46 officer or employee in the Executive Branch has an interest therein.

1 (cf: P.L.1987, c.432, s.5)

2

3 10. Section 12 of P.L.1971, c.182 (C.52:13D-23) is amended to
4 read as follows:

5 12. (a) The head of each State agency, or the principal officer in
6 charge of a division, board, bureau, commission or other
7 instrumentality within a department of State Government designated
8 by the head of such department for the purposes hereinafter set forth,
9 shall within six months from the date of enactment, promulgate a code
10 of ethics to govern and guide the conduct of the members of the
11 Legislature, the State officers and employees or the special State
12 officers and employees in the agency to which said code is applicable.
13 Such code shall conform to the general standards hereinafter set forth
14 in this section, but it shall be formulated with respect to the particular
15 needs and problems of the agency to which said code is to apply.
16 Notwithstanding any other provisions of this section, the New Jersey
17 members to any interstate agency to which New Jersey is a party and
18 the officers and employees of any State agency which fails to
19 promulgate a code of ethics shall be deemed to be subject to a code of
20 ethics the provisions of which shall be paragraphs (1) through (6) of
21 subsection (e) of this section.

22 (b) A code of ethics formulated pursuant to this section to govern
23 and guide the conduct of the State officers and employees or the
24 special State officers and employees in any State agency in the
25 Executive Branch, or any portion of such a code, shall not be effective
26 unless it has first been approved by the **[Executive] State Ethics**
27 **Commission [on Ethical Standards]**. When a proposed code is
28 submitted to the said commission it shall be accompanied by an
29 opinion of the Attorney General as to its compliance with the
30 provisions of this act and any other applicable provision of law.
31 Nothing contained herein shall prevent officers of State agencies in the
32 Executive Branch from consulting with the Attorney General or with
33 the **[Executive] State Ethics Commission [on Ethical Standards]** at
34 any time in connection with the preparation or revision of such codes
35 of ethics.

36 (c) A code of ethics formulated pursuant to this section to govern
37 and guide the conduct of the members of the Legislature, State officers
38 and employees or special State officers and employees in any State
39 agency in the Legislative Branch, or any portion of such code, shall
40 not be effective unless it has first been approved by the Legislature by
41 concurrent resolution. When a proposed code is submitted to the
42 Legislature for approval it shall be accompanied by an opinion of the
43 chief counsel as to its compliance with the provisions of this act and
44 any other applicable provisions of law. Nothing contained herein shall
45 prevent officers of State agencies in the Legislative Branch from
46 consulting with the Chief Legislative Counsel or the Joint Legislative

1 Committee on Ethical Standards at any time in connection with the
2 preparation or revision of such codes of ethics.

3 (d) Violations of a code of ethics promulgated pursuant to this
4 section shall be cause for removal, suspension, demotion or other
5 disciplinary action by the State officer or agency having the power of
6 removal or discipline. When a person who is in the classified civil
7 service is charged with a violation of such a code of ethics, the
8 procedure leading to such removal or discipline shall be governed by
9 any applicable provisions of the Civil Service [Law] Act, N.J.S.
10 11A:1-1 et seq., and the Rules of the Department of [Civil Service]
11 Personnel. No action for removal or discipline shall be taken under this
12 subsection except upon the referral or with the approval of the
13 [Executive] State Ethics Commission [on Ethical Standards] or the
14 Joint Legislative Committee on Ethical Standards, whichever is
15 authorized to exercise jurisdiction with respect to the complaint upon
16 which such action for removal or discipline is to be taken.

17 (e) A code of ethics for officers and employees of a State agency
18 shall conform to the following general standards:

19 (1) No State officer or employee or special State officer or
20 employee should have any interest, financial or otherwise, direct or
21 indirect, or engage in any business or transaction or professional
22 activity, which is in substantial conflict with the proper discharge of
23 his duties in the public interest.

24 (2) No State officer or employee or special State officer or
25 employee should engage in any particular business, profession, trade
26 or occupation which is subject to licensing or regulation by a specific
27 agency of State Government without promptly filing notice of such
28 activity with the [Executive] State Ethics Commission [on Ethical
29 Standards], if he is an officer or employee in the Executive Branch, or
30 with the Joint Legislative Committee on Ethical Standards, if he is an
31 officer or employee in the Legislative Branch.

32 (3) No State officer or employee or special State officer or
33 employee should use or attempt to use his official position to secure
34 unwarranted privileges or advantages for himself or others.

35 (4) No State officer or employee or special State officer or
36 employee should act in his official capacity in any matter wherein he
37 has a direct or indirect personal financial interest that might reasonably
38 be expected to impair his objectivity or independence of judgment.

39 (5) No State officer or employee or special State officer or
40 employee should undertake any employment or service, whether
41 compensated or not, which might reasonably be expected to impair his
42 objectivity and independence of judgment in the exercise of his official
43 duties.

44 (6) No State officer or employee or special State officer or
45 employee should accept any gift, favor, service or other thing of value
46 under circumstances from which it might be reasonably inferred that

1 such gift, service or other thing of value was given or offered for the
2 purpose of influencing him in the discharge of his official duties.

3 (7) No State officer or employee or special State officer or
4 employee should knowingly act in any way that might reasonably be
5 expected to create an impression or suspicion among the public having
6 knowledge of his acts that he may be engaged in conduct violative of
7 his trust as a State officer or employee or special State officer or
8 employee.

9 (8) Rules of conduct adopted pursuant to these principles should
10 recognize that under our democratic form of government public
11 officials and employees should be drawn from all of our society, that
12 citizens who serve in government cannot and should not be expected
13 to be without any personal interest in the decisions and policies of
14 government; that citizens who are government officials and employees
15 have a right to private interests of a personal, financial and economic
16 nature; that standards of conduct should separate those conflicts of
17 interest which are unavoidable in a free society from those conflicts of
18 interest which are substantial and material, or which bring government
19 into disrepute.

20 (f) The code of ethics for members of the Legislature shall conform
21 to subsection (e) hereof as nearly as may be possible.

22 (cf: P.L.1987, c.432, s.6)

23

24 11. Section 13 of P.L.1971, c.182 (C.52:13D-24) is amended to
25 read as follows:

26 13. a. No State officer or employee, special State officer or
27 employee, or member of the Legislature shall solicit, receive or agree
28 to receive, whether directly or indirectly, any compensation, reward,
29 employment, gift, honorarium, out-of-State travel or subsistence
30 expense or other thing of value from any source other than the State
31 of New Jersey, for any service, advice, assistance, appearance, speech
32 or other matter related to the officer, employee, or member's official
33 duties, except as authorized in this section.

34 b. A State officer or employee, special State officer or employee,
35 or member of the Legislature may, in connection with any service,
36 advice, assistance, appearance, speech or other matter related to the
37 officer, employee, or member's official duties, solicit, receive or agree
38 to receive, whether directly or indirectly, from sources other than the
39 State, the following:

40 (1) reasonable fees for published books on matters within the
41 officer, employee, or member's official duties;

42 (2) reimbursement or payment of actual and reasonable
43 expenditures for travel or subsistence and allowable entertainment
44 expenses associated with attending an event in New Jersey if
45 expenditures for travel or subsistence and entertainment expenses are
46 not paid for by the State of New Jersey;

1 (3) reimbursement or payment of actual and reasonable
2 expenditures for travel or subsistence outside New Jersey, not to
3 exceed \$500.00 per trip, if expenditures for travel or subsistence and
4 entertainment expenses are not paid for by the State of New Jersey.
5 The \$500 per trip limitation shall not apply if the reimbursement or
6 payment is made by (a) a nonprofit organization of which the officer,
7 employee, or member is, at the time of reimbursement or payment, an
8 active member as a result of the payment of a fee or charge for
9 membership to the organization by the State or the Legislature in the
10 case of a member of the Legislature; [or] (b) a nonprofit organization
11 that does not contract with the State to provide goods, materials,
12 equipment, or services; or (c) any agency of the federal government,
13 any agency of another state or of two or more states, or any political
14 subdivision of another state.

15 Members of the Legislature shall obtain the approval of the
16 presiding officer of the member's House before accepting any
17 reimbursement or payment of expenditures for travel or subsistence
18 outside New Jersey.

19 As used in this subsection, "reasonable expenditures for travel or
20 subsistence" means commercial travel rates directly to and from an
21 event and food and lodging expenses which are moderate and neither
22 elaborate nor excessive; and "allowable entertainment expenses" means
23 the costs for a guest speaker, incidental music and other ancillary
24 entertainment at any meal at an event, provided they are moderate and
25 not elaborate or excessive, but does not include the costs of personal
26 recreation, such as being a spectator at or engaging in a sporting or
27 athletic activity which may occur as part of that event.

28 c. This section shall not apply to the solicitation or acceptance of
29 contributions to the campaign of an announced candidate for elective
30 public office, except that campaign contributions may not be accepted
31 if they are known to be given in lieu of a payment prohibited pursuant
32 to this section.

33 d. (1) Notwithstanding any other provision of law, a designated
34 State officer as defined in paragraph (2) of this subsection shall not
35 solicit, receive or agree to receive, whether directly or indirectly, any
36 compensation, salary, honorarium, fee, or other form of income from
37 any source, other than the compensation paid or reimbursed to him or
38 her by the State for the performance of official duties, for any service,
39 advice, assistance, appearance, speech or other matter, except for
40 investment income from stocks, mutual funds, bonds, bank accounts,
41 notes, a beneficial interest in a trust, financial compensation received
42 as a result of prior employment or contractual relationships, and
43 income from the disposition or rental of real property, or any other
44 similar financial instrument and except for reimbursement for travel as
45 authorized in subsections (2) and (3) of paragraph b. of this section.
46 To receive such income, a designated State officer shall first seek

1 review and approval by the [Executive] State Ethics Commission [on
2 Ethical Standards] to ensure that the receipt of such income does not
3 violate the "New Jersey Conflicts of Interest Law," P.L.1971, c.182
4 (C.52:13D-12 et seq.) or any applicable code of ethics, and does not
5 undermine the full and diligent performance of the designated State
6 officer's duties.

