

ASSEMBLY, No. 4774

STATE OF NEW JERSEY

218th LEGISLATURE

INTRODUCED DECEMBER 6, 2018

Sponsored by:

Assemblyman ERIK PETERSON

District 23 (Hunterdon, Somerset and Warren)

Co-Sponsored by:

Assemblywomen Handlin, B.DeCroce and Assemblyman A.M.Bucco

SYNOPSIS

Applies statutory ethics and conflicts-of-interest standards for casino industry regulators and participants to regulators of and participants in legalized marijuana marketplace.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 5/14/2019)

1 **AN ACT** concerning ethics and conflicts of interest pertaining to the
2 State regulation of legalized marijuana, supplementing Title 24
3 of the Revised Statutes, and amending P.L.1971, c.182 and
4 P.L.1981, c.142.

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

8
9 1. (New section) Pre-Interest or Pre-Employment Restrictions
10 Concerning State Officers and Employees Regulating Legal
11 Marijuana.

12 a. No person shall be appointed to any office in or employed
13 by any department, division, office, bureau, board, commission,
14 public authority, public agency, or other public body, including any
15 public body that is in but not of a particular part of the executive
16 branch, that is granted the authority under any State law to regulate
17 a legalized marijuana marketplace if, during the period commencing
18 three years prior to appointment or employment, the person held
19 any direct or indirect interest in, or any employment by, any holder
20 of, or applicant for, a marijuana license, permit, certification, or
21 other form of document which authorizes the recipient thereof to
22 engage in activities associated with a legalized marijuana
23 marketplace; provided, however, that notwithstanding any other
24 provision of this act to the contrary, any such person may be
25 appointed to or employed by a department, division, office, bureau,
26 board, commission, public authority, public agency, or other public
27 body as described herein if the person's prior interest in any such
28 holder of, or applicant for, a marijuana license, permit, certification,
29 or other issued document would not, in the opinion of the
30 department, division, office, bureau, board, commission, public
31 authority, public agency, or other public body, interfere with the
32 objective discharge of the person's duties or employment
33 obligations, but in no instance shall any person be appointed or
34 employed if the person's prior interest in the holder of, or applicant
35 for, a marijuana license, permit, certification, or other form of
36 document, constituted a controlling interest in that document holder
37 or applicant therefor; and provided further, however, that
38 notwithstanding any other provision of this act to the contrary, any
39 such person may be employed by the commission in a secretarial or
40 clerical position if, in the opinion of the department, division,
41 office, bureau, board, commission, public authority, public agency,
42 or other public body, the person's previous employment by, or
43 interest in, any holder of, or applicant for, a marijuana license,
44 permit, certification, or other issued document would not interfere
45 with the objective discharge of the person's employment
46 obligations.

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 b. Prior to appointment or employment, each person shall
2 swear or affirm that the person possesses no interest in any business
3 or organization issued a marijuana license, permit, certification, or
4 other form of document.

5 c. (1) Each appointed officer shall file with the State Ethics
6 Commission a financial disclosure statement listing all assets and
7 liabilities, property and business interests, and sources of income of
8 the officer and the officer's spouse, domestic partner, or partner in a
9 civil union, as the case may be, and shall provide to the State Ethics
10 Commission a financial disclosure statement listing all assets and
11 liabilities, property and business interests, and sources of income of
12 the parents, brothers, sisters, and children of the officer. Such
13 statement shall be under oath and shall be filed at the time of
14 appointment and annually thereafter.

15 (2) Each employee, except for secretarial and clerical personnel,
16 shall file with the State Ethics Commission a financial disclosure
17 statement listing all assets and liabilities, property and business
18 interests, and sources of income of the employee and the employee's
19 spouse, domestic partner, or partner in a civil union, as the case
20 may be. Such statement shall be under oath and shall be filed at the
21 time of employment and annually thereafter. Notwithstanding the
22 provisions of subsection (n) of section 10 of P.L.1971, c.182
23 (C.52:13D-21), only financial disclosure statements filed by an
24 employee who is in a policy-making management position shall be
25 posted on the Internet site of the State Ethics Commission.

26

27 2. (New section) Restrictions on State Officers and Employees
28 Regulating Legal Marijuana.

29 a. The "New Jersey Conflicts of Interest Law," P.L.1971, c.182
30 (C.52:13D-12 et seq.) shall apply to any person appointed to any
31 office in or employed by any department, division, office, bureau,
32 board, commission, public authority, public agency, or other public
33 body, including any public body that is in but not of a particular
34 part of the executive branch, that is granted the authority under any
35 State law to regulate a legalized marijuana marketplace, except as
36 herein specifically provided.

37 b. (1) Each regulating department, division, office, bureau,
38 board, commission, public authority, public agency, or other public
39 body shall promulgate and maintain a Code of Ethics that is
40 modeled upon the Code of Judicial Conduct of the American Bar
41 Association, as amended and adopted by the Supreme Court of New
42 Jersey.

