

AN ACT concerning ethics, supplementing and amending P.L.1971, c.182, and amending P.L.2003, c.255.

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

1. (New section) a. Every State employee, as such term is defined in subsection f. of this section, shall annually file a sworn and duly notarized financial disclosure statement, or other such authentication as the State Ethics Commission or the Joint Legislative Committee on Ethical Standards, as appropriate, may require to facilitate electronic filing, which is current as of five days prior to the date of filing.

b. The State Ethics Commission shall prepare and distribute the financial disclosure statement required to be completed pursuant to subsection a. of this section. Each statement shall include, but shall not be limited to, the following information:

(1) The name and position of the State employee;

(2) Any occupation, trade, business, profession, or employment engaged in by the State employee and the State employee's spouse or domestic partner, partner in a civil union, and dependent children;

(3) (a) A list of all assets having a value of more than \$1,000, both tangible and intangible, in which a direct or indirect interest is held, as of the statement date, by the State employee and the State employee's spouse or domestic partner, partner in a civil union, and dependent children. Where stocks and bonds are involved, there shall be included the name of the company, mutual fund, holding company, or government agency issuing them. Whenever such interest exists through ownership in a mutual fund or holding company, the individual stocks held by such mutual fund or holding company need not be listed; whenever such interest exists through a beneficial interest in a trust, the stocks and bonds held in such trust shall be listed only if the State employee has knowledge of what stocks and bonds are held. Where more than 10 percent of the stock of the corporation is held, the percentage of ownership shall be stated. The list shall include any direct or indirect interest, whether vested or contingent, in any contract made or executed by a government instrumentality. In the case of real estate interests, there shall be given the location, general nature and acquisition date of any real property in New Jersey in which any direct, indirect, vested, or contingent interest is held, together with the names of all individuals or entities who share a direct or indirect interest therein, and the name of any government instrumentality that is a tenant of such property or that has before it an application, complaint, or proceeding directly affecting such property.

(b) The value of assets of a State employee and the State employee's spouse or domestic partner, partner in a civil union, and dependent children shall be listed according to the following value categories: (i) greater than \$1,000 but not more than \$5,000; (ii)

**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.**

greater than \$5,000 but not more than \$25,000; (iii) greater than \$25,000 but not more than \$50,000; (iv) greater than \$50,000 but not more than \$100,000; (v) greater than \$100,000 but not more than \$250,000; (vi) greater than \$250,000 but not more than \$500,000; and (vii) greater than \$500,000. These assets shall be valued as of the statement date; provided, however, that when the value cannot be determined as of that date, a separate valuation date shall be specified for the particular asset.

(c) The value of assets of the dependent children of a State employee need not be disclosed unless specifically requested by the State Ethics Commission or the Joint Legislative Committee on Ethical Standards, as applicable.

(4) (a) A list of all liabilities of the State employee and the State employee's spouse or domestic partner, partner in a civil union, and dependent children, except liabilities which are: (i) less than \$10,000 and owed to a relative as defined in subsection f. of this section; (ii) less than \$1,000 and owed to any other person; (iii) loans secured by a personal motor vehicle, household furniture, or appliances where the loan did not exceed the purchase price of the item and the outstanding balance did not exceed \$10,000 as of the close of the preceding calendar year; and (iv) revolving charge accounts where the outstanding liability does not exceed \$10,000 as of the close of the preceding calendar year.

(b) The value of liabilities shall be listed by category in the same manner as required by subparagraph (b) of paragraph (3) of this subsection; provided, however, the value of the liability of a dependent child of a State employee need not be disclosed unless specifically requested by the State Ethics Commission or the Joint Legislative Committee on Ethical Standards, as applicable.

(5) A list of all liabilities otherwise subject to disclosure pursuant to paragraph (4) of this subsection of the State employee or the State employee's spouse or domestic partner, partner in a civil union, and dependent children which have been forgiven by the creditor within 12 months last preceding the filing of the financial disclosure statement. For each such forgiven liability so listed, the name of the creditor to whom such a liability was owed shall be stated.