7 (2) For the purposes of this subsection, "designated State officer"
8 shall include: the Governor, the Adjutant General, the Secretary of
9 Agriculture, the Attorney General, the Commissioner of Banking and
10 Insurance, the Secretary and Chief Executive Officer of the Commerce
11 and Economic Growth Commission, the Commissioner of Community
12 Affairs, the Commissioner of Corrections, the Commissioner of
13 Education, the Commissioner of Environmental Protection, the
14 Commissioner of Health and Senior Services, the Commissioner of
15 Human Services, the Commissioner of Labor, the Commissioner of
16 Personnel, the President of the State Board of Public Utilities, the
17 Secretary of State, the Superintendent of State Police, the
18 Commissioner of Transportation, the State Treasurer, the head of any
19 other department in the Executive Branch, and the following members
20 of the staff of the Office of the Governor: Chief of Staff, Chief of
21 Management and Operations, Chief of Policy and Communications,
22 Chief Counsel to the Governor, Director of Communications, Policy
23 Counselor to the Governor, and any deputy or principal administrative
24 assistant to any of the aforementioned members of the staff of the
25 Office of the Governor listed in this subsection.

26 e. A violation of this section shall not constitute a crime or offense
27 under the laws of this State.

28 (cf: P.L.2003, c.255, s.1)

29

30 12. Section 11 of P.L.1996, c.24 (C.52:13H-11) is amended to
31 read as follows:

32 11. The members and employees of the council shall be subject to
33 the provisions of the "New Jersey Conflicts of Interest Law,"
34 P.L.1971, c.182 (C.52:13D-12 et seq.), except that in addition to the
35 requirements of that act, a member of the council, while serving on the
36 council, shall not hold any other State or local office or employment
37 or hold any State or local elective public office and shall not, for a
38 period of two years thereafter, hold any State or local elective public
39 office or hold any office or employment with a county, municipality or
40 school district which filed a complaint with the council, or with a State
41 agency that promulgated a rule or regulation which was the subject of
42 a complaint filed with the council, while the member served on the
43 council. The council shall adopt a code of ethics to govern the
44 conduct of its members and employees. The [Executive] State Ethics
45 Commission [on Ethical Standards] shall have jurisdiction to consider
46 complaints regarding violations of P.L.1971, c.182 (C.52:13D-12 et

1 seq.) or of the code of ethics or of this section by any member or
2 employee of the council and for a violation of the restriction on
3 holding office or employment after serving on the council occurring
4 after the effective date of P.L. , c. (now pending before the
5 Legislature as this bill), the commission shall impose a civil penalty of
6 not less than \$500 nor more than \$10,000, which penalty may be
7 collected in a summary proceeding pursuant to the "Penalty
8 Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).

9 Nothing contained in this section shall be construed as prohibiting
10 a member of the council from serving as a member of a study
11 commission or similar advisory body for which service no
12 compensation is authorized or provided by law other than
13 reimbursement of expenses.

14 (cf: P.L.1999, c.65, s.2)

15

16 13. This act shall take effect on the 60th day following enactment.

17

18

19

STATEMENT

20

21 This bill makes several changes concerning the enforcement of the
22 ethical standards applicable to State officers and employees in the
23 Executive Branch of State government.

24 The bill changes the membership of the Executive Commission on
25 Ethical Standards from nine members, consisting of seven State
26 officers and employees and two members of the public, to a
27 membership of seven consisting of three State officers and employees
28 and four members of the public. The bill renames the commission; the
29 commission's new name will be the State Ethics Commission. The
30 independent status of the State Ethics Commission is also clarified.

31 The bill requires the commission to employ a full-time training
32 officer and a full-time compliance officer, who shall be in the
33 unclassified service of the civil service. The training officer will
34 develop and oversee a training program on ethical standards which all
35 State officers and employees and special State officers and employees
36 in State agencies in the Executive Branch will be required to complete.
37 The commission will determine the times and intervals for completion
38 of the training program, but, at a minimum, each officer and employee
39 will be required to complete annually an ethics briefing.

40 The compliance officer will develop and oversee procedures for
41 ensuring that all officers and employees comply fully with financial
42 disclosure and training requirements and that all required information
43 is distributed to, with receipt acknowledged by, such officers and
44 employees. Also, the compliance officer will perform audits of State
45 agencies to ensure compliance with ethics standards and procedures,
46 at such regular intervals as the commission will determine.

1 The bill provides that the commission may order restitution,
2 demotion, censure or reprimand for an ethics violation and imposes a
3 civil penalty of \$25 per day for a violation that involves a failure to file
4 a financial disclosure statement or form. In addition, the bill provides
5 that the commission may impose a civil penalty of between \$500 to
6 \$10,000 for violations of post-employment restrictions by certain
7 former State officers and employees and special State officers and
8 employees of State agencies in the Executive Branch.

9 The bill increases the fines for violations of the ethics laws that are
10 punishable as a disorderly persons offense from \$500 to \$1,000, in
11 order to be consistent with the penalties for disorderly persons
12 offenses under the criminal code.

13 In addition, the bill provides that: the commission has jurisdiction
14 over, and may impose penalties upon, former State officers or
15 employees and former special State officers and employees in the
16 Executive Branch for violations that occurred during State service and
17 for post-employment violations; the commission has rulemaking
18 authority; and the travel reimbursement or payment limitation for
19 travel outside of New Jersey does not apply if the reimbursement or
20 payment is made by the federal government or another state.

21 The bill takes effect 60 days after enactment.

SENATE STATE GOVERNMENT COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR **SENATE, No. 2335**

STATE OF NEW JERSEY

DATED: DECEMBER 5, 2005

The Senate State Government Committee reports favorably a Senate Committee Substitute for Senate, No. 2335.

The purpose of this committee substitute is to strengthen the ethics standards and requirements for the Executive Branch of State government.

Specifically, the substitute:

1) renames the Executive Commission on Ethical Standards to the State Ethics Commission;

2) clarifies the commission's status as in, but not of, the Department of Law and Public Safety;

3) changes, as of January 17, 2006, the membership of the commission to seven members, three from among State officers and employees and four from the public;

4) requires the commission to employ a full-time training officer and a full-time compliance officer;

5) permits the commission to impose a civil penalty of between \$500 to \$10,000 for violations of post-employment restrictions by certain former State officers and employees and special State officers and employees of State agencies in the Executive Branch;

6) provides the commission with jurisdiction over former officers and employees of the State;

7) requires an investigation of a violation committed during State service to be commenced within two years of the termination of service by an officer or employee;

8) provides the commission with authority to dismiss frivolous complaints;

9) permits the commission to order restitution, demotion, censure or reprimand for an ethics violation and imposes a civil penalty of \$50 per day for a failure to file a financial disclosure statement or form;

10) provides the commission with authority to promulgate regulations;

11) requires the commission to communicate with the State Auditor, State Inspector General, the State Commission of Investigation and the Office of Government Integrity in the Department of Law and Public Safety;

12) requires the commission director to meet with the members of the Governor's cabinet individually when appointed, and annually as a group, for an ethics briefing;

13) requires the commission to create a toll-free-telephone number for comments, complaints and questions, and makes information and questions received confidential;

14) requires financial disclosure statements to be made public on the Internet;

15) requires the commission to prepare and distribute a plain language ethics guide;

16) provides the commission with authority to enforce an Executive Order if the order so provides;

17) requires periodic training on ethics standards for State officers and employees and special State officers and employees in State agencies in the Executive Branch;

18) increases the fine for a violation of the ethics laws that is punishable as a disorderly persons offense from \$500 to \$1,000;

19) requires the commission to develop a uniform ethics code, which would be the primary code supplemented with individual State agency ethics codes;

20) provides that the travel reimbursement or payment limitation for travel outside of New Jersey does not apply if the reimbursement or payment is made by the federal government or an agency of another state;

21) moves the recently enacted "anti-nepotism" law to the Conflicts of Interest Law and adds a prohibition on a State officer or employee or a special State officer or employee of a State agency in the Executive Branch supervising, or exercising authority with regard to personnel actions over, a relative of the officer or employee;

22) makes the provisions of the Conflicts of Interest Law applicable to staff of a Governor-elect compensated with public funds and requires them to undergo ethics training and, if directed by the Governor-elect, to file financial disclosure statements and ethics compliance certifications;

23) prohibits the receipt of any gifts from governmental affairs agents by officers or employees in the Executive Branch; and

24) requires the State Treasurer to post on the Internet a business ethics guide prepared in accordance with Executive Order No.189 of 1988 and require those who seek to submit a bid, or negotiate, for a State contract to provide a certification that the guide has been read, understood and complied with.

This substitute is based in part on the "Report of the Special Ethics Counsel to the Governor of the State Of New Jersey: Ethics Reform Recommendations for the Executive Branch of New Jersey Government," issued March 14, 2005.