43 (2) The Codes of Ethics promulgated and maintained by each
44 regulating department, division, office, bureau, board, commission,
45 public authority, public agency, or other public body shall not be in
46 conflict with the laws of this State, except, however, that the Code
47 of Ethics may be more restrictive than any law of this State.

1 c. The Codes of Ethics promulgated and maintained by each
2 regulating department, division, office, bureau, board, commission,
3 public authority, public agency, or other public body, and any
4 amendments or restatements thereof, shall be submitted to the State
5 Ethics Commission for approval. The Codes of Ethics shall include,
6 but not be limited to, provisions that:

7 (1) No appointed officer or employee shall be permitted to enter
8 and engage in any activities, nor have any interest, directly or
9 indirectly, in any business or organization issued a marijuana
10 license, permit, certification, or other form of document which
11 authorizes the recipient thereof to engage in activities associated
12 with a legalized marijuana marketplace, except in the course of the
13 officer's or employee's duties.

14 (2) No appointed officer or employee shall solicit or accept
15 employment from any business or organization issued a marijuana
16 license, permit, certification, or other form of document, or
17 applicant therefor, for a period of four years after termination of
18 service with the department, division, office, bureau, board,
19 commission, public authority, public agency, or other public body,
20 except as otherwise provided in section 3 of this act.

21 (3) No appointed officer or employee shall act in the officer's or
22 employee's official capacity in any matter wherein the officer,
23 employee, or the officer's or employee's spouse, domestic partner,
24 or partner in a civil union, or child, parent, or sibling has a direct or
25 indirect personal financial interest that might reasonably be
26 expected to impair the officer's or employee's objectivity or
27 independence of judgment.

28 (4) No appointed officer or employee shall act in the officer's or
29 employee's official capacity in a matter concerning any business or
30 organization issued a marijuana license, permit, certification, or
31 other form of document, or applicant therefor, and who is the
32 employer of a spouse, domestic partner, or partner in a civil union,
33 or child, parent, or sibling of the officer or employee when the fact
34 of the employment of the spouse, domestic partner, or partner in a
35 civil union, or child, parent, or sibling might reasonably be
36 expected to impair the objectivity and independence of judgment of
37 the officer or employee.

38 (5) No spouse, domestic partner, or partner in a civil union, or
39 child, parent, or sibling of an appointed officer shall be employed in
40 any capacity by any business or organization issued a marijuana
41 license, permit, certification, or other form of document, or
42 applicant therefor, nor by any holding, intermediary, or subsidiary
43 company thereof.

44 (6) No appointed officer shall meet with any person, except for
45 another appointed officer or employee of the regulating department,
46 division, office, bureau, board, commission, public authority, public
47 agency, or other public body, or discuss any issues involving any
48 pending or proposed application or any matter whatsoever which

1 may reasonably be expected to come before that public body, or any
2 officer thereof, for determination unless the meeting or discussion
3 takes place on the business premises of the public body, provided,
4 however, that appointed officers may meet to consider matters
5 requiring the physical inspection of equipment or premises at the
6 location of the equipment or premises. All meetings or discussions
7 subject to this paragraph shall be noted in a log maintained for this
8 purpose and available for inspection pursuant to the provisions of
9 P.L.1963, c.73 (C.47:1A-1 et seq.).

10 d. No appointed officer or employee shall have any interest,
11 direct or indirect, in any business or organization issued a marijuana
12 license, permit, certification, or other form of document, or
13 applicant therefor, during the member's term of office or
14 employee's term of employment.

15 e. Each appointed officer and employee shall devote the
16 officer's or employee's entire time and attention to the officer's or
17 employee's duties and shall not pursue any other business or
18 occupation or other gainful employment; provided, however, that
19 secretarial and clerical personnel may engage in such other gainful
20 employment as shall not interfere with their duties to the regulating
21 department, division, office, bureau, board, commission, public
22 authority, public agency, or other public body, unless otherwise
23 directed; and provided further, however, that other employees of the
24 public body may engage in such other gainful employment as shall
25 not interfere or be in conflict with their duties to the public body,
26 upon approval by the managing officer or body thereof, as the case
27 may be.

28 f. (1) An appointed officer and any other employee of a
29 regulating department, division, office, bureau, board, commission,
30 public authority, public agency, or other public body holding a
31 supervisory or policy-making management position shall not make
32 any contribution as that term is defined in "The New Jersey
33 Campaign Contributions and Expenditures Reporting Act,"
34 P.L.1973, c.83 (C.19:44A-1 et seq.).

35 (2) An appointed officer or employee of a regulating department,
36 division, office, bureau, board, commission, public authority, public
37 agency, or other public body shall not:

38 (a) Use the officer's or employee's official authority or
39 influence for the purpose of interfering with or affecting the result
40 of an election or a nomination for office;

41 (b) Directly or indirectly coerce, attempt to coerce, command or
42 advise any person to pay, lend, or contribute anything of value to a
43 party, committee, organization, agency or person for political
44 purposes; or

45 (c) Take any active part in political campaigns or the
46 management thereof; provided, however, that nothing herein shall
47 prohibit an officer or employee from voting as the officer or

1 employee chooses or from expressing personal opinions on political
2 subjects and candidates.