(6) (a) A list of all sources of income of the State employee and the State employee's spouse or domestic partner, partner in a civil union, and dependent children, including all compensated employment of whatever nature, all directorships or other fiduciary positions for which compensation has or will be claimed, all capital gains including a description of the individual sources of such gains, all contractual arrangements producing or expected to produce income, and all honoraria, lecture fees, gifts and other cash and non-cash gratuities, and other miscellaneous sources of income including, but not limited to, interest, dividends, royalties, and rents. The amount of such income received shall be listed and valued by category in the same manner of assets as set forth in subparagraphs (a) through (c) of paragraph (3) of this subsection; provided,

however, the amount of income of the dependent children of a State employee need not be disclosed unless specifically requested by the State Ethics Commission or the Joint Legislative Committee on Ethical Standards, as applicable.

(b) Sources of income that are not required to be reported are: (i) cash gifts in an aggregated amount of less than \$100 received during the preceding 12 months from a person; (ii) non-cash gifts with an aggregated fair market value of less than \$200 received during the preceding 12 months from a person; and (iii) gifts with an aggregated cash or fair market value of less than \$3,000 received during the preceding 12 months from a relative as defined in subsection f. of this section.

(7) A list of any offices, trusteeships, directorships, or positions of any nature, whether compensated or uncompensated, held by the State employee and the State employee's spouse or domestic partner, partner in a civil union, and dependent children with any firm, corporation, association, partnership, or business. If any firm, corporation, association, partnership, or business does business with or is licensed, regulated, or inspected by a State agency or does business with a casino license holder or applicant, the State agency, casino or applicant shall be identified.

c. Each person who becomes a State employee, as defined in subsection f. of this section, after the effective date of P.L. , c. (pending before the Legislature as this bill) shall file a financial disclosure statement in accordance with this section within 120 days of assuming office or commencing employment, unless the State Ethics Commission or the Joint Legislative Committee on Ethical Standards, as applicable, grants an extension from the filing deadline. Such an extension shall not be granted more than twice and shall not be for more than 30 days each.

d. Each statement shall contain a certification by the State employee stating that the State employee has reviewed the financial disclosure statement, that to the best of the State employee's knowledge and belief, it is true, correct, and complete, and that the State employee has not transferred and will not transfer any asset, interest, or property for the purpose of concealing it from disclosure while retaining an equitable interest therein.

e. In furtherance of their duties under the "New Jersey Conflicts of Interest Law," P.L.1971, c.182 (52:13D-12 et seq.), and pursuant to this section, the State Ethics Commission and the Joint Legislative Committee on Ethical Standards, as appropriate, shall review each statement to determine its conformity with the applicable provisions of law. Upon approving such a statement for filing, the commission or committee shall file and maintain a copy of it for public inspection and copying in accordance with the procedures set forth in P.L.1963, c.73 (C.47:1A-1 et seq.) and P.L.2001, c.404 (C.47:1A-5 et al.) and shall post the statement on the appropriate website pursuant to subsection (n) of section 10 of P.L.1971, c.182 (C.52:13D-21) or subsection (k) of section 11 of P.L.1971, c.182 (C.52:13D-22).

f. As used in this section:

“Relative” means a spouse, domestic partner, partner in a civil union, son, daughter, grandson, granddaughter, father, mother, grandfather, grandmother, great-grandfather, great-grandmother, brother, sister, nephew, niece, uncle, or aunt. Relatives by adoption, half-blood, marriage, or remarriage shall be treated as relatives of the whole kinship.

“State employee” means members of the Legislature; the Governor; the Lieutenant Governor; the heads of principal departments of the Executive Branch; and officers and employees in the Executive Branch and Legislative Branch of State government whose annual compensation from such office or employment is \$100,000 or greater. The term “State employee” shall include the Commissioner of Corrections and deputy commissioners of the Department of Corrections, the Superintendent, Deputy Superintendent, and Executive Officer of State Police, and their respective chiefs of staff, but shall not include any other trooper, member, or officer of a police department of a State agency, the Department of Corrections, or State Police.