ASSEMBLY, No. 3977

STATE OF NEW JERSEY 211th LEGISLATURE

INTRODUCED MAY 2, 2005

Sponsored by:

Assemblyman CHRISTOPHER "KIP" BATEMAN

District 16 (Morris and Somerset)

Assemblyman LOUIS D. GREENWALD

District 6 (Camden)

Assemblyman ALFRED E. STEELE

District 35 (Bergen and Passaic)

Co-Sponsored by:

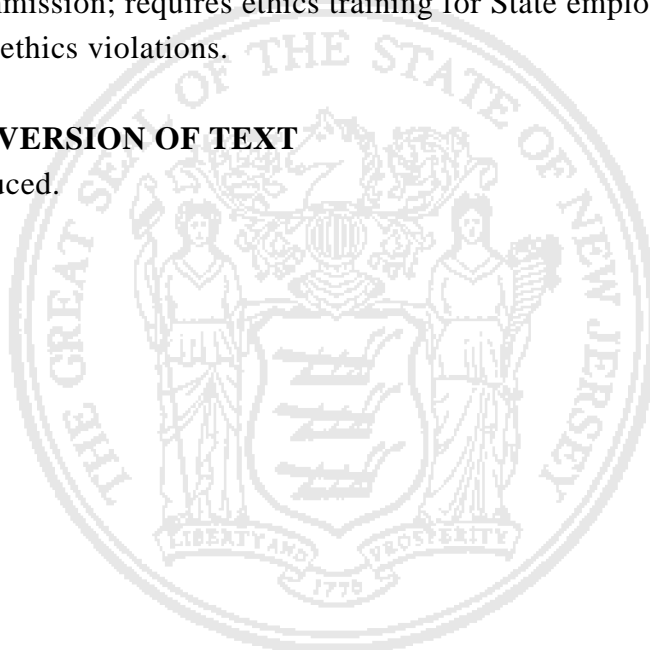
Assemblymen Azzolina and Connors

SYNOPSIS

Revises membership of Executive Commission on Ethical Standards; renames commission; requires ethics training for State employees; increases penalties for ethics violations.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 12/9/2005)

1 AN ACT concerning the Executive Commission on Ethical Standards,
2 amending various parts of the statutory law and supplementing
3 P.L.1971, c.182 (C.52:13D-12 et al.).

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

7
8 1. Section 10 of P.L.1971, c.182 (C.52:13D-21) is amended to
9 read as follows:

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

14 Upon the effective date of P.L. , c. (now pending before the
15 Legislature as this bill), the Executive Commission on Ethical
16 Standards shall be renamed, and thereafter referred to, as the State
17 Ethics Commission. For the purposes of complying with the
18 provisions of Article V, Section IV, paragraph 1 of the New Jersey
19 Constitution, the State Ethics Commission is allocated in, but not of,
20 the Department of Law and Public Safety, but notwithstanding that
21 allocation, the commission shall be independent of any supervision and
22 control by the department or by any board or officer thereof.

23 (b) [(1)] The commission shall be composed of [nine] seven
24 members as follows: [seven] three members appointed by the
25 Governor from among State officers and employees serving in the
26 Executive Branch; and [two] four public members appointed by the
27 Governor, not more than [one] two of whom shall be of the same
28 political party.

29 Each member appointed from the Executive Branch shall serve at
30 the pleasure of the Governor during the term of office of the Governor
31 appointing the member and until the member's successor is appointed
32 and qualified. The public members shall serve for terms of four years
33 and until the appointment and qualification of their successors, but of
34 the public members first appointed pursuant to P.L.2003, c.160, one
35 shall serve for a term of two years and one shall serve for a term of
36 four years, and of the two public members first appointed pursuant to
37 P.L. , c. (now pending before the Legislature as this bill), one
38 shall serve for a term of one year and one shall serve for a term of
39 three years. The Governor shall designate one public member to serve
40 as chairman and one member to serve as vice-chairman of the
41 commission.

42 [(2)] Commencing with the third Tuesday in January of the year in

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 which the Governor takes office, next following enactment of
2 P.L.2004, c.24, the commission shall be composed of eight members
3 as follows: four members appointed by the Governor from among
4 State officers and employees serving in the Executive Branch; and four
5 public members appointed by the Governor, not more than two of
6 whom shall be of the same political party.

7 Each member appointed from the Executive Branch shall serve at
8 the pleasure of the Governor during the term of office of the Governor
9 appointing the member and until the member's successor is appointed
10 and qualified. The public members shall serve for terms of four years.
11 The Governor shall designate one member to serve as chairman and
12 one member to serve as vice-chairman of the commission.】

13 The members of the 【Executive】 State Ethics Commission 【on
14 Ethical Standards】 who were appointed by the Governor from among
15 the State officers and employees serving in the Executive Branch
16 serving on the 【third Tuesday in January of the year in which the
17 Governor takes office, next following enactment of P.L.2004, c.24,】
18 effective date of P.L. , c. (now pending before the Legislature as
19 this bill) are terminated as of that day. A member terminated pursuant
20 to this paragraph shall be eligible for reappointment.

21 【(3)】 Vacancies in the membership of the commission shall be
22 filled in the same manner as the original appointments but, in the case
23 of public members, for the unexpired term only. None of the public
24 members shall be State officers or employees or special State officers
25 or employees, except by reason of their service on the commission. A
26 public member may be reappointed for subsequent terms on the
27 commission.

28 (c) Each member of the commission shall serve without
29 compensation but shall be entitled to be reimbursed for all actual and
30 necessary expenses incurred in the performance of the member's
31 duties.

32 (d) The Attorney General shall act as legal adviser and counsel to
33 the commission. The Attorney General shall upon request advise the
34 commission in the rendering of advisory opinions by the commission,
35 in the approval and review of codes of ethics adopted by State
36 agencies in the Executive Branch and in the recommendation of
37 revisions in codes of ethics or legislation relating to the conduct of
38 State officers and employees in the Executive Branch.

39 (e) (1) The commission may, within the limits of funds
40 appropriated or otherwise made available to it for the purpose, employ
41 such other professional, technical, clerical or other assistants,
42 excepting legal counsel, and incur such expenses as may be necessary
43 for the performance of its duties.

44 (2) The commission shall employ a training officer who shall be in
45 the unclassified service of the civil service of this State. The training
46 officer shall devote full-time to the creation, maintenance and

1 coordination of a training program on ethical standards. The program
2 shall be established for the purpose specified in section 2 of P.L. ,
3 c. (C.)(now pending before the Legislature as this bill). The
4 program shall be provided by the training officer or assistants or
5 deputies of such officer, or by such other persons as may be
6 designated by the commission. The commission shall approve the
7 form and content of the training program created by the training
8 officer and shall determine when and at what intervals State officers
9 and employees and special State officers and employees in a State
10 agency in the Executive Branch shall be required to complete such a
11 program.

12 (3) The commission shall employ a compliance officer who shall be
13 in the unclassified service of the civil service of this State. The
14 training officer shall devote full-time to the creation, maintenance,
15 monitoring and coordination of procedures to ensure that all State
16 officers and employees and special State officers and employees in
17 State agencies in the Executive Branch comply fully with all reporting
18 and training requirements and that all materials, forms, codes and
19 notices are distributed to and acknowledged by appropriate
20 individuals, as may be required. In addition, the compliance officer
21 shall conduct, on such regular basis as determined by the commission,
22 systematic audits of State agencies in the Executive Branch for
23 compliance with the laws, regulations, codes, procedures, advisory
24 opinions and rulings concerning the ethical standards for State
25 employees and officers and special State officers and employees.

26 (f) The commission, in order to perform its duties pursuant to the
27 provisions of P.L.1971, c.182 (C.52:13D-12 et al.), shall have the
28 power to conduct investigations, hold hearings, compel the attendance
29 of witnesses and the production before it of such books and papers as
30 it may deem necessary, proper and relevant to the matter under
31 investigation. The members of the commission and the persons
32 appointed by the commission for that purpose are hereby empowered
33 to administer oaths and examine witnesses under oath.

34 (g) The commission is authorized to render advisory opinions as to
35 whether a given set of facts and circumstances would, in its opinion,
36 constitute a violation of the provisions of P.L.1971, c.182
37 (C.52:13D-12 et al.) or of a code of ethics promulgated pursuant to
38 the provisions of P.L.1971, c.182 (C.52:13D-12 et al.).

39 (h) The commission shall have jurisdiction to initiate, receive, hear
40 and review complaints regarding violations, by any current or former
41 State officer or employee or current or former special State officer or
42 employee, in the Executive Branch, of the provisions of P.L.1971,
43 c.182 (C.52:13D-12 et al.) or of any code of ethics promulgated
44 pursuant to the provisions of P.L.1971, c.182 (C.52:13D-12 et al.).
45 Any complaint regarding a violation of a code of ethics may be
46 referred by the commission for disposition in accordance with

1 subsection (d) of section 12 of P.L.1971, c.182 (C.52:13D-23).

2 (i) Any current or former State officer or employee or current or
3 former special State officer or employee found guilty by the
4 commission of violating any provision of P.L.1971, c.182
5 (C.52:13D-12 et al.) or of a code of ethics promulgated pursuant to
6 the provisions of P.L.1971, c.182 (C.52:13D-12 et al.) shall be fined
7 not less than \$500 nor more than \$10,000, which penalty may be
8 collected in a summary proceeding pursuant to the "Penalty
9 Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.), and
10 may be suspended from office or employment by order of the
11 commission for a period of not in excess of one year. If the
12 commission finds that the conduct of the officer or employee
13 constitutes a willful and continuous disregard of the provisions of
14 P.L.1971, c.182 (C.52:13D-12 et al.) or of a code of ethics
15 promulgated pursuant to the provisions of P.L.1971, c.182
16 (C.52:13D-12 et al.), it may order that person removed from office or
17 employment and may further bar the person from holding any public
18 office or employment in this State in any capacity whatsoever for a
19 period of not exceeding five years from the date on which the person
20 was found guilty by the commission.

