

ASSEMBLY, No. 2255

STATE OF NEW JERSEY

INTRODUCED JULY 18, 1996

By Assemblymen MALONE, COTTRELL, Wolfe, Doria,
DeSopo, Assemblywoman J. Smith, Assemblymen Moran,
Kramer, Romano, Assemblywoman Heck and
Assemblyman Garcia

1 AN ACT concerning financial disclosure statements for certain public
2 officials and candidates, amending various sections of the statutory
3 law, supplementing Title 52 of the Revised Statutes and repealing
4 sections 1 and 4 of P.L.1981, c.129.

5

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

8

9 1. (New section) As used in this act:

10 "Business organization" means any corporation, partnership, firm,
11 enterprise, franchise, association, trust, sole proprietorship, union,
12 political organization, or other legal entity but shall not include a local
13 school district or any other public entity;

14 "Gift" means any money or thing of value received other than as
15 income, and for which a consideration of equal or greater value is not
16 received, but does not include any political contribution reported as
17 otherwise required by law, any loan made in the ordinary course of
18 business or any devise, bequest, intestate estate distribution or
19 principal distribution of a trust or gift received from a member of a
20 person's immediate family or from a relative of the person or the
21 person's spouse or from the spouse of that relative;

22 "Income" means any money or thing of value received, or to be
23 received, as a claim on future services, whether in the form of a fee,
24 expense, allowance, forbearance, forgiveness, interest, dividend,
25 royalty, rent, capital gain, or any other form of recompense, or any
26 combination thereof, as defined by the Internal Revenue Service of the
27 United States;

28 "Interest" means:

29 a. The ownership or control of more than 10 percent of the profits
30 or assets of a firm, association or partnership or more than 10 percent
31 of the stock in a corporation for profit other than a professional

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 service corporation organized under the "Professional Service
2 Corporation Act," N.J.S.14A-17-1 et seq.;

3 b. The ownership or control of more than one percent of the profits
4 or assets of a firm, association or partnership or more than one percent
5 of the stock in any corporation which is the holder of, or an applicant
6 for, a casino license or in any holding or intermediary company with
7 respect thereto, as defined by the "Casino Control Act," P.L.1977,
8 c.110 (5:12-1 et seq.); or

9 c. The ownership or control of more than 10 percent, in the
10 aggregate, of one or more parcels of real property in the State;

11 "Member of the immediate family" means a person's spouse, child,
12 parent or sibling residing in the same household.

13

14 2. (New section) Notwithstanding any other law, rule or
15 regulation to the contrary, the financial disclosure statement required
16 to be completed and filed by school officials pursuant to the "School
17 Ethics Act," P.L. 1991, c.393 (C.18A:12-21 et seq.), local government
18 officers pursuant to the "Local Government Ethics Law," P.L.1991,
19 c.29 (C.40A:9-22.1 et seq.), candidates for the office of Governor and
20 for member of the Legislature pursuant to P.L.1981, c.129 (C.19:44B-
21 1 et seq.), and members of the Legislature pursuant to the Legislative
22 Code of Ethics promulgated pursuant to the "New Jersey Conflicts of
23 Interest Law," P.L.1971, c.182 (C.52:13D-12 et seq.), shall include
24 the following information, which shall specify, where applicable, the
25 name and address of each source and the filer's position or job title
26 during the preceding calendar year:

27 a. Each source of income, earned or unearned, exceeding \$1,000
28 received by the filer or a member of the immediate family of the filer.
29 Individual client fees, customer receipts or commissions on
30 transactions received through a business organization need not be
31 separately reported as sources of income. If a publicly traded security
32 or interest derived from a financial institution is the source of income,
33 the security or interest derived from a financial institution need not be
34 reported unless the filer or member of the immediate family of the filer
35 has an interest in the business organization or financial institution;

36 b. Each source of fees and honoraria having an aggregate amount
37 exceeding \$100 from any single source for personal appearances,
38 speeches or writings received by the filer or a member of the
39 immediate family of the filer;

40 c. Each source of reimbursements or prepaid expenses having an
41 aggregate value exceeding \$100 for travel, subsistence or facilities
42 provided in kind and received from any single source by the filer or the
43 immediate family of the filer;

44 d. Each source of gifts having an aggregate value exceeding \$250
45 from any single source received by the filer;

46 e. The name and address of all business organizations in which the

1 filer or a member of the immediate family of the filer had an interest;

2 f. The address and brief description of all real property in the State
3 in which the filer or a member of the immediate family of the filer
4 owned, held or had an interest in; and

5 g. The ownership, holding or control of an interest in any land or
6 building in any city in which casino gambling is authorized by the filer
7 or a member of the immediate family of the filer, which land or
8 building shall be specified.