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

3. a. No State officer or employee, special State officer or employee, or member of the Legislature shall accept from any person, whether directly or indirectly and whether by himself or through his spouse or any member of his family or through any partner or associate, any gift, favor, service, employment or offer of employment or any other thing of value [which he knows or has reason to believe is offered to him with intent to influence him in the performance of his public duties and responsibilities. This] related in any way to the public duties of the officer or employee, special State officer or employee, or member of the Legislature. Any gift that is offered to, or received by, a State officer or employee, special State officer or employee, or member of the Legislature, or his spouse or any member of his family or through any partner or associate, shall be immediately reported to the agency’s Ethics Liaison Officer or, in the case of a member of the Legislature, to the Joint Legislative Committee on Ethical Standards.

b. Subsection a. of this section shall not apply to the acceptance of:

(1) unsolicited gifts or benefits of trivial or nominal value, such as complimentary articles offered to the public in general;

(2) gifts received as a result of mass advertising mailings to the general business public, which may be retained by the recipient for general use if such use does not create an impression of a conflict of interest or a violation of the public trust;

(3) gifts, favors, services, or other things of value from a vendor under the same terms and conditions as are offered or made available to members of the general public;

(4) gifts from a co-worker, a supervisor, or a subordinate, provided the gift is not excessive or inappropriate for a business environment; and

(5) contributions to the campaign of an announced candidate for elective public office.

(cf: P.L.1971, c.182, s.3)

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

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

Upon the effective date of P.L.2005, c.382, the Executive Commission on Ethical Standards shall be renamed, and thereafter referred to, as the State Ethics Commission. For the purposes of complying with the provisions of Article V, Section IV, paragraph 1 of the New Jersey Constitution, the State Ethics Commission is allocated in, but not of, the Department of Law and Public Safety, but notwithstanding that allocation, the commission shall be independent of any supervision and control by the department or by any board or officer thereof.

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

Each member appointed from the Executive Branch shall serve at the pleasure of the Governor during the term of office of the Governor appointing the member and until the member's successor is appointed and qualified. The public members shall serve for terms of four years and until the appointment and qualification of their successors, but of the public members first appointed pursuant to P.L.2003, c.160, one shall serve for a term of two years and one shall serve for a term of four years, and of the two public members first appointed pursuant to P.L.2005, c.382, one shall serve for a term of one year and one shall serve for a term of three years. The Governor shall designate one public member to serve as chairman and one member to serve as vice-chairman of the commission.

The members of the State Ethics Commission who were appointed by the Governor from among the State officers and employees serving in the Executive Branch serving on January 17, 2006 are terminated as of that day. A member terminated pursuant to this paragraph shall be eligible for reappointment.

Vacancies in the membership of the commission shall be filled in the same manner as the original appointments but, in the case of public members, for the unexpired term only. None of the public members shall be State officers or employees or special State officers or employees, except by reason of their service on the commission.

A public member may be reappointed for subsequent terms on the commission.

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

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

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

(2) The commission shall employ a training officer who shall be in the unclassified service of the civil service of this State. The training officer shall devote full-time to the creation, maintenance and coordination of a training program on ethical standards. The program shall be established for the purpose specified in section 2 of P.L.2005, c.382 (C.52:13D-21.1). The program shall be provided by the training officer or assistants or deputies of such officer, or by such other persons as may be designated by the commission. The commission shall approve the form and content of the training program created by the training officer and shall determine when and at what intervals State officers and employees and special State officers and employees in a State agency in the Executive Branch shall be required to complete such a program. The training program may include content which in particular addresses the situations of certain identified groups of officers or employees such as those who are involved in contracting processes.

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

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

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

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

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

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

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

In addition, for violations occurring after the effective date of P.L.2005, c.382, the commission may order restitution, demotion, censure or reprimand, or for a failure to file an appropriate financial disclosure statement or form, shall impose a civil penalty of \$50 for each day of the violation, which penalty may be collected in a summary proceeding pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).

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

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

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

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

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

(n) Financial disclosure statements required to be submitted to the commission by law, regulation or executive order shall be filed with the commission in accordance with section 1 of P.L. , c. (C. ) (pending before the Legislature as this bill) not later than May 15 of each calendar year and shall be made available to the public, promptly after receipt, on the Internet site of the commission[, commencing with submissions for 2005].

(o) The commission shall prepare and ensure the distribution to each State officer and employee and special State officer and employee in a State agency in the Executive Branch of a plain language ethics guide which provides a clear and concise summary of the laws, regulations, codes, orders, procedures, advisory opinions and rulings concerning ethical standards applicable to such officers and employees. The guide shall be prepared to promote ethical day-to-day decision making, to give general advice regarding conduct and

situations, to provide easy reference to sources, and to explain the role, activities and jurisdiction of the State Ethics Commission. Each State officer and employee and special State officer and employee shall certify that he or she has received the guide, reviewed it and understands its provisions.