21 In addition, for violations occurring after the effective date of
22 P.L. , c. (now pending before the Legislature as this bill), the
23 commission may order restitution, demotion, censure or reprimand, or
24 for a failure to file an appropriate financial disclosure statement or
25 form, a civil penalty of \$25 for each day of the violation, which penalty
26 may be collected in a summary proceeding pursuant to the "Penalty
27 Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).

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

30 (k) The commission shall promulgate, pursuant to the
31 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.)
32 such rules and regulations as may be necessary to effectuate the
33 purposes of P.L.1971, c.182 (C.52:13D-12 et al.).

34 (cf: P.L.2004, c.25, s.1)

35

36 2. (New section) A State officer or employee or a special State
37 officer or employee in a State agency in the Executive Branch shall
38 complete a training program on ethical standards provided by the State
39 Ethics Commission at such times and intervals as the commission shall
40 require pursuant to subsection (e) of section 10 of P.L.1971, c.182
41 (C.52:13D-21). At a minimum, an officer or employee shall complete
42 annually, and acknowledge his or her completion of, a briefing on the
43 ethics standards applicable to such employee or officer pursuant to the
44 laws, regulations, codes, procedures, advisory opinions or rulings of
45 this State. The format and content of the program and briefing shall
46 be determined by the training officer of the State Ethics Commission

1 and approved by the commission as provided in subsection (e) of
2 section 10 of P.L.1971, c.182 (C.52:13D-21).

3
4 3. Section 6 of P.L.1971, c.182 (C.52:13D-17) is amended to read
5 as follows:

6 6. No State officer or employee or special State officer or
7 employee, subsequent to the termination of his office or employment
8 in any State agency, shall represent, appear for, negotiate on behalf of,
9 or provide information not generally available to members of the
10 public or services to, or agree to represent, appear for, negotiate on
11 behalf of, or provide information not generally available to members
12 of the public or services to, whether by himself or through any
13 partnership, firm or corporation in which he has an interest or through
14 any partner, officer or employee thereof, any person or party other
15 than the State in connection with any cause, proceeding, application
16 or other matter with respect to which such State officer or employee
17 or special State officer or employee shall have made any investigation,
18 rendered any ruling, given any opinion, or been otherwise substantially
19 and directly involved at any time during the course of his office or
20 employment. Any person who willfully violates the provisions of this
21 section is a disorderly person, and shall be subject to a fine not to
22 exceed [~~\$500.00~~] \$1,000, or imprisonment not to exceed six months,
23 or both.

24 In addition, for violations occurring after the effective date of
25 P.L. , c. (now pending before the Legislature as this bill), any
26 former State officer or employee or former special State officer or
27 employee of a State agency in the Executive Branch found by the State
28 Ethics Commission to have violated any of the provisions of this
29 section shall be assessed a civil penalty of not less than \$500 nor more
30 than \$10,000, which penalty may be collected in a summary
31 proceeding pursuant to the "Penalty Enforcement Law of 1999,"
32 P.L.1999, c.274 (C.2A:58-10 et seq.).

33 (cf: P.L.1987, c.432, s.4)

34
35 4. Section 4 of P.L.1981, c.142 (C.52:13D-17.2) is amended to
36 read as follows:

37 4. a. As used in this section "person" means any State officer or
38 employee subject to financial disclosure by law or executive order and
39 any other State officer or employee with responsibility for matters
40 affecting casino activity; any special State officer or employee with
41 responsibility for matters affecting casino activity; the Governor; any
42 member of the Legislature or any full-time member of the Judiciary;
43 any full-time professional employee of the Office of the Governor, or
44 the Legislature; members of the Casino Reinvestment Development
45 Authority; the head of a principal department; the assistant or deputy
46 heads of a principal department, including all assistant and deputy

1 commissioners; the head of any division of a principal department; any
2 member of the governing body, or the municipal judge or the
3 municipal attorney of a municipality wherein a casino is located; any
4 member of or attorney for the planning board or zoning board of
5 adjustment of a municipality wherein a casino is located, or any
6 professional planner, or consultant regularly employed or retained by
7 such planning board or zoning board of adjustment.

8 b. No State officer or employee, nor any person, nor any member
9 of the immediate family of any State officer or employee, or person,
10 nor any partnership, firm or corporation with which any such State
11 officer or employee or person is associated or in which he has an
12 interest, nor any partner, officer, director or employee while he is
13 associated with such partnership, firm, or corporation, shall hold,
14 directly or indirectly, an interest in, or hold employment with, or
15 represent, appear for, or negotiate on behalf of, any holder of, or
16 applicant for, a casino license, or any holding or intermediary company
17 with respect thereto, in connection with any cause, application, or
18 matter, except that (1) a State officer or employee other than a State
19 officer or employee included in the definition of person, and (2) a
20 member of the immediate family of a State officer or employee, or of
21 a person, may hold employment with the holder of, or applicant for, a
22 casino license if, in the judgment of the [Executive] State Ethics
23 Commission [on Ethical Standards], the Joint Legislative Committee
24 on Ethical Standards, or the Supreme Court, as appropriate, such
25 employment will not interfere with the responsibilities of the State
26 officer or employee, or person, and will not create a conflict of
27 interest, or reasonable risk of the public perception of a conflict of
28 interest, on the part of the State officer or employee, or person. No
29 special State officer or employee without responsibility for matters
30 affecting casino activity, excluding those serving in the Departments
31 of Education, Health and Senior Services, and Human Services and the
32 Commission on Higher Education, shall hold, directly or indirectly, an
33 interest in, or represent, appear for, or negotiate on behalf of, any
34 holder of, or applicant for, a casino license, or any holding or
35 intermediary company with respect thereto, in connection with any
36 cause, application, or matter. However, a special State officer or
37 employee without responsibility for matters affecting casino activity
38 may hold employment directly with any holder of or applicant for a
39 casino license or any holding or intermediary company thereof and if
40 so employed may hold, directly or indirectly, an interest in, or
41 represent, appear for, or negotiate on behalf of, his employer, except
42 as otherwise prohibited by law.

43 c. No person or any member of his immediate family, nor any
44 partnership, firm or corporation with which such person is associated
45 or in which he has an interest, nor any partner, officer, director or
46 employee while he is associated with such partnership, firm or

1 corporation, shall, within two years next subsequent to the termination
2 of the office or employment of such person, hold, directly or
3 indirectly, an interest in, or hold employment with, or represent,
4 appear for or negotiate on behalf of, any holder of, or applicant for, a
5 casino license in connection with any cause, application or matter, or
6 any holding or intermediary company with respect to such holder of,
7 or applicant for, a casino license in connection with any phase of
8 casino development, permitting, licensure or any other matter
9 whatsoever related to casino activity, except that:

10 (1) a member of the immediate family of a person may hold
11 employment with the holder of, or applicant for, a casino license if, in
12 the judgment of the [Executive] State Ethics Commission [on Ethical
13 Standards], the Joint Legislative Committee on Ethical Standards, or
14 the Supreme Court, as appropriate, such employment will not interfere
15 with the responsibilities of the person and will not create a conflict of
16 interest, or reasonable risk of the public perception of a conflict of
17 interest, on the part of the person;

18 (2) an employee who is terminated as a result of a reduction in the
19 workforce at the agency where employed, other than an employee who
20 held a policy-making management position at any time during the five
21 years prior to termination of employment, may, at any time prior to the
22 end of the two-year period, accept employment with the holder of, or
23 applicant for, a casino license if, in the judgment of the [Executive]
24 State Ethics Commission [on Ethical Standards], the Joint Legislative
25 Committee on Ethical Standards, or the Supreme Court, as
26 appropriate, such employment will not create a conflict of interest, or
27 reasonable risk of the public perception of a conflict of interest, on the
28 part of the employee. In no case shall the restrictions of this subsection
29 apply to a secretarial or clerical employee. Nothing herein contained
30 shall alter or amend the post-employment restrictions applicable to
31 members and employees of the Casino Control Commission and
32 employees and agents of the Division of Gaming Enforcement
33 pursuant to subsection b. (2) of section 59 and to section 60 of
34 P.L.1977, c.110 (C.5:12-59 and C.5:12-60); and

35 (3) any partnership, firm or corporation engaged in the practice of
36 law with which a former member of the Judiciary is associated, and
37 any partner, officer, director or employee thereof, other than the
38 former member, may represent, appear for or negotiate on behalf of
39 any holder of, or applicant for, a casino license in connection with any
40 cause, application or matter or any holding company or intermediary
41 company with respect to such holder of, or applicant for, a casino
42 license in connection with any phase of casino development,
43 permitting, licensure or any other matter whatsoever related to casino
44 activity, and the former member shall not be barred from association
45 with such partnership, firm or corporation, if the former member: (1)
46 is screened, for a period of two years next subsequent to the

1 termination of the former member's employment, from personal
2 participation in any such representation, appearance or negotiation;
3 and (2) the former member is associated with the partnership, firm or
4 corporation in a position considered "of counsel," which does not
5 entail any equity interest in the partnership, firm or corporation.

6 d. This section shall not apply to the spouse of a State officer or
7 employee, which State officer or employee is without responsibility for
8 matters affecting casino activity, who becomes the spouse subsequent
9 to the State officer's or employee's appointment or employment as a
10 State officer or employee and who is not individually or directly
11 employed by a holder of, or applicant for, a casino license, or any
12 holding or intermediary company.