3 g. For the purpose of applying the provisions of the “New
4 Jersey Conflicts of Interest Law,” any consultant or other person
5 under contract for services to a regulating department, division,
6 office, bureau, board, commission, public authority, public agency,
7 or other public body shall be deemed to be a special State
8 employee, except that the restrictions of section 4 of P.L.1981,
9 c.142 (C.52:13D-17.2) shall not apply to such person. Such person
10 and any corporation, firm, or partnership in which the person has an
11 interest or by which the person is employed shall not represent any
12 person or party other than the regulating department, division,
13 office, bureau, board, commission, public authority, public agency,
14 or other public body.

15

16 3. (New section) Post-Service Restrictions on State Officers and
17 Employees Regulating Legal Marijuana.

18 a. No appointed officer of a department, division, office,
19 bureau, board, commission, public authority, public agency, or
20 other public body, including any public body that is in but not of a
21 particular part of the executive branch, that is granted the authority
22 under any State law to regulate a legalized marijuana marketplace,
23 shall hold any direct or indirect interest in, or be employed by, any
24 holder of, or applicant for, a marijuana license, permit, certification,
25 or other form of document which authorizes the recipient thereof to
26 engage in activities associated with a legalized marijuana
27 marketplace, for a period of four years commencing on the date that
28 the appointed officer’s service on the public body terminates.

29 b. (1) No employee of a regulating department, division, office,
30 bureau, board, commission, public authority, public agency, or
31 other public body may acquire any direct or indirect interest in, or
32 accept employment with, any business or organization issued a
33 marijuana license, permit, certification, or other form of document,
34 or applicant therefor, for a period of two years commencing at the
35 termination of employment with the public body, except that a
36 secretarial or clerical employee of the public body may accept such
37 employment at any time after the termination of employment. At
38 the end of two years and for a period of two years thereafter, a
39 former employee who held a policy-making management position at
40 any time during the five years prior to termination of employment
41 may acquire an interest in, or accept employment with, any business
42 or organization issued a marijuana license, permit, certification, or
43 other form of document, or applicant therefor, upon application to,
44 and the approval of, the managing officer or body for the public
45 body at which the employee was formerly employed, upon a finding
46 that the interest to be acquired or the employment will not create the
47 appearance of a conflict of interest and does not evidence a conflict
48 of interest in fact.

1 (2) Notwithstanding the provisions of this subsection, if the
2 employment of an employee, other than an employee or who held a
3 policy-making management position at any time during the five
4 years prior to termination of employment, is terminated as a result
5 of a reduction in the workforce at the regulating department,
6 division, office, bureau, board, commission, public authority, public
7 agency, or other public body, the employee may, at any time prior
8 to the end of the two-year period, accept employment with any
9 business or organization issued a marijuana license, permit,
10 certification, or other form of document, or applicant therefor, upon
11 application to, and the approval of, the managing officer or body for
12 the public body at which the employee was formerly employed,
13 upon a finding that the employment will not create the appearance
14 of a conflict of interest and does not evidence a conflict of interest
15 in fact. The public body shall take action on an application within
16 30 days of receipt and an application may be submitted to the public
17 body prior to or after the commencement of the employment.

18 c. No appointed officer or employee shall represent any person
19 or party other than the State before or against the regulating
20 department, division, office, bureau, board, commission, public
21 authority, public agency, or other public body, for a period of two
22 years from the termination of office or employment with that public
23 body.

24 d. No partnership, firm, or corporation in which a former
25 appointed officer or employee has an interest, nor any partner,
26 officer, or employee of any such partnership, firm, or corporation
27 shall make any appearance or representation which is prohibited to
28 the former officer or employee.

29

30 4. (New section) Liability For Interest, Employment, and Ethics
31 Violations By Holder of or Applicant for Document to Engage in
32 Legal Marijuana Activities, and State Officers and Employees
33 Regulating Legal Marijuana; Enforcement by State Ethics
34 Commission.

35 a. (1) No holder of, or applicant for, a marijuana license, permit,
36 certification, or other form of document which authorizes the
37 recipient thereof to engage in activities associated with a legalized
38 marijuana marketplace shall employ or offer to employ, or provide,
39 transfer, or sell, or offer to provide, transfer, or sell any interest,
40 direct or indirect, in any document holder to any person restricted
41 from such transactions by the provisions of sections 1 through 3 of
42 this act.

43 (2) A department, division, office, bureau, board, commission,
44 public authority, public agency, or other public body, including any
45 public body that is in but not of a particular part of the executive
46 branch, that is granted the authority under any State law to regulate
47 a legalized marijuana marketplace may deny an application, or
48 revoke or suspend a marijuana license, permit, certification, or other

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

6 b. (1) An appointed officer or employee of a regulating
7 department, division, office, bureau, board, commission, public
8 authority, public agency, or other public body, who makes or causes
9 to be made a political contribution prohibited under subsection e. of
10 section 2 of this act is guilty of a crime of the fourth degree, but
11 notwithstanding the provisions of subsection b. of N.J.S.2C:43-3, a
12 fine not to exceed \$200,000 may be imposed.

