

ASSEMBLY, No. 1174

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblyman DALTON

1 AN ACT prohibiting members of the Legislature from performing
2 State or local public contracts and amending and supplementing
3 P.L.1971, c.182.

4

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

7

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

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

32 b. The provisions of subsection a. of this section shall not apply to

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

Matter underlined thus is new matter.

1 (a) purchases, contracts, agreements or sales which (1) are made or let
2 after public notice and competitive bidding or which (2), pursuant to
3 section 5 of chapter 48 of the laws of 1944 (C.52:34-10) or such other
4 similar provisions contained in the public bidding laws or regulations
5 applicable to other State agencies, may be made, negotiated or
6 awarded without public advertising for bids, or (b) any contract of
7 insurance entered into by the Director of the Division of Purchase and
8 Property pursuant to section 10 of article 6 of chapter 112 of the laws
9 of 1944 (C.52:27B-62), if such purchases, contracts or agreements,
10 including change orders and amendments thereto, shall receive prior
11 approval of the Joint Legislative Committee on Ethical Standards if a
12 [member of the Legislature or] State officer or employee or special
13 State officer or employee in the Legislative Branch has an interest
14 therein, or the Executive Commission on Ethical Standards if a State
15 officer or employee or special State officer or employee in the
16 Executive Branch has an interest therein.

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

18

19 2. (New section) A member of the Legislature shall not knowingly
20 himself, or by the member's partners or through any corporation which
21 the member controls or in which the member owns or controls more
22 than 1% of the stock, or by any other person for the member's use or
23 benefit or on the member's account, undertake or execute, in whole or
24 in part, any contract, agreement, sale or purchase to provide goods or
25 services, including professional services, valued at \$25 or more, which
26 is made, entered into, awarded or granted, with or without public
27 bidding, by any State agency, as defined in section 2 of P.L.1971,
28 c.182 (C.52:13D-13), or by any county, municipality or school district,
29 or by any agency or instrumentality thereof including an independent
30 local authority, or by any entity created by more than one county or
31 municipality.

32 The provisions of this section shall not be construed as prohibiting
33 a member of the Legislature from also holding an elective local public
34 office or from serving as a full-time employee of a unit of local
35 government.

36

37 3. (New section) The provisions of P.L. , c. (C.) (now
38 pending before the Legislature as this bill) shall not apply to any
39 contract entered into prior to the effective date thereof, except that
40 any such contract shall not be renewed after that effective date.

41

42 4. This act shall take effect immediately.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

STATEMENT

The purpose of this bill is to eliminate the actuality or appearance of impropriety which may arise when a member of the Legislature performs a contract awarded by a State or local government entity.

At present, the law provides that a member of the Legislature shall not knowingly himself, or through another person or a partnership or corporation, perform a contract for a State agency. A member may, however, perform a State contract which is publicly bid or comes under one of the exceptions to public bidding found in N.J.S.A.52:34-10 (i.e., sole source, public exigency, etc.), as well as certain State insurance contracts, with the permission of the Joint Legislative Committee on Ethical Standards. The bill would eliminate these exceptions and would prohibit legislators from performing any contract to provide goods or services, including professional services, awarded by a State agency or by a unit of local government. The bill would not prohibit a legislator from holding an elective local public office or from serving as a full-time employee of a unit of local government. It would also permit a legislator to perform a contract entered into prior to the bill's effective, but such a contract could not be renewed.

Prohibits members of the Legislature from performing State or local public contracts.