13 e. The Joint Legislative Committee on Ethical Standards and the
14 ~~Executive~~ State Ethics Commission ~~on Ethical Standards~~, as
15 appropriate, shall forthwith determine and publish, and periodically
16 update, a list of those positions in State government with responsibility
17 for matters affecting casino activity.

18 f. No person shall solicit or accept, directly or indirectly, any
19 complimentary service or discount from any casino applicant or
20 licensee which he knows or has reason to know is other than a service
21 or discount that is offered to members of the general public in like
22 circumstance.

23 g. No person shall influence, or attempt to influence, by use of his
24 official authority, the decision of the commission or the investigation
25 of the division in any application for licensure or in any proceeding to
26 enforce the provisions of this act or the regulations of the commission.
27 Any such attempt shall be promptly reported to the Attorney General;
28 provided, however, that nothing in this section shall be deemed to
29 proscribe a request for information by any person concerning the
30 status of any application for licensure or any proceeding to enforce the
31 provisions of this act or the regulations of the commission.

32 h. Any person who willfully violates the provisions of this section
33 is a disorderly person and shall be subject to a fine not to exceed
34 ~~[\$500.00]~~ \$1,000, or imprisonment not to exceed six months, or both.

35 In addition, for violations of subsection c. of this section occurring
36 after the effective date of P.L. _____, c. _____ (now pending before the
37 Legislature as this bill), a civil penalty of not less than \$500 nor more
38 than \$10,000 shall be imposed upon a former State officer or employee
39 or former special State officer or employee of a State agency in the
40 Executive Branch upon a finding of a violation by the State Ethics
41 Commission, which penalty may be collected in a summary proceeding
42 pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274
43 (C.2A:58-10 et seq.).

44 (cf: P.L.2001, c.75, s.1)

45

46 5. Section 58 of P.L.1977, c.110 (C.5:12-58) is amended to read

1 as follows:

2 58. Restrictions on Pre-Employment by Commissioners,
3 Commission Employees and Division Employees and Agents.

4 a. Deleted by amendment.

5 b. No person shall be appointed to or employed by the commission
6 or division if, during the period commencing three years prior to
7 appointment or employment, said person held any direct or indirect
8 interest in, or any employment by, any person which is licensed as a
9 casino licensee pursuant to section 87 of P.L.1977, c.110 (C.5:12-87)
10 or as a casino service industry pursuant to subsection a. of section 92
11 of P.L.1977, c.110 (C.5:12-92) or has an application for such a license
12 pending before the commission; provided, however, that
13 notwithstanding any other provision of this act to the contrary, any
14 such person may be appointed to or employed by the commission or
15 division if his interest in any such casino licensee or casino service
16 industry which is publicly traded would not, in the opinion of the
17 employing agency, interfere with the objective discharge of such
18 person's employment obligations, but in no instance shall any person
19 be appointed to or employed by the commission or division if his
20 interest in such a casino licensee or casino service industry which is
21 publicly traded constituted a controlling interest in that casino licensee
22 or casino service industry; and provided further, however, that
23 notwithstanding any other provision of this act to the contrary, any
24 such person may be employed by the commission or division in a
25 secretarial or clerical position if, in the opinion of the employing
26 agency, his previous employment by, or interest in, any such casino
27 licensee or casino service industry would not interfere with the
28 objective discharge of such person's employment obligations.

29 c. Prior to appointment or employment, each member of the
30 commission, each employee of the commission, the director of the
31 Division of Gaming Enforcement and each employee and agent of the
32 division shall swear or affirm that he possesses no interest in any
33 business or organization licensed by or registered with the
34 commission.

35 d. Each member of the commission and the director of the division
36 shall file with the **[Executive] State Ethics Commission [on Ethical
37 Standards]** a financial disclosure statement listing all assets and
38 liabilities, property and business interests, and sources of income of
39 said member or director and his spouse and shall provide to the
40 **[Executive] State Ethics Commission [on Ethical Standards]** a
41 financial disclosure statement listing all assets and liabilities, property
42 and business interests, and sources of income of the parents, brothers,
43 sisters, and children of said member or director. Such statement shall
44 be under oath and shall be filed at the time of appointment and
45 annually thereafter.

46 e. Each employee of the commission, except for secretarial and

1 clerical personnel, and each employee and agent of the division, except
2 for secretarial and clerical personnel, shall file with the [Executive]
3 State Ethics Commission [on Ethical Standards] a financial disclosure
4 statement listing all assets and liabilities, property and business
5 interests, and sources of income of said employee or agent and his
6 spouse. Such statement shall be under oath and shall be filed at the
7 time of employment and annually thereafter.

8 (cf: P.L.1991, c.182, s.12)

9

10 6. Section 59 of P.L.1977, c.110 (C.5:12-59) is amended to read
11 as follows:

12 59. Employment Restrictions on Commissioners, Commission
13 Employees and Division Employees.

14 a. The "New Jersey Conflicts of Interest Law," P.L.1971, c.182,
15 (C.52:13D-12 et seq.) shall apply to members of the commission and
16 to all employees of the commission and the division, except as herein
17 specifically provided.

18 b. The commission shall, no later than January 1, 1981, promulgate
19 a Code of Ethics that is modeled upon the Code of Judicial Conduct
20 of the American Bar Association, as amended and adopted by the
21 Supreme Court of New Jersey. This Code of Ethics shall include, but
22 not be limited to, provisions that address the propriety of relationships
23 and dealings between the commission and its staff, and licensees and
24 applicants for licensure under this act.

25 c. The division shall promulgate a Code of Ethics governing its
26 specific needs.

27 d. The Codes of Ethics promulgated by the commission and the
28 division shall not be in conflict with the laws of this State, except,
29 however, that said Codes of Ethics may be more restrictive than any
30 law of this State.

31 e. The Codes of Ethics promulgated by the commission and the
32 division shall be submitted to the [Executive] State Ethics
33 Commission [on Ethical Standards] for approval. The Codes of
34 Ethics shall include, but not be limited to provisions that:

35 (1) No commission member or employee or division employee or
36 agent shall be permitted to gamble in any establishment licensed by the
37 commission except in the course of his duties.

38 (2) No commission member or employee or division employee or
39 agent shall solicit or accept employment from any person licensed by
40 or registered with the commission or from any applicant for a period
41 of four years after termination of service with the commission or
42 division, except as otherwise provided in section 60 of this act.

43 (3) No commission member or employee or any division employee
44 or agent shall act in his official capacity in any matter wherein he or his
45 spouse, child, parent or sibling has a direct or indirect personal
46 financial interest that might reasonably be expected to impair his

1 objectivity or independence of judgment.

2 (4) No commission employee or any division employee or agent
3 shall act in his official capacity in a matter concerning an applicant for
4 licensure or a licensee who is the employer of a spouse, child, parent
5 or sibling of said commission or division employee or agent when the
6 fact of the employment of such spouse, child, parent or sibling might
7 reasonably be expected to impair the objectivity and independence of
8 judgment of said commission employee or division employee or agent.

9 (5) No spouse, child, parent or sibling of a commission member
10 shall be employed in any capacity by an applicant for a casino license
11 or a casino licensee nor by any holding, intermediary or subsidiary
12 company thereof.

13 (6) No commission member shall meet with any person, except for
14 any other member of the commission or employee of the commission,
15 or discuss any issues involving any pending or proposed application or
16 any matter whatsoever which may reasonably be expected to come
17 before the commission, or any member thereof, for determination
18 unless the meeting or discussion takes place on the business premises
19 of the commission, provided, however, that commission members may
20 meet to consider matters requiring the physical inspection of
21 equipment or premises at the location of the equipment or premises.
22 All meetings or discussions subject to this paragraph shall be noted in
23 a log maintained for this purpose and available for inspection pursuant
24 to the provisions of P.L.1963, c.73 (C.47:1A-1 et seq.).

25 f. No commission member or employee or division employee or
26 agent shall have any interest, direct or indirect, in any applicant or in
27 any person licensed by or registered with the commission during his
28 term of office or employment.

29 g. Each commission member and employee of the commission,
30 including legal counsel, and each employee and agent of the division
31 shall devote his entire time and attention to his duties and shall not
32 pursue any other business or occupation or other gainful employment;
33 provided, however, that secretarial and clerical personnel may engage
34 in such other gainful employment as shall not interfere with their duties
35 to the commission or division, unless otherwise directed; and provided
36 further, however, that other employees of the commission and division
37 and agents of the division may engage in such other gainful
38 employment as shall not interfere or be in conflict with their duties to
39 the commission or division, upon approval by the commission or the
40 director of the division, as the case may be.

41 h. No member of the commission, employee of the commission, or
42 employee or agent of the division shall:

43 (1) Use his official authority or influence for the purpose of
44 interfering with or affecting the result of an election or a nomination
45 for office;

1 (2) Directly or indirectly coerce, attempt to coerce, command or
2 advise any person to pay, lend or contribute anything of value to a
3 party, committee, organization, agency or person for political
4 purposes; or

5 (3) Take any active part in political campaigns or the management
6 thereof; provided, however, that nothing herein shall prohibit a person
7 from voting as he chooses or from expressing his personal opinions on
8 political subjects and candidates.

9 i. For the purpose of applying the provisions of the "New Jersey
10 Conflicts of Interest Law," any consultant or other person under
11 contract for services to the commission and the division shall be
12 deemed to be a special State employee, except that the restrictions of
13 section 4 of P.L.1981, c.142 (C.52:13D-17.2) shall not apply to such
14 person. Such person and any corporation, firm or partnership in which
15 he has an interest or by which he is employed shall not represent any
16 person or party other than the commission or the division before the
17 commission.