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

(cf: P.L.2005, c.382, s.1)

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

11. (a) There is established a Joint Legislative Committee on Ethical Standards in the Legislative Branch of State Government.

(b) Commencing on the 30th day after the effective date of P.L.2008, c.16, the joint committee shall be composed of eight members of the public as follows: two appointed by the President of the Senate, two appointed by the Speaker of the General Assembly, two appointed by the Minority Leader of the Senate, and two appointed by the Minority Leader of the General Assembly. No member of the Senate or of the General Assembly shall be eligible to serve as a member of the joint committee. No more than two members of the joint committee may be former members of the Senate or of the General Assembly. The members shall be full-time residents of the State and available throughout the year to attend, in person, the meetings of the joint committee.

No member shall be a lobbyist or governmental affairs agent as defined by the "Legislative and Governmental Process Activities Disclosure Act," P.L.1971, c.183 (C.52:13C-18 et seq.), a full-time State employee or an officer or director of any entity which is required to file a statement with the Election Law Enforcement Commission, and no former lobbyist or governmental affairs agent shall be eligible to serve as a member for one year following the cessation of all activity by that person as a governmental affairs agent or lobbyist. Notwithstanding the above restrictions, among the members appointed pursuant to this section, one may be a full-time faculty member of a State public institution of higher education having a doctoral degree and expertise in the areas of ethics, philosophy and government with extensive experience in State legislative organization and procedures. No person who served as a member of the joint committee at any time prior to the 30th day after the effective date of P.L.2008, c.16 shall be eligible to serve as a member of the joint committee as constituted under this subsection. The members shall serve for terms of two years.

The terms of the members shall run from the second Tuesday in January of an even-numbered year to the second Tuesday in January of the next even-numbered year, regardless of the original date of appointment.

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

(c) Commencing on the 30th day after the effective date of P.L.2008, c.16, the chairman of the joint committee shall be selected jointly by the President of the Senate and the Speaker of the General Assembly, when the President and Speaker are members of the same political party, from among the members of the joint committee. The first chairman to be selected jointly shall be a full-time faculty member of a State public institution of higher education having a doctoral degree and expertise in the areas of ethics, philosophy and government with extensive experience in State legislative organization and procedures. The vice chairman shall be selected jointly by the Minority Leader of the Senate and the Minority Leader of the General Assembly, when the Minority Leaders are members of the same political party, from among the members of the joint committee. When the President of the Senate and the Speaker of the General Assembly are not members of the same political party, the President and Speaker shall alternate in selecting the chairman of the joint committee with the President of the Senate selecting the chairman first, and then, at the next organization of the joint committee if the President and the Speaker are not members of the same political party, the Speaker of the General Assembly selecting the chairman. When the Minority Leader of the Senate and the Minority Leader of the General Assembly are not members of the same political party, the Minority Leaders shall alternate in selecting the vice chairman of the joint committee with the Minority Leader of the Senate selecting the vice chairman first, and then, at the next organization of the joint committee if the Minority Leaders are not members of the same political party, the Minority Leader of the General Assembly selecting the vice chairman. The alternating method of selection shall continue regardless of intervening periods when joint selections are made.

The chairman and the vice chairman shall not be members of the same political party.

(d) The Legislative Counsel in the Office of Legislative Services shall act as legal adviser to the joint committee. The Executive Director of the Office of Legislative Services shall appoint another attorney in the Office of Legislative Services to serve as Ethics Counsel to the individual members of the Legislature and officers and employees in the Legislative Branch. The Ethics Counsel shall provide informal ethics advice to individual members of the Legislature and officers and employees in the Legislative Branch upon request, when the request is one fully answered by the New Jersey Conflicts of Interest Law or the Legislative Code of Ethics or is on a subject previously determined by the Joint Committee.

