

ASSEMBLY STATE GOVERNMENT COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2655

STATE OF NEW JERSEY

DATED: JUNE 12, 1997

The Assembly State Government Committee reports favorably Assembly, No. 2655.

This bill prohibits political contributions by the casino industry, and certain individuals associated therewith, to a recall committee or recall defense committee organized in connection with an effort to recall an elected official.

At present, the law prohibits an applicant for or holder of a casino license, as well as a holding, intermediary or subsidiary company thereof, from contributing to any candidate for nomination or election to public office in this State, to a political party, or to any group supporting a candidate or party. Contributions by an officer, director, or high-level employee of an applicant or licensee, or of a related company, are also prohibited. These provisions were enacted in 1977 as part of the "Casino Control Act" (N.J.S.A.5:12-1 et seq.) in order to prevent corruption or the appearance of corruption.

At the general election in November 1993, the voters approved an amendment to the New Jersey Constitution that gave the people the power to recall elected officials. In 1995, the "Uniform Recall Election Law" (N.J.S.A.19:27A-1 et seq.) was enacted to implement the constitutional amendment. It allows a recall committee formed to promote a recall effort and a recall defense committee organized by a official who is the subject of such an effort to raise and expend funds. This bill extends the prohibition against campaign contributions by casino-related persons and firms to include contributions to recall and recall defense committees.