18 (cf: P.L.1995, c.18, s.12)

19
20 7. Section 60 of P.L.1977, c.110 (C.5:12-60) is amended to read
21 as follows:

22 60. Post-employment restrictions.

23 a. No member of the commission shall hold any direct or indirect
24 interest in, or be employed by, any applicant or by any person licensed
25 by or registered with the commission for a period of 4 years
26 commencing on the date his membership on the commission
27 terminates.

28 b. (1) No employee of the commission or employee or agent of the
29 division may acquire any direct or indirect interest in, or accept
30 employment with, any applicant or any person licensed by or registered
31 with the commission, for a period of two years commencing at the
32 termination of employment with the commission or division, except
33 that a secretarial or clerical employee of the commission or the
34 division may accept such employment at any time after the termination
35 of employment with the commission or division. At the end of two
36 years and for a period of two years thereafter, a former employee or
37 agent who held a policy-making management position at any time
38 during the five years prior to termination of employment may acquire
39 an interest in, or accept employment with, any applicant or person
40 licensed by or registered with the commission upon application to and
41 the approval of the commission upon a finding that the interest to be
42 acquired or the employment will not create the appearance of a
43 conflict of interest and does not evidence a conflict of interest in fact.

44 (2) Notwithstanding the provisions of this subsection, if the
45 employment of a commission employee or a division employee or
46 agent, other than an employee or agent who held a policy-making

1 management position at any time during the five years prior to
2 termination of employment, is terminated as a result of a reduction in
3 the workforce at the commission or division, the employee or agent
4 may, at any time prior to the end of the two-year period, accept
5 employment with any applicant or person licensed by or registered
6 with the commission upon application to and the approval of the
7 commission upon a finding that the employment will not create the
8 appearance of a conflict of interest and does not evidence a conflict of
9 interest in fact. The decision of the commission shall be final, and the
10 employee or agent shall not be subject to a determination by the
11 **[Executive] State Ethics Commission [on Ethical Standards]** under
12 section 4 of P.L.1981, c.142 (C.52:13D-17.2).

13 c. No commission member or person employed by the commission
14 or division shall represent any person or party other than the State
15 before or against the commission for a period of two years from the
16 termination of his office or employment with the commission or
17 division.

18 d. No partnership, firm or corporation in which a former
19 commission member or employee or former division employee or agent
20 has an interest, nor any partner, officer or employee of any such
21 partnership, firm or corporation shall make any appearance or
22 representation which is prohibited to said former member, employee,
23 or agent; provided, however, that nothing herein shall prohibit such
24 partnership, firm or corporation from making such appearance or
25 representation on behalf of a casino service industry licensed under
26 subsection c. of section 92 of P.L.1977, c.110 (C.5:12-92).

27 e. Notwithstanding any post-employment restriction imposed by
28 this section, nothing herein shall prohibit a former commission member
29 or employee or former division employee or agent, at any time after
30 termination of such membership or employment, from acquiring an
31 interest in, or soliciting or obtaining employment with, any person
32 licensed as a casino service industry under subsection c. of section 92
33 of this act or any applicant for such licensure.

34 (cf: P.L.1995, c.18, s.13)

35

36 8. Section 62 of P.L.1977, c.110 (C.5:12-62) is amended to read
37 as follows:

38 62. Enforcement

39 a. The **[Executive] State Ethics Commission [on Ethical**
40 **Standards]**, established pursuant to the "New Jersey Conflicts of
41 Interest Law" (P.L.1971, c.182; C.52:13D-12 et seq.) shall enforce the
42 provisions of sections 58, 59, and 60 of this act.

43 b. Penalties for violation of sections 58, 59, and 60 shall be those
44 set forth in P.L.1971, c.182 (C.52:13D-12 et seq.).

45 In addition, for violations of section 60 occurring after the effective
46 date of P.L. , c. (now pending before the Legislature as this bill).

1 the commission shall impose a civil penalty of not less than \$500 nor
2 more than \$10,000, which penalty may be collected in a summary
3 proceeding pursuant to the "Penalty Enforcement Law of 1999,"
4 P.L.1999, c.274 (C.2A:58-10 et seq.).

5 (cf: P.L.1977, c.110, s.62)

6
7 9. Section 8 of P.L.1971, c.182 (C.52:13D-19) is amended to
8 read as follows:

9 8. a. No member of the Legislature or State officer or employee
10 shall knowingly himself, or by his partners or through any corporation
11 which he controls or in which he owns or controls more than 1% of
12 the stock, or by any other person for his use or benefit or on his
13 account, undertake or execute, in whole or in part, any contract,
14 agreement, sale or purchase of the value of \$25.00 or more, made,
15 entered into, awarded or granted by any State agency, except as
16 provided in subsection b. of this section. No special State officer or
17 employee having any duties or responsibilities in connection with the
18 purchase or acquisition of property or services by the State agency
19 where he is employed or an officer shall knowingly himself, by his
20 partners or through any corporation which he controls or in which he
21 owns or controls more than 1% of the stock, or by any other person
22 for his use or benefit or on his account, undertake or execute, in whole
23 or in part, any contract, agreement, sale or purchase of the value of
24 \$25.00 or more, made, entered into, awarded or granted by that State
25 agency, except as provided in subsection b. of this section. The
26 restriction contained in this subsection shall apply to the contracts of
27 interstate agencies to the extent consistent with law only if the
28 contract, agreement, sale or purchase is undertaken or executed by a
29 New Jersey member to that agency or by his partners or a corporation
30 in which he owns or controls more than 1% of the stock.

31 b. The provisions of subsection a. of this section shall not apply to
32 (a) purchases, contracts, agreements or sales which (1) are made or let
33 after public notice and competitive bidding or which (2), pursuant to
34 section 5 of chapter 48 of the laws of 1944 (C. 52:34-10) or such
35 other similar provisions contained in the public bidding laws or
36 regulations applicable to other State agencies, may be made,
37 negotiated or awarded without public advertising for bids, or (b) any
38 contract of insurance entered into by the Director of the Division of
39 Purchase and Property pursuant to section 10 of article 6 of chapter
40 112 of the laws of 1944 (C. 52:27B-62), if such purchases, contracts
41 or agreements, including change orders and amendments thereto, shall
42 receive prior approval of the Joint Legislative Committee on Ethical
43 Standards if a member of the Legislature or State officer or employee
44 or special State officer or employee in the Legislative Branch has an
45 interest therein, or the [Executive] State Ethics Commission [on
46 Ethical Standards] if a State officer or employee or special State

1 officer or employee in the Executive Branch has an interest therein.
2 (cf: P.L.1987, c.432, s.5)

3
4 10. Section 12 of P.L.1971, c.182 (C.52:13D-23) is amended to
5 read as follows:

6 12. (a) The head of each State agency, or the principal officer in
7 charge of a division, board, bureau, commission or other
8 instrumentality within a department of State Government designated
9 by the head of such department for the purposes hereinafter set forth,
10 shall within six months from the date of enactment, promulgate a code
11 of ethics to govern and guide the conduct of the members of the
12 Legislature, the State officers and employees or the special State
13 officers and employees in the agency to which said code is applicable.
14 Such code shall conform to the general standards hereinafter set forth
15 in this section, but it shall be formulated with respect to the particular
16 needs and problems of the agency to which said code is to apply.
17 Notwithstanding any other provisions of this section, the New Jersey
18 members to any interstate agency to which New Jersey is a party and
19 the officers and employees of any State agency which fails to
20 promulgate a code of ethics shall be deemed to be subject to a code of
21 ethics the provisions of which shall be paragraphs (1) through (6) of
22 subsection (e) of this section.

23 (b) A code of ethics formulated pursuant to this section to govern
24 and guide the conduct of the State officers and employees or the
25 special State officers and employees in any State agency in the
26 Executive Branch, or any portion of such a code, shall not be effective
27 unless it has first been approved by the **[Executive] State Ethics**
28 **Commission [on Ethical Standards]**. When a proposed code is
29 submitted to the said commission it shall be accompanied by an
30 opinion of the Attorney General as to its compliance with the
31 provisions of this act and any other applicable provision of law.
32 Nothing contained herein shall prevent officers of State agencies in the
33 Executive Branch from consulting with the Attorney General or with
34 the **[Executive] State Ethics Commission [on Ethical Standards]** at
35 any time in connection with the preparation or revision of such codes
36 of ethics.

37 (c) A code of ethics formulated pursuant to this section to govern
38 and guide the conduct of the members of the Legislature, State officers
39 and employees or special State officers and employees in any State
40 agency in the Legislative Branch, or any portion of such code, shall
41 not be effective unless it has first been approved by the Legislature by
42 concurrent resolution. When a proposed code is submitted to the
43 Legislature for approval it shall be accompanied by an opinion of the
44 chief counsel as to its compliance with the provisions of this act and
45 any other applicable provisions of law. Nothing contained herein shall
46 prevent officers of State agencies in the Legislative Branch from

1 consulting with the Chief Legislative Counsel or the Joint Legislative
2 Committee on Ethical Standards at any time in connection with the
3 preparation or revision of such codes of ethics.

4 (d) Violations of a code of ethics promulgated pursuant to this
5 section shall be cause for removal, suspension, demotion or other
6 disciplinary action by the State officer or agency having the power of
7 removal or discipline. When a person who is in the classified civil
8 service is charged with a violation of such a code of ethics, the
9 procedure leading to such removal or discipline shall be governed by
10 any applicable provisions of the Civil Service [Law] Act, N.J.S.
11 11A:1-1 et seq., and the Rules of the Department of [Civil Service]
12 Personnel. No action for removal or discipline shall be taken under this
13 subsection except upon the referral or with the approval of the
14 [Executive] State Ethics Commission [on Ethical Standards] or the
15 Joint Legislative Committee on Ethical Standards, whichever is
16 authorized to exercise jurisdiction with respect to the complaint upon
17 which such action for removal or discipline is to be taken.