13 (2) An appointed officer or employee who willfully violates any
14 other provisions in sections 1 through 3 of this act is guilty of a
15 disorderly persons offense.

16 c. The State Ethics Commission, established pursuant to the
17 "New Jersey Conflicts of Interest Law," P.L.1971, c.182
18 (C.52:13D-12 et seq.), shall enforce the provisions of sections 1
19 through 3 of this act, and upon a finding of a violation, impose a
20 civil penalty of not less than \$500 nor more than \$10,000, which
21 penalty may be collected in a summary proceeding pursuant to the
22 "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10
23 et seq.). If a violation also represents a crime or disorderly persons
24 offense as set forth in subsection b. of this section, the State Ethics
25 Commission shall also refer the matter to the Attorney General or
26 appropriate county prosecutor for further investigation and
27 prosecution.

28
29 5. Section 2 of P.L.1971, c.182 (C.52:13D-13) is amended to
30 read as follows:

31 2. As used in this act, and unless a different meaning clearly
32 appears from the context, the following terms shall have the
33 following meanings:

34 a. "State agency" means any of the principal departments in the
35 Executive Branch of the State Government, and any division, board,
36 bureau, office, commission or other instrumentality within or
37 created by such department, the Legislature of the State and any
38 office, board, bureau or commission within or created by the
39 Legislative Branch, and, to the extent consistent with law, any
40 interstate agency to which New Jersey is a party and any
41 independent State authority, commission, instrumentality or agency.
42 A county or municipality shall not be deemed an agency or
43 instrumentality of the State.

44 b. "State officer or employee" means any person, other than a
45 special State officer or employee (1) holding an office or
46 employment in a State agency, excluding an interstate agency, other
47 than a member of the Legislature or (2) appointed as a New Jersey
48 member to an interstate agency.

1 c. "Member of the Legislature" means any person elected to
2 serve in the General Assembly or the Senate.

3 d. "Head of a State agency" means (1) in the case of the
4 Executive Branch of government, except with respect to interstate
5 agencies, the department head or, if the agency is not assigned to a
6 department, the Governor, and (2) in the case of the Legislative
7 Branch, the chief presiding officer of each House of the Legislature.

8 e. "Special State officer or employee" means (1) any person
9 holding an office or employment in a State agency, excluding an
10 interstate agency, for which office or employment no compensation
11 is authorized or provided by law, or no compensation other than a
12 sum in reimbursement of expenses, whether payable per diem or per
13 annum, is authorized or provided by law; (2) any person, not a
14 member of the Legislature, holding a part-time elective or
15 appointive office or employment in a State agency, excluding an
16 interstate agency, or (3) any person appointed as a New Jersey
17 member to an interstate agency the duties of which membership are
18 not full-time.

19 f. "Person" means any natural person, association or corporation.

20 g. "Interest" means (1) the ownership or control of more than
21 ~~【10%】~~ 10 percent of the profits or assets of a firm, association, or
22 partnership, or more than ~~【10%】~~ 10 percent of the stock in a
23 corporation for profit other than a professional service corporation
24 organized under the "Professional Service Corporation Act," P.L.
25 1969, c. 232 (C. 14A:17-1 et seq.); or (2) the ownership or control
26 of more than ~~【1%】~~ one percent of the profits of a firm, association,
27 or partnership, or more than ~~【1%】~~ one percent of the stock in any
28 corporation, (a) which is the holder of, or an applicant for, a casino
29 license or in any holding or intermediary company with respect
30 thereto, as defined by the "Casino Control Act," P.L. 1977, c. 110
31 (C. 5:12-1 et seq.), or (b) which is the holder of, or an applicant for,
32 a marijuana license, permit, certification, or other form of document
33 which authorizes the recipient thereof to engage in activities
34 associated with a legalized marijuana marketplace issued by any
35 department, division, office, bureau, board, commission, public
36 authority, public agency, or other public body, including any public
37 body that is in but not of a particular part of the executive branch,
38 that is granted the authority under any State law to regulate a
39 legalized marijuana marketplace, or any holding or intermediary
40 company with respect to the document holder or applicant therefor.
41 The provisions of this act governing the conduct of individuals are
42 applicable to shareholders, associates or professional employees of
43 a professional service corporation regardless of the extent or
44 amount of their shareholder interest in such a corporation.

45 h. "Cause, proceeding, application or other matter" means a
46 specific cause, proceeding or matter and does not mean or include
47 determinations of general applicability or the preparation or review

1 of legislation which is no longer pending before the Legislature or
2 the Governor.

3 i. "Member of the immediate family" of any person means the
4 person's spouse, child, parent or sibling residing in the same
5 household.