Informal ethics advice from the Ethics Counsel to a member of the Legislature or an officer or employee in the Legislative Branch shall be confidential and subject to the attorney-client privilege. The Ethics Counsel may also assist members of the Legislature and officers or employees in the Legislative Branch in requesting formal advisory opinions from the joint committee on novel subject matters. The Legislative Counsel shall, upon request, assist and advise the joint committee in the rendering of formal advisory opinions by the joint committee, in the approval and review of codes of ethics adopted by State agencies in the Legislative Branch, and in the recommendation of revisions in codes of ethics or legislation relating to the conduct of members of the Legislature or State officers and employees in the Legislative Branch.

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

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

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

(h) (1) The joint committee shall have jurisdiction to initiate, receive, hear and review complaints regarding violations of the provisions of this act or of a code of ethics promulgated pursuant to the provisions of this act. It shall further have such jurisdiction as to enforcement of the rules of either or both Houses of the Legislature governing the conduct of the members or employees thereof as those rules may confer upon the joint committee. A complaint regarding a violation of a code of ethics promulgated pursuant to the provisions of this act may be referred by the joint committee for disposition in accordance with subsection 12(d) of this act.

(2) The joint committee shall not accept a complaint against a member of the Legislature submitted within 90 days of a primary or general election in which the member is a candidate. An attempt to file a complaint during this period shall toll any statute of limitations. This paragraph shall not bar the joint committee from initiating a complaint during this period.

A complaint that is filed within seven days following a primary or general election shall be considered by the joint committee in an expedited manner that results in a final determination by the end of the annual session of the Legislature.

(3) The joint committee, when reviewing a complaint, shall have the authority to require a member of the Legislature who is the subject of a complaint to submit detailed financial disclosures

containing information that is in addition to the information required to be disclosed by a law, rule or code of ethics. Such additional information shall remain confidential, unless the joint committee, by a vote of at least three-fourths of the total membership, directs that the information be made public.

(4) The joint committee shall inform a complainant of the time, date, and location of any meeting at which the joint committee will discuss or make a determination on any aspect of the complaint.

(i) Any State officer or employee or special State officer or employee in the Legislative Branch found guilty by the joint committee of violating any provisions of this act, of a code of ethics promulgated pursuant to the provisions of this act or of any rule of either or both Houses which gives the joint committee jurisdiction and the authority to investigate a matter shall be fined not less than \$500.00 nor more than \$10,000, which penalty may be collected in a summary proceeding pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.), and may be reprimanded and ordered to pay restitution where appropriate and may be suspended from office or employment by order of the joint committee for a period not in excess of one year. If the joint committee finds that the conduct of the officer or employee constitutes a willful and continuous disregard of the provisions of this act, of a code of ethics promulgated pursuant to the provisions of this act or of any rule of either or both Houses which gives the joint committee jurisdiction and the authority to investigate a matter, it may order that person removed from office or employment and may further bar the person from holding any public office or employment in this State in any capacity whatsoever for a period not exceeding five years from the date on which the person was found guilty by the joint committee.

(j) A member of the Legislature who shall be found guilty by the joint committee of violating the provisions of this act, of a code of ethics promulgated pursuant to the provisions of this act or of any rule of either or both Houses which gives the joint committee jurisdiction and the authority to investigate a matter shall be fined not less than \$500.00 nor more than \$10,000, which penalty may be collected in a summary proceeding pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.), and shall be subject to such further action as may be determined by the House of which the person is a member. In such cases the joint committee shall report its findings to the appropriate House and shall recommend to the House such further action as the joint committee deems appropriate, but it shall be the sole responsibility of the House to determine what further action, if any, shall be taken against such member.

(k) Financial disclosure statements prepared in accordance with section 1 of P.L. , c. (C. ) (pending before the Legislature as this bill) shall be filed with the commission not later than May 15 of

each calendar year and shall be made available to the public, promptly after receipt, on the Internet site of the committee.  
(cf: P.L.2008, c.99, s.1)

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

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

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

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

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

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

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

As used in this subsection, "reasonable expenditures for travel or subsistence" means commercial travel rates directly to and from an event and food and lodging expenses which are moderate and neither elaborate nor excessive; and "allowable entertainment expenses"

means the costs for a guest speaker, incidental music and other ancillary entertainment at any meal at an event, provided they are moderate and not elaborate or excessive, but does not include the costs of personal recreation, such as being a spectator at or engaging in a sporting or athletic activity which may occur as part of that event.