18 (e) A code of ethics for officers and employees of a State agency
19 shall conform to the following general standards:

20 (1) No State officer or employee or special State officer or
21 employee should have any interest, financial or otherwise, direct or
22 indirect, or engage in any business or transaction or professional
23 activity, which is in substantial conflict with the proper discharge of
24 his duties in the public interest.

25 (2) No State officer or employee or special State officer or
26 employee should engage in any particular business, profession, trade
27 or occupation which is subject to licensing or regulation by a specific
28 agency of State Government without promptly filing notice of such
29 activity with the [Executive] State Ethics Commission [on Ethical
30 Standards], if he is an officer or employee in the Executive Branch, or
31 with the Joint Legislative Committee on Ethical Standards, if he is an
32 officer or employee in the Legislative Branch.

33 (3) No State officer or employee or special State officer or
34 employee should use or attempt to use his official position to secure
35 unwarranted privileges or advantages for himself or others.

36 (4) No State officer or employee or special State officer or
37 employee should act in his official capacity in any matter wherein he
38 has a direct or indirect personal financial interest that might reasonably
39 be expected to impair his objectivity or independence of judgment.

40 (5) No State officer or employee or special State officer or
41 employee should undertake any employment or service, whether
42 compensated or not, which might reasonably be expected to impair his
43 objectivity and independence of judgment in the exercise of his official
44 duties.

45 (6) No State officer or employee or special State officer or
46 employee should accept any gift, favor, service or other thing of value

1 under circumstances from which it might be reasonably inferred that
2 such gift, service or other thing of value was given or offered for the
3 purpose of influencing him in the discharge of his official duties.

4 (7) No State officer or employee or special State officer or
5 employee should knowingly act in any way that might reasonably be
6 expected to create an impression or suspicion among the public having
7 knowledge of his acts that he may be engaged in conduct violative of
8 his trust as a State officer or employee or special State officer or
9 employee.

10 (8) Rules of conduct adopted pursuant to these principles should
11 recognize that under our democratic form of government public
12 officials and employees should be drawn from all of our society, that
13 citizens who serve in government cannot and should not be expected
14 to be without any personal interest in the decisions and policies of
15 government; that citizens who are government officials and employees
16 have a right to private interests of a personal, financial and economic
17 nature; that standards of conduct should separate those conflicts of
18 interest which are unavoidable in a free society from those conflicts of
19 interest which are substantial and material, or which bring government
20 into disrepute.

21 (f) The code of ethics for members of the Legislature shall conform
22 to subsection (e) hereof as nearly as may be possible.

23 (cf: P.L.1987, c.432, s.6)

24

25 11. Section 13 of P.L.1971, c.182 (C.52:13D-24) is amended to
26 read as follows:

27 13. a. No State officer or employee, special State officer or
28 employee, or member of the Legislature shall solicit, receive or agree
29 to receive, whether directly or indirectly, any compensation, reward,
30 employment, gift, honorarium, out-of-State travel or subsistence
31 expense or other thing of value from any source other than the State
32 of New Jersey, for any service, advice, assistance, appearance, speech
33 or other matter related to the officer, employee, or member's official
34 duties, except as authorized in this section.

35 b. A State officer or employee, special State officer or employee,
36 or member of the Legislature may, in connection with any service,
37 advice, assistance, appearance, speech or other matter related to the
38 officer, employee, or member's official duties, solicit, receive or agree
39 to receive, whether directly or indirectly, from sources other than the
40 State, the following:

41 (1) reasonable fees for published books on matters within the
42 officer, employee, or member's official duties;

43 (2) reimbursement or payment of actual and reasonable
44 expenditures for travel or subsistence and allowable entertainment
45 expenses associated with attending an event in New Jersey if
46 expenditures for travel or subsistence and entertainment expenses are

1 not paid for by the State of New Jersey;

2 (3) reimbursement or payment of actual and reasonable
3 expenditures for travel or subsistence outside New Jersey, not to
4 exceed \$500.00 per trip, if expenditures for travel or subsistence and
5 entertainment expenses are not paid for by the State of New Jersey.
6 The \$500 per trip limitation shall not apply if the reimbursement or
7 payment is made by (a) a nonprofit organization of which the officer,
8 employee, or member is, at the time of reimbursement or payment, an
9 active member as a result of the payment of a fee or charge for
10 membership to the organization by the State or the Legislature in the
11 case of a member of the Legislature; [or] (b) a nonprofit organization
12 that does not contract with the State to provide goods, materials,
13 equipment, or services; or (c) any agency of the federal government,
14 any agency of another state or of two or more states, or any political
15 subdivision of another state.

16 Members of the Legislature shall obtain the approval of the
17 presiding officer of the member's House before accepting any
18 reimbursement or payment of expenditures for travel or subsistence
19 outside New Jersey.

20 As used in this subsection, "reasonable expenditures for travel or
21 subsistence" means commercial travel rates directly to and from an
22 event and food and lodging expenses which are moderate and neither
23 elaborate nor excessive; and "allowable entertainment expenses" means
24 the costs for a guest speaker, incidental music and other ancillary
25 entertainment at any meal at an event, provided they are moderate and
26 not elaborate or excessive, but does not include the costs of personal
27 recreation, such as being a spectator at or engaging in a sporting or
28 athletic activity which may occur as part of that event.

29 c. This section shall not apply to the solicitation or acceptance of
30 contributions to the campaign of an announced candidate for elective
31 public office, except that campaign contributions may not be accepted
32 if they are known to be given in lieu of a payment prohibited pursuant
33 to this section.

34 d. (1) Notwithstanding any other provision of law, a designated
35 State officer as defined in paragraph (2) of this subsection shall not
36 solicit, receive or agree to receive, whether directly or indirectly, any
37 compensation, salary, honorarium, fee, or other form of income from
38 any source, other than the compensation paid or reimbursed to him or
39 her by the State for the performance of official duties, for any service,
40 advice, assistance, appearance, speech or other matter, except for
41 investment income from stocks, mutual funds, bonds, bank accounts,
42 notes, a beneficial interest in a trust, financial compensation received
43 as a result of prior employment or contractual relationships, and
44 income from the disposition or rental of real property, or any other
45 similar financial instrument and except for reimbursement for travel as
46 authorized in subsections (2) and (3) of paragraph b. of this section.

1 To receive such income, a designated State officer shall first seek
2 review and approval by the [Executive] State Ethics Commission [on
3 Ethical Standards] to ensure that the receipt of such income does not
4 violate the "New Jersey Conflicts of Interest Law," P.L.1971, c.182
5 (C.52:13D-12 et seq.) or any applicable code of ethics, and does not
6 undermine the full and diligent performance of the designated State
7 officer's duties.

8 (2) For the purposes of this subsection, "designated State officer"
9 shall include: the Governor, the Adjutant General, the Secretary of
10 Agriculture, the Attorney General, the Commissioner of Banking and
11 Insurance, the Secretary and Chief Executive Officer of the Commerce
12 and Economic Growth Commission, the Commissioner of Community
13 Affairs, the Commissioner of Corrections, the Commissioner of
14 Education, the Commissioner of Environmental Protection, the
15 Commissioner of Health and Senior Services, the Commissioner of
16 Human Services, the Commissioner of Labor, the Commissioner of
17 Personnel, the President of the State Board of Public Utilities, the
18 Secretary of State, the Superintendent of State Police, the
19 Commissioner of Transportation, the State Treasurer, the head of any
20 other department in the Executive Branch, and the following members
21 of the staff of the Office of the Governor: Chief of Staff, Chief of
22 Management and Operations, Chief of Policy and Communications,
23 Chief Counsel to the Governor, Director of Communications, Policy
24 Counselor to the Governor, and any deputy or principal administrative
25 assistant to any of the aforementioned members of the staff of the
26 Office of the Governor listed in this subsection.

27 e. A violation of this section shall not constitute a crime or offense
28 under the laws of this State.

29 (cf: P.L.2003, c.255, s.1)

30

31 12. Section 11 of P.L.1996, c.24 (C.52:13H-11) is amended to
32 read as follows:

33 11. The members and employees of the council shall be subject to
34 the provisions of the "New Jersey Conflicts of Interest Law,"
35 P.L.1971, c.182 (C.52:13D-12 et seq.), except that in addition to the
36 requirements of that act, a member of the council, while serving on the
37 council, shall not hold any other State or local office or employment
38 or hold any State or local elective public office and shall not, for a
39 period of two years thereafter, hold any State or local elective public
40 office or hold any office or employment with a county, municipality or
41 school district which filed a complaint with the council, or with a State
42 agency that promulgated a rule or regulation which was the subject of
43 a complaint filed with the council, while the member served on the
44 council. The council shall adopt a code of ethics to govern the
45 conduct of its members and employees. The [Executive] State Ethics
46 Commission [on Ethical Standards] shall have jurisdiction to consider

1 complaints regarding violations of P.L.1971, c.182 (C.52:13D-12 et
2 seq.) or of the code of ethics or of this section by any member or
3 employee of the council and for a violation of the restriction on
4 holding office or employment after serving on the council occurring
5 after the effective date of P.L. , c. (now pending before the
6 Legislature as this bill), the commission shall impose a civil penalty of
7 not less than \$500 nor more than \$10,000, which penalty may be
8 collected in a summary proceeding pursuant to the "Penalty
9 Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).