6 (cf: P.L.1987, c.432, s.2)

7

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

10 4. a. As used in this section "person" means:

11 (1) any State officer or employee subject to financial disclosure
12 by law or executive order and any other State officer or employee
13 with responsibility for matters affecting casino activity or marijuana
14 activity subject to any State law regulating a legalized marijuana
15 marketplace; any special State officer or employee with
16 responsibility for matters affecting casino activity or marijuana
17 activity subject to any State law regulating a legalized marijuana
18 marketplace; the Governor; any member of the Legislature or any
19 full-time member of the Judiciary; any full-time professional
20 employee of the Office of the Governor, or the Legislature;
21 members of the Casino Reinvestment Development Authority;
22 appointed officers of any department, division, office, bureau,
23 board, commission, public authority, public agency, or other public
24 body, including any public body that is in but not of a particular
25 part of the executive branch, that is granted the authority under any
26 State law to regulate a legalized marijuana marketplace; the head of
27 a principal department; the assistant or deputy heads of a principal
28 department, including all assistant and deputy commissioners; the
29 head of any division of a principal department; or

30 (2) (a) any member of the governing body, or the municipal
31 judge or the municipal attorney of a municipality wherein a casino
32 is located; any member of or attorney for the planning board or
33 zoning board of adjustment of a municipality wherein a casino is
34 located, or any professional planner, or consultant regularly
35 employed or retained by such planning board or zoning board of
36 adjustment; or

37 (b) any member of the governing body, or the municipal judge or
38 the municipal attorney of a municipality wherein a business or
39 organization authorized under any State law to engage in activities
40 associated with a legalized marijuana marketplace is located.

41 b. (1) No State officer or employee, nor any person, nor any
42 member of the immediate family of any State officer or employee,
43 or person, nor any partnership, firm or corporation with which any
44 such State officer or employee or person is associated or in which
45 he has an interest, nor any partner, officer, director or employee
46 while he is associated with such partnership, firm, or corporation,
47 shall hold, directly or indirectly, an interest in, or hold employment
48 with, or represent, appear for, or negotiate on behalf of, any holder

1 of, or applicant for, a casino license, or any holding or intermediary
2 company with respect thereto, in connection with any cause,
3 application, or matter, except as provided in section 3 of P.L.2009,
4 c.26 (C.52:13D-17.3), and except that **[(1)]** (a) a State officer or
5 employee other than a State officer or employee included in the
6 definition of person, and **[(2)]** (b) a member of the immediate
7 family of a State officer or employee, or of a person, may hold
8 employment with the holder of, or applicant for, a casino license if,
9 in the judgment of the State Ethics Commission, the Joint
10 Legislative Committee on Ethical Standards, or the Supreme Court,
11 as appropriate, such employment will not interfere with the
12 responsibilities of the State officer or employee, or person, and will
13 not create a conflict of interest, or reasonable risk of the public
14 perception of a conflict of interest, on the part of the State officer or
15 employee, or person. No special State officer or employee without
16 responsibility for matters affecting casino activity, excluding those
17 serving in the Departments of Education, Health **[and Senior**
18 **Services]**, and Human Services and the Commission on Higher
19 Education, shall hold, directly or indirectly, an interest in, or
20 represent, appear for, or negotiate on behalf of, any holder of, or
21 applicant for, a casino license, or any holding or intermediary
22 company with respect thereto, in connection with any cause,
23 application, or matter. However, a special State officer or employee
24 without responsibility for matters affecting casino activity may hold
25 employment directly with any holder of or applicant for a casino
26 license or any holding or intermediary company thereof and if so
27 employed may hold, directly or indirectly, an interest in, or
28 represent, appear for, or negotiate on behalf of, **[his]** that employer,
29 except as otherwise prohibited by law.

30 (2) No State officer or employee, nor any person, nor any
31 member of the immediate family of any State officer or employee,
32 or person, nor any partnership, firm or corporation with which any
33 such State officer or employee or person is associated or in which
34 he has an interest, nor any partner, officer, director or employee
35 while he is associated with such partnership, firm, or corporation,
36 shall hold, directly or indirectly, an interest in, or hold employment
37 with, or represent, appear for, or negotiate on behalf of, or derive
38 any remuneration, payment, benefit or any other thing of value for
39 any services, including but not limited to consulting or similar
40 services, from any holder of, or applicant for, a license, permit, or
41 other approval to conduct Internet gaming, or any holding or
42 intermediary company with respect thereto, or any Internet gaming
43 affiliate of any holder of, or applicant for, a casino license, or any
44 holding or intermediary company with respect thereto, or any
45 business, association, enterprise or other entity that is organized, in
46 whole or in part, for the purpose of promoting, advocating for, or
47 advancing the interests of the Internet gaming industry generally or

1 any Internet gaming-related business or businesses in connection
2 with any cause, application, or matter, except as provided in section
3 3 of P.L.2009, c.26 (C.52:13D-17.3), and except that **[(1)]** (a) a
4 State officer or employee other than a State officer or employee
5 included in the definition of person, and **[(2)]** (b) a member of the
6 immediate family of a State officer or employee, or of a person,
7 may hold employment with the holder of, or applicant for, a license,
8 permit, or other approval to conduct Internet gaming, or any
9 holding or intermediary company with respect thereto, or any
10 Internet gaming affiliate of any holder of, or applicant for, a casino
11 license, or any holding or intermediary company with respect
12 thereto if, in the judgment of the State Ethics Commission, the Joint
13 Legislative Committee on Ethical Standards, or the Supreme Court,
14 as appropriate, such employment will not interfere with the
15 responsibilities of the State officer or employee, or person, and will
16 not create a conflict of interest, or reasonable risk of the public
17 perception of a conflict of interest, on the part of the State officer or
18 employee, or person.