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10 3. (New section) a. No more than three representatives of the
11 School Ethics Commission in the Department of Education, the
12 Election Law Enforcement Commission, the Local Finance Board in
13 the Division of Local Government Services in the Department of
14 Community Affairs and the Joint Legislative Committee on Ethical
15 Standards shall meet no later than the 14th day after the enactment of
16 this act to design a financial disclosure statement form incorporating
17 the requirements for such a form provided for by section 1 of P.L. ,
18 c. (C.)(now pending before the Legislature as this bill) and no
19 less than once every three years thereafter to make certain that the
20 form complies with the current provisions of law.

21 b. The form created pursuant to the provisions of subsection a. of
22 this section shall be:

23 (1) designed so that copies of the same form, once signed and
24 certified by the person, may be transmitted to the School Ethics
25 Commission, the Election Law Enforcement Commission, the Local
26 Finance Board or the Joint Legislative Committee on Ethical
27 Standards;

28 (2) accepted as filling the requirements for financial disclosure
29 statements established in law or a code of ethics for each such board,
30 commission or committee; and

31 (3) used when filing the financial disclosure statements that are
32 required to be filed in the year that this act takes effect and each year
33 thereafter.

34

35 4. (New section) The definitions provided in section 1 of P.L. ,
36 c. (C.)(now pending before the Legislature as this bill) shall be
37 applicable only to the financial disclosure requirements provided for
38 school officials pursuant to the "School Ethics Act," P.L. 1991, c.393
39 (C.18A:12-21 et seq.), local government officers pursuant to the
40 "Local Government Ethics Law," P.L.1991, c.29 (C.40A:9-22.1 et
41 seq.), and members of the Legislature pursuant to the Legislative Code
42 of Ethics promulgated pursuant to the "New Jersey Conflicts of
43 Interest Law," P.L.1971, c.182 (C.52:13D-12 et seq.), respectively.
44 Any other meaning or use of definitions in statutory law that pertain
45 to school officials, local government officers and members of the
46 Legislature and are similar to or the same as those in section 1 of

1 P.L. , c. (C.)(now pending before the Legislature as this bill)
2 shall continue to be valid within the context of that statutory law.

3

4 5. Section 6 of P.L.1991, c.393 (C.18A:12-26) is amended to read
5 as follows:

6 6. a. Each school official shall annually file a financial disclosure
7 statement with the School Ethics Commission. All financial disclosure
8 statements filed pursuant to this act shall [include the following
9 information which shall specify, where applicable, the name and
10 address of each source and the school official's position:

11 (1) Each source of income, earned or unearned, exceeding \$2,000
12 received by the school official or a member of his immediate family
13 during the preceding calendar year. Individual client fees, customer
14 receipts or commissions on transactions received through a business
15 organization need not be separately reported as sources of income. If
16 a publicly traded security or interest derived from a financial institution
17 is the source of income, the security or interest derived from a
18 financial institution need not be reported unless the school official or
19 member of his immediate family has an interest in the business
20 organization or financial institution;

21 (2) Each source of fees and honorariums having an aggregate
22 amount exceeding \$250 from any single source for personal
23 appearances, speeches or writings received by the school official or a
24 member of his immediate family during the preceding calendar year;

25 (3) Each source of gifts, reimbursements or prepaid expenses
26 having an aggregate value exceeding \$250 from any single source,
27 excluding relatives, received by the school official or a member of his
28 immediate family during the preceding calendar year; and

29 (4) The name and address of all business organizations in which the
30 school official or a member of his immediate family had an interest
31 during the preceding calendar year] conform to the provisions of
32 sections 1 through 4 of P.L. , c. (C.)(now pending before the
33 Legislature as this bill).

34 b. The [commission shall prescribe a financial disclosure statement
35 form for filing purposes. Initial financial disclosure statements shall be
36 filed within 90 days following the effective date of this act.
37 Thereafter,] statements shall be filed on or before April 30th each
38 year.

39 c. All financial disclosure statements filed shall be public records.
40 (cf: P.L.1991, c.393, s.6)

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42 6. Section 2 of P.L.1981, c.129 (C.19:44B-2) is amended to read
43 as follows:

44 2. Every candidate for the office of Governor and every candidate
45 for the Senate or General Assembly shall file and certify the
46 correctness of a financial disclosure statement which conforms to the

1 provisions of sections 1 through 4 of P.L. _____, c. _____ (C. _____)(now
2 pending before the Legislature as this bill), on or before the tenth day
3 following the last day for filing a petition to appear on the ballot, and
4 the financial disclosure statement shall be filed with the Election Law
5 Enforcement Commission in the Department of Law and Public
6 Safety.