10 Nothing contained in this section shall be construed as prohibiting
11 a member of the council from serving as a member of a study
12 commission or similar advisory body for which service no
13 compensation is authorized or provided by law other than
14 reimbursement of expenses.

15 (cf: P.L.1999, c.65, s.2)

16

17 13. This act shall take effect on the 60th day following enactment.

18

19

20

STATEMENT

21

22 This bill makes several changes concerning the enforcement of the
23 ethical standards applicable to State officers and employees in the
24 Executive Branch of State government.

25 The bill changes the membership of the Executive Commission on
26 Ethical Standards from nine members, consisting of seven State
27 officers and employees and two members of the public, to a
28 membership of seven consisting of three State officers and employees
29 and four members of the public. The bill renames the commission; the
30 commission's new name will be the State Ethics Commission. The
31 independent status of the State Ethics Commission is also clarified.

32 The bill requires the commission to employ a full-time training
33 officer and a full-time compliance officer, who shall be in the
34 unclassified service of the civil service. The training officer will
35 develop and oversee a training program on ethical standards which all
36 State officers and employees and special State officers and employees
37 in State agencies in the Executive Branch will be required to complete.
38 The commission will determine the times and intervals for completion
39 of the training program, but, at a minimum, each officer and employee
40 will be required to complete annually an ethics briefing.

41 The compliance officer will develop and oversee procedures for
42 ensuring that all officers and employees comply fully with financial
43 disclosure and training requirements and that all required information
44 is distributed to, with receipt acknowledged by, such officers and
45 employees. Also, the compliance officer will perform audits of State
46 agencies to ensure compliance with ethics standards and procedures,

1 at such regular intervals as the commission will determine.

2 The bill provides that the commission may order restitution,
3 demotion, censure or reprimand for an ethics violation and imposes a
4 civil penalty of \$25 per day for a violation that involves a failure to file
5 a financial disclosure statement or form. In addition, the bill provides
6 that the commission may impose a civil penalty of between \$500 to
7 \$10,000 for violations of post-employment restrictions by certain
8 former State officers and employees and special State officers and
9 employees of State agencies in the Executive Branch.

10 The bill increases the fines for violations of the ethics laws that are
11 punishable as a disorderly persons offense from \$500 to \$1,000, in
12 order to be consistent with the penalties for disorderly persons
13 offenses under the criminal code.

14 In addition, the bill provides that: the commission has jurisdiction
15 over, and may impose penalties upon, former State officers or
16 employees and former special State officers and employees in the
17 Executive Branch for violations that occurred during State service and
18 for post-employment violations; the commission has rulemaking
19 authority; and the travel reimbursement or payment limitation for
20 travel outside of New Jersey does not apply if the reimbursement or
21 payment is made by the federal government or another state.

22 The bill takes effect 60 days after enactment.

ASSEMBLY STATE GOVERNMENT COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR ASSEMBLY, No. 3977

STATE OF NEW JERSEY

DATED: DECEMBER 8, 2005

The Assembly State Government Committee reports favorably an Assembly Committee Substitute for Assembly, No. 3977.

The purpose of this committee substitute is to strengthen the ethics standards and requirements for the Executive Branch of State government.

Specifically, the substitute:

1) renames the Executive Commission on Ethical Standards to the State Ethics Commission;

2) clarifies the commission's status as in, but not of, the Department of Law and Public Safety;

3) changes, as of January 17, 2006, the membership of the commission to seven members, three from among State officers and employees and four from the public;

4) requires the commission to employ a full-time training officer and a full-time compliance officer;

5) permits the commission to impose a civil penalty of between \$500 to \$10,000 for violations of post-employment restrictions by certain former State officers and employees and special State officers and employees of State agencies in the Executive Branch;

6) provides the commission with jurisdiction over former officers and employees of the State;

7) requires an investigation of a violation committed during State service to be commenced within two years of the termination of service by an officer or employee;

8) provides the commission with authority to dismiss frivolous complaints;

9) permits the commission to order restitution, demotion, censure or reprimand for an ethics violation and imposes a civil penalty of \$50 per day for a failure to file a financial disclosure statement or form;

10) provides the commission with authority to promulgate regulations;

11) requires the commission to communicate with the State Auditor, State Inspector General, the State Commission of Investigation and the Office of Government Integrity in the Department of Law and Public Safety;

12) requires the commission director to meet with the members of the Governor's cabinet individually when appointed, and annually as a group, for an ethics briefing;

13) requires the commission to create a toll-free telephone number for comments, complaints and questions, and makes information and questions received confidential;

14) requires financial disclosure statements to be made public on the Internet;

15) requires the commission to prepare and distribute a plain language ethics guide;

16) provides the commission with authority to enforce an Executive Order if the order so provides;

17) requires periodic training on ethics standards for State officers and employees and special State officers and employees in State agencies in the Executive Branch;

18) increases the fine for a violation of the ethics laws that is punishable as a disorderly persons offense from \$500 to \$1,000;

19) requires the commission to develop a uniform ethics code, which would be the primary code supplemented with individual State agency ethics codes;

20) provides that the travel reimbursement or payment limitation for travel outside of New Jersey does not apply if the reimbursement or payment is made by the federal government or an agency of another state;

21) moves the recently enacted "anti-nepotism" law to the Conflicts of Interest Law and adds a prohibition on a State officer or employee or a special State officer or employee of a State agency in the Executive Branch supervising, or exercising authority with regard to personnel actions over, a relative of the officer or employee;

22) makes the provisions of the Conflicts of Interest Law applicable to staff of a Governor-elect compensated with public funds and requires them to undergo ethics training and, if directed by the Governor-elect, to file financial disclosure statements and ethics compliance certifications;

23) prohibits the receipt of any gifts from governmental affairs agents by officers or employees in the Executive Branch; and

24) requires the State Treasurer to post on the Internet a business ethics guide prepared in accordance with Executive Order No.189 of 1988 and requires those who seek to submit a bid, or negotiate, for a State contract to provide a certification that the guide has been read, understood and complied with.

This substitute is based in part on the "Report of the Special Ethics Counsel to the Governor of the State Of New Jersey: Ethics Reform Recommendations for the Executive Branch of New Jersey Government," issued March 14, 2005.

The Assembly Committee Substitute for Assembly, No. 3977 is the same as the Senate Committee Substitute for Senate, No. 2335 of 2005.

PO BOX 004
TRENTON, NJ 08625

Contact: Kelley Heck
609-777-2600

RELEASE: January 17, 2006

Codey Signs Ethics Reform Legislation

Codey Signs Ethics Reform Legislation *Implements the Recommendations of the Ethics Review and Compliance Counsel*

(TRENTON) – Governor Richard J. Codey today signed Bill S2335 that creates a new, more independent ethics commission. The new commission will have a majority of public members for the first time. This legislation implements the recommendations of the Governor’s Special Counsel for Ethics Review and Compliance.

“The ethics commission will now have the independence and muscle it needs to enforce our ethics laws and impose stiff penalties on anyone who fails to comply,” Codey said. “These changes will help keep government accountable, a goal that I will continue to strive for even after I have left the governor’s office.”

This act takes effect in 60 days, except for the change in membership of the commission, which takes effect Jan. 17, 2006.

It creates several new reforms and improves ethics enforcement and training in four key areas:

New, More Independent State Ethics Commission

- A new “State Ethics Commission” would be created to replace the Executive Commission on Ethical Standards.
- The new commission would have seven members appointed by the Governor – four public members and three members from state government.
- The public members would serve staggered terms to further ensure independence.
- No more than two of the four public members could be of the same political party.
- One of the public members would chair the commission.
- The bill would supersede the law that is scheduled to take effect in 2006 so that the new commission would be created this year (60 days after enactment).

Mandatory Ethics Training

- A full-time training officer would be responsible for creating, coordinating, and refining all ethics training programs.
- All employees would be required to receive mandatory annual briefings on ethics and standards of conduct.
- The commission director will meet with cabinet members individually, and as a group annually, for an ethics briefing.

Ensuring Compliance

- A full-time Ethics Compliance Officer would be responsible for monitoring ethics compliance.
- Systematic compliance audits of all state agencies would be required to ensure that ethics codes are distributed, certifications are signed, and all reporting is properly implemented and overseen.
- Requires an investigation of a violation committed during service to be commenced within two years of termination of service.
- Financial disclosure statements will be made public on the commission's Web site.
- A toll-free hotline will be established for comments, complaints and questions.

Greater Powers to Enforce the Ethics Laws

For the first time, the Commission would have the authority to:

- Impose fines of up to \$10,000 for those who leave government and then violate post-employment restrictions in the ethics laws;
- Order violators to pay restitution;
- Demote, censure, or reprimand violators; and
- Impose a fine of \$50 per day for failure to file financial disclosure statements.

Expansion of Current Regulations

- Gives new commission power to penalize executive branch employees who violate anti-nepotism laws.

- Prohibits executive branch employees from accepting any gifts from governmental affairs agents.

Since becoming governor, Codey has pushed an aggressive ethics reform agenda. He appointed New Jersey's first Inspector General, restored the Office of the Public Advocate, and established a Special Counsel for Ethics Review and Compliance.

Codey signed bills freezing the limits for campaign contributions to state and county political organizations and to leadership political action committees at their current levels and prohibiting campaign contributions by business entities seeking or holding state contracts in certain circumstances. Last week, Codey signed legislation allowing local governments to enact stronger pay-to-play bans.