19 (3) No State officer or employee, nor any person, nor any
20 member of the immediate family of any State officer or employee,
21 or person, nor any partnership, firm or corporation with which any
22 such State officer or employee or person is associated or in which
23 he has an interest, nor any partner, officer, director or employee
24 while he is associated with such partnership, firm, or corporation,
25 shall hold, directly or indirectly, an interest in, or hold employment
26 with, or represent, appear for, or negotiate on behalf of, any holder
27 of, or applicant for, a marijuana license, permit, certification, or
28 other form of document which authorizes the recipient thereof to
29 engage in activities associated with a legalized marijuana
30 marketplace issued by any department, division, office, bureau,
31 board, commission, public authority, public agency, or other public
32 body, including any public body that is in but not of a particular
33 part of the executive branch, that is granted the authority under any
34 State law to regulate a legalized marijuana marketplace, or any
35 holding or intermediary company with respect to that document
36 holder or applicant, in connection with any cause, application, or
37 matter, except as provided in section 3 of P.L.2009, c.26
38 (C.52:13D-17.3), and except that (a) a State officer or employee
39 other than a State officer or employee included in the definition of
40 person, and (b) a member of the immediate family of a State officer
41 or employee, or of a person, may hold employment with the holder
42 of, or applicant for, a marijuana license, permit, certification, or
43 other form of document if, in the judgment of the State Ethics
44 Commission, the Joint Legislative Committee on Ethical Standards,
45 or the Supreme Court, as appropriate, such employment will not
46 interfere with the responsibilities of the State officer or employee,
47 or person, and will not create a conflict of interest, or reasonable
48 risk of the public perception of a conflict of interest, on the part of

1 the State officer or employee, or person. No special State officer or
2 employee without responsibility for matters affecting legalized
3 marijuana activity, excluding those serving in the Departments of
4 Education, Health, and Human Services and the Commission on
5 Higher Education, shall hold, directly or indirectly, an interest in, or
6 represent, appear for, or negotiate on behalf of, any holder of, or
7 applicant for, a marijuana license, permit, certification, or other
8 form of document in connection with any cause, application, or
9 matter. However, a special State officer or employee without
10 responsibility for matters affecting legalized marijuana activity may
11 hold employment directly with any holder of or applicant for a
12 marijuana license, permit, certification, or other form of document,
13 and if so employed may hold, directly or indirectly, an interest in,
14 or represent, appear for, or negotiate on behalf of, that employer,
15 except as otherwise prohibited by law.

16 c. No person or any member of his immediate family, nor any
17 partnership, firm or corporation with which such person is
18 associated or in which he has an interest, nor any partner, officer,
19 director or employee while he is associated with such partnership,
20 firm or corporation, shall, within two years next subsequent to the
21 termination of the office or employment of such person, hold,
22 directly or indirectly, an interest in, or hold employment with, or
23 represent, appear for or negotiate on behalf of, any holder of, or
24 applicant for, a casino license, or any holder of, or applicant for, a
25 marijuana license, permit, certification, or other form of document
26 which authorizes the recipient thereof to engage in activities
27 associated with a legalized marijuana marketplace, or any holding
28 or intermediary company with respect to that document holder or
29 applicant, in connection with any cause, application or matter, or
30 any holding or intermediary company with respect to such holder
31 of, or applicant for, a casino license, or marijuana document, in
32 connection with any phase of [casino] development, permitting,
33 licensure or any other matter whatsoever related to casino or
34 legalized marijuana activity, except as provided in section 3 of
35 P.L.2009, c.26 (C.52:13D-17.3), and except that:

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

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

1 at any time prior to the end of the two-year period, accept
2 employment with the holder of, or applicant for, a casino license, or
3 the holder of, or applicant for, a marijuana license, permit,
4 certification, or other form of document if, in the judgment of the
5 State Ethics Commission, the Joint Legislative Committee on
6 Ethical Standards, or the Supreme Court, as appropriate, such
7 employment will not create a conflict of interest, or reasonable risk
8 of the public perception of a conflict of interest, on the part of the
9 employee. In no case shall the restrictions of this subsection apply
10 to a secretarial or clerical employee.