7 (cf: P.L.1981, c.129, s.2)

8

9 7. Section 6 of P.L.1991, c.29 (40A:9-22.6) is amended to read as
10 follows:

11 6. a. Local government officers shall annually file a financial
12 disclosure statement. All financial disclosure statements filed pursuant
13 to this act shall [include the following information which shall specify,
14 where applicable, the name and address of each source and the local
15 government officer's job title:

16 (1) Each source of income, earned or unearned, exceeding \$2,000
17 received by the local government officer or a member of his immediate
18 family during the preceding calendar year. Individual client fees,
19 customer receipts or commissions on transactions received through a
20 business organization need not be separately reported as sources of
21 income. If a publicly traded security is the source of income, the
22 security need not be reported unless the local government officer or
23 member of his immediate family has an interest in the business
24 organization;

25 (2) Each source of fees and honorariums having an aggregate
26 amount exceeding \$250 from any single source for personal
27 appearances, speeches or writings received by the local government
28 officer or a member of his immediate family during the preceding
29 calendar year;

30 (3) Each source of gifts, reimbursements or prepaid expenses
31 having an aggregate value exceeding \$400 from any single source,
32 excluding relatives, received by the local government officer or a
33 member of his immediate family during the preceding calendar year;

34 (4) The name and address of all business organizations in which the
35 local government officer or a member of his immediate family had an
36 interest during the preceding calendar year; and

37 (5) The address and brief description of all real property in the
38 State in which the local government officer or a member of his
39 immediate family held an interest during the preceding calendar year]
40 conform to the provisions of sections 1 through 4 of P.L. _____, c. _____
41 (C. _____)(now pending before the Legislature as this bill).

42 b. [The Local Finance Board shall prescribe a financial disclosure
43 statement form for filing purposes.] For counties and municipalities
44 which have not established ethics boards, the [board] Local Finance
45 Board shall transmit sufficient copies of the forms to the municipal
46 clerk in each municipality and the county clerk in each county for filing

1 in accordance with this act. The municipal clerk shall make the forms
2 available to the local government officers serving the municipality.
3 The county clerk shall make the forms available to the local
4 government officers serving the county.

5 For counties and municipalities which have established ethics
6 boards, the Local Finance Board shall transmit sufficient copies of the
7 forms to the ethics boards for filing in accordance with this act. The
8 ethics boards shall make the forms available to the local government
9 officers within their jurisdiction.

10 For local government officers serving the municipality, the original
11 statement or a signed and certified copy of the statement shall be filed
12 with the municipal clerk in the municipality in which the local
13 government officer serves. For local government officers serving the
14 county, the original statement or a signed and certified copy of the
15 statement shall be filed with the county clerk in the county in which
16 the local government officer serves. A copy of the statement shall be
17 filed with the board. In counties or municipalities which have
18 established ethics boards a copy of the statement shall also be filed
19 with the ethics board having jurisdiction over the local government
20 officer. Local government officers shall file the initial financial
21 disclosure statement within 90 days following the effective date of this
22 act. Thereafter, statements shall be filed on or before April 30th each
23 year.

24 c. All financial disclosure statements filed shall be public records.
25 (cf: P.L.1991, c.29, s.6)

26

27 8. Sections 1 and 4 of P.L.1981, c.129 (C.19:44B-1 and 4) are
28 repealed.

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30 9. This act shall take effect on January 1 following enactment,
31 except that section 3 shall take effect immediately.

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STATEMENT

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36 The purpose of this bill is to establish in statute a single uniform
37 personal financial disclosure statement form for local government
38 officers, candidates for the office of Governor and for the office of
39 member of the Legislature, members of the Legislature and school
40 officials who must file such forms annually, biennially and
41 quadrennially.

42 Under current law, a person who holds two or more such offices
43 must file financial disclosure forms that are similar but not identical to
44 each other with several disclosure entities.

45 Under the bill, such a person would need to complete only one such
46 form and file a signed and certified copy of it, as need be, with the

1 School Ethics Commission in the Department of Education, for school
2 officials; the Election Law Enforcement Commission, for gubernatorial
3 and legislative candidates; the Local Finance Board in the Division of
4 Local Government Services in the Department of Community Affairs,
5 for local government officers; and the Joint Legislative Committee on
6 Ethical Standards, for members of the Legislature.

7 The uniform form would require the disclosure of the same personal
8 financial information by every local government officer, candidate for
9 the office of Governor and for the office of member of the Legislature,
10 member of the Legislature and school official in the State.

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15 Establishes single uniform personal financial disclosure statement form
16 for local government officers, candidates for Governor and for
17 member of the Legislature, members of the Legislature and school
18 officials.