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

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

(2) For the purposes of this subsection[, "designated"] :

"Designated legislative officer" shall include: the Executive Director of the Office of Legislative Services, the Legislative Counsel, the State Auditor, the Legislative Budget and Finance Officer, the executive director of each full time legislative staff operating under the direction of the Senate President, the Speaker of the General Assembly, and the Minority Leaders of each House of the Legislature, and any deputy or principal administrative assistant to any of the aforementioned officers and employees in the Legislative Branch of State government.

"Designated State officer" shall include: the Governor, the Adjutant General, the Secretary of Agriculture, the Attorney General, the Commissioner of Banking and Insurance, the director of the Division of Business Assistance, Marketing, and International Trade, the Commissioner of Community Affairs, the Commissioner of Corrections, the Commissioner of Education, the Commissioner of

Environmental Protection, the Commissioner of Health and Senior Services, the Commissioner of Human Services, the Commissioner of Children and Families, the Commissioner of Labor and Workforce Development, the President of the State Board of Public Utilities, the Secretary of State, the Superintendent of State Police, the Commissioner of Transportation, the State Treasurer, the head of any other department in the Executive Branch, and the following members of the staff of the Office of the Governor: Chief of Staff, Chief of Management and Operations, Chief of Policy and Communications, Chief Counsel to the Governor, Director of Communications, Policy Counselor to the Governor, and any deputy or principal administrative assistant to any of the aforementioned members of the staff of the Office of the Governor listed in this subsection.

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

(cf: P.L.2008, c.29, s.105)

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

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

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

c. Subsection a. of this section shall not apply if a member of the Legislature or legislative staff who accepted any compensation, reward, gift, honorarium or other thing of value provided by a

lobbyist or governmental affairs agent makes a full reimbursement, within [90] 15 days of acceptance, to the lobbyist or governmental affairs agent in an amount equal to the money accepted or the fair market value of that which was accepted if other than money. As used in this subsection, "fair market value" means the actual cost of the compensation, reward, gift, honorarium or other thing of value accepted.

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

(cf: P.L.2005, c.382, s.15)

7. This act shall take effect immediately.

### STATEMENT

The purpose of this bill is to apply the same ethical standards that apply to officers and employees of the Executive Branch of State government to members of the Legislature and officers and employees of the Legislative Branch.

The bill creates uniform financial disclosure requirements for members of the Legislature; the Governor; the Lieutenant Governor; the heads of principal departments in the Executive Branch; and officers and employees in the Executive Branch and Legislative Branch of State government whose annual compensation from such office or employment is \$100,000 or greater.

Under current law, the State Uniform Ethics Code provides that no State officer or employee or special State officer or employee in the Executive Branch shall accept any gift, favor, service or other thing of value related in any way to the State official's public duties. This bill applies the same zero tolerance standard to members of the Legislature.

Current law also prohibits Executive Branch officers and employees from accepting, directly or indirectly, any compensation, reward, employment, gift, honorarium or other thing of value from a lobbyist or governmental affairs agent. Current law allows members of the Legislature and their staffs to accept up to \$250 annually from a lobbyist or governmental affairs agent. Officers and employees of the Executive Branch used to be subject to the same \$250 limitation. However, P.L.2005, c.382 prohibited the receipt of any gifts whatsoever from governmental affairs agents by officers and employees in the Executive Branch. At the time the Legislature made this statutory change, it declined to subject members of the Legislature and officers and employees of the Legislative Branch to the same standard as officers and employees of the Executive Branch.

Lastly, the bill prohibits the Executive Director of the Office of Legislative Services, the Legislative Counsel, the State Auditor, the Legislative Budget and Finance Officer, the executive director of each full time legislative staff operating under the direction of the

Senate President, the Speaker of the General Assembly, and the Minority Leaders of each House of the Legislature, and any deputy or principal administrative assistant to any of the aforementioned officers and employees in the Legislative Branch of State government from accepting any compensation, salary, honorarium, fee, or other form of income from any source, other than the compensation paid or reimbursed to him or her by the State for the performance of official duties. This statutory change conforms to the standards that are currently applied to cabinet members, division heads, and the Governor's Senior Staff.

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Revises ethical standards for members of Legislature and officers and employees of Legislative Branch of State government.