11 (b) (i) Nothing herein contained shall alter or amend the post-
12 employment restrictions applicable to members and employees of
13 the Casino Control Commission and employees and agents of the
14 Division of Gaming Enforcement pursuant to paragraph (2) of
15 subsection e. **[(2)]** of section 59 and to section 60 of P.L.1977,
16 c.110 (C.5:12-59 and C.5:12-60); and

17 (ii) Nothing herein contained shall alter or amend the post-
18 service or post-employment restrictions applicable to appointed
19 officers and employees of any department, division, office, bureau,
20 board, commission, public authority, public agency, or other public
21 body, including any public body that is in but not of a particular
22 part of the executive branch, that is granted the authority under any
23 State law to regulate a legalized marijuana marketplace pursuant to
24 paragraph (2) of subsection c. of section 2 and to section 3 of this
25 act; and

26 (3) any partnership, firm or corporation engaged in the practice
27 of law or in providing any other professional services with which
28 any person included in paragraph (1) of subsection a. of this
29 section, or a member of the immediate family of that person, is
30 associated, and any partner, officer, director or employee thereof,
31 other than that person, or immediate family member, may represent,
32 appear for or negotiate on behalf of any holder of, or applicant for,
33 a casino license, or the holder of, or applicant for, a marijuana
34 license, permit, certification, or other form of document in
35 connection with any cause, application or matter or any holding
36 company or intermediary company with respect to such holder of,
37 or applicant for, a casino license, or the holder of, or applicant for, a
38 marijuana license, permit, certification, or other form of document,
39 in connection with any phase of **[casino]** development, permitting,
40 licensure or any other matter whatsoever related to casino or
41 legalized marijuana activity, and that person or immediate family
42 member shall not be barred from association with such partnership,
43 firm or corporation, if for a period of two years next subsequent to
44 the termination of the person's office or employment, the person or
45 immediate family member (a) is screened from personal
46 participation in any such representation, appearance or negotiation;
47 and (b) is associated with the partnership, firm or corporation in a
48 position which does not entail any equity interest in the partnership,

1 firm or corporation. The exception provided in this paragraph shall
2 not apply to a former Governor, Lieutenant Governor, Attorney
3 General, member of the Legislature, person included in paragraph
4 (2) of subsection a. of this section, or to the members of their
5 immediate families.

6 d. This section shall not apply to the spouse of a State officer
7 or employee, which State officer or employee is without
8 responsibility for matters affecting casino or legalized marijuana
9 activity, who becomes the spouse subsequent to the State officer's
10 or employee's appointment or employment as a State officer or
11 employee and who is not individually or directly employed by a
12 holder of, or applicant for, a casino license, or any holder of, or
13 applicant for, a marijuana license, permit, certification, or other
14 form of document which authorizes the recipient thereof to engage
15 in activities associated with a legalized marijuana marketplace, or
16 any holding or intermediary company thereof.

17 e. The Joint Legislative Committee on Ethical Standards and
18 the State Ethics Commission, as appropriate, shall forthwith
19 determine and publish, and periodically update, a list of those
20 positions in State government with responsibility for matters
21 affecting casino and legalized marijuana activity.

22 f. (1) No person shall solicit or accept, directly or indirectly,
23 any complimentary service or discount from any casino applicant or
24 licensee which he knows or has reason to know is other than a
25 service or discount that is offered to members of the general public
26 in like circumstance.

27 (2) No person shall solicit or accept, directly or indirectly, any
28 complimentary service or discount from any holder of, or applicant
29 for, a marijuana license, permit, certification, or other form of
30 document which authorizes the recipient thereof to engage in
31 activities associated with a legalized marijuana marketplace, which
32 the person knows or has reason to know is other than a service or
33 discount that is offered to members of the general public in like
34 circumstance.

35 g. No person shall influence, or attempt to influence, by use of
36 his official authority, the decision of the **【commission】** Casino
37 Control Commission or the investigation of the **【division】** Division
38 of Gaming Enforcement in any application for casino licensure, or
39 the decision of any department, division, office, bureau, board,
40 commission, public authority, public agency, or other public body,
41 including any public body that is in but not of a particular part of
42 the executive branch, that is granted the authority under any State
43 law to regulate a legalized marijuana marketplace in any application
44 for a marijuana license, permit, certification, or other form of
45 document which authorizes the recipient thereof to engage in
46 activities associated with a legalized marijuana marketplace, or in
47 any proceeding to enforce the provisions of this act or the
48 regulations of **【the】** either the commission or public body. Any

1 such attempt shall be promptly reported to the Attorney General;
2 provided, however, that nothing in this section shall be deemed to
3 proscribe a request for information by any person concerning the
4 status of any application for casino licensure or application for a
5 marijuana license, permit, certification, or other form of document,
6 or any proceeding to enforce the provisions of this act or the
7 regulations of **the** either the commission or public body.

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

11 In addition, for violations of subsection c. of this section
12 occurring after the effective date of P.L.2005, c.382, a civil penalty
13 of not less than \$500 nor more than \$10,000 shall be imposed upon
14 a former State officer or employee or former special State officer or
15 employee of a State agency in the Executive Branch upon a finding
16 of a violation by the State Ethics Commission, which penalty may
17 be collected in a summary proceeding pursuant to the "Penalty
18 Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).
19 (cf: P.L.2013, c.27, s.35)
20

21 7. This act shall take effect immediately.
22
23

24 STATEMENT 25

26 This bill would apply the same statutory ethics and conflicts-of-
27 interest standards for casino industry regulators and participants to
28 any regulators of and participants in a legalized marijuana
29 marketplace, if marijuana is legalized in this State.

30 An appointed officer or employee of any department, division,
31 office, bureau, board, commission, public authority, public agency, or
32 other public body, including any public body that is in but not of a
33 particular part of the executive branch, which is granted authority
34 under any State law to regulate a legalized marijuana marketplace
35 would be subject to such ethical and conflicts-of-interest restrictions,
36 addressing activities engaged in prior to, during, and following their
37 public service. For instance, a person generally could not be an
38 appointed officer or employee if, during the period commencing three
39 years prior to appointment or employment, the person held any direct
40 or indirect interest in, or any employment by, any holder of, or
41 applicant for, a marijuana license, permit, certification, or other
42 form of document which authorizes the recipient thereof to engage
43 in activities associated with a legalized marijuana marketplace,
44 unless the person's prior interest would not, in the opinion of the
45 particular public body, interfere with the person's obligations of
46 appointment or employment; and generally, for a period of four years
47 commencing from the date that an appointed officer's or employee's
48 service terminates, that former officer or employee would not be

1 permitted to hold any direct or indirect interest in, or any employment
2 by, a holder of or applicant for any form of authorizing marijuana
3 documentation (this four-year post-service restriction would not apply
4 to secretarial or clerical employees).

5 At the time of commencing service, each appointed officer and
6 employee, with the exception of secretarial and clerical employees,
7 would be required to file a financial disclosure statement with the State
8 Ethics Commission, listing all assets and liabilities, property and
9 business interests, and sources of income of the person, and the
10 person's spouse, domestic partner, or partner in a civil union couple.
11 Additionally, appointed officers would have to supply the same
12 information for their parents, brothers, sisters, and children.

13 The appointed officers and employees would generally be subject
14 to the "New Jersey Conflicts of Interest Law," P.L.1971, c.182
15 (C.52:13D-12 et seq.), as well as a Code of Ethics promulgated by the
16 particular public body that is modeled upon the Code of Judicial
17 Conduct of the American Bar Association, as amended and adopted by
18 the New Jersey Supreme Court. All officers and employees would be
19 prohibited from using any official authority to interfere with or affect
20 the result of an election or nomination for office, coerce or advise any
21 person to contribute anything of value to another person or
22 organization for political purposes, or take active part in any political
23 campaign. For appointed officers and any employee holding a
24 supervisory or policy-making management position, the bill also
25 provides a prohibition on making any political contributions as that
26 term is defined in "The New Jersey Campaign Contributions and
27 Expenditures Reporting Act," P.L.1973, c.83 (C.19:44A-1 et seq.).

28 The "New Jersey Conflicts of Interest Law" is also amended to
29 establish restrictions on various State officers or employees, the
30 Governor and full-time professionals employed in the Governor's
31 Office, members of the Legislature or Judiciary, and municipal
32 officers of a municipality wherein a business or organization
33 authorized under any State law to engage in activities associated with a
34 legalized marijuana marketplace is located, with respect to their own
35 activities, and the activities of their associated partnerships, firms, or
36 corporations, or their family members in connection with either
37 employment or another interest in, or representation of, any holder of,
38 or applicant for, a marijuana license, permit, certification, or other
39 form of authorizing document. The restrictions, being the same as the
40 current restrictions on these people and businesses concerning casino
41 licensees and applicants, and casino-related activities, include a
42 general prohibition on employment, representation, appearance for, or
43 negotiation on behalf of, any holder of, or applicant for, an authorizing
44 document in connection with any cause, application, or matter, and
45 these restrictions can carry over into the post-employment or post-
46 service period following the departure of a person from State or local
47 employment or office.

1 The ethical and conflicts-of-interest restrictions would be enforced
2 by the State Ethics Commission, and any person found to have
3 committed a violation would be subject to a civil penalty of not less
4 than \$500 or more than \$10,000. Additionally, any willful violation of
5 the restrictions that are applicable to the above State or municipal
6 elected, appointed, or employed persons, their associated partnerships,
7 firms, or corporations, or their family members would be considered a
8 disorderly persons offense, punishable by a term of imprisonment of
9 up to six months, a fine of up to \$1,000, or both.

10 If a marijuana regulating department, division, office, bureau,
11 board, commission, public authority, public agency, or other public
12 body found that a holder of, or applicant for, an authorizing document
13 to engage in activities associated with a legalized marijuana
14 marketplace had committed a violation involving an appointed officer
15 or employee with respect to pre-service activities, activities during
16 service, or post-service activities, that document holder or applicant
17 would be subject to a civil penalty of not less than \$500 or more than
18 \$10,000, and possible document revocation or suspension, or denial of
19 an application, as applicable.