

# SENATE JUDICIARY COMMITTEE

## STATEMENT TO

### SENATE CONCURRENT RESOLUTION No. 38

with committee amendments

# STATE OF NEW JERSEY

DATED: JANUARY 14, 1997

The Senate Judiciary Committee reports favorably and with committee amendments Senate Concurrent Resolution No. 38.

This bill would adopt a Legislative Code of Ethics for the current session. Presently the Legislature is operating under the 1982-1983 Code of Ethics which was temporarily adopted for 1996. Most of the changes to the ethics code proposed by the SCR reflect the provisions of recent enactments amending the "New Jersey Conflicts of Interest Law" and related statutes.

One change proposed in the bill which does not reflect present law, however, is the proposed amendment to Section 2:14 of the ethics code (see new subsection b. on p. 13). This amendment would require legislators to disclose the address and a brief description of all real property in the State in which the legislator, legislator's spouse or minor child held an interest during the preceding calendar year. This amendment was recommended by the Joint Legislative Committee on Ethical Standards and would parallel the real estate disclosure required by local government officers pursuant to the "Local Government Ethics Law."

The other changes proposed in SCR 38 are as follows:

1. Section 1:1 is amended to correct a technical error in the citation of the "Professional Services Corporation Act," P.L.1969, c.232 (C.14A:17-1 et seq.). This amendment conforms the Code to the changes made to the "New Jersey Conflicts of Interest Law," P.L.1971, c.182 (C.52:13D-12 et seq.) by P.L.1987, c.432. The definition of the term "document" is added to conform the Code to the changes made by P.L.1991, c.333.

2. Section 2:4 is amended for purposes of internal consistency to clarify that lawyer-legislators may represent local public entities in court even where the State is an adverse party. This conforms the Code to the changes made by P.L.1987, c.432.

3. Section 2:5 is amended to state that a legislator shall not individually, by his partners or through a corporation in which he owns or controls more than 1% of the stock, contract with a State agency in an amount exceeding \$25.00, except where the contract is publicly bid or where the contract falls within the limited exceptions enumerated in the section. The restrictions apply

to contracts of interstate agencies only if the contract is undertaken or executed by a New Jersey member to that interstate agency or by his partners or a corporation in which he owns or controls more than 1% of the stock. This amendment conforms the Code to the changes made by P.L.1987, c.432.

4. Section 2:8 is amended to allow a member of the immediate family of a member of the Legislature to hold employment with a casino licensee or applicant if the Joint Legislative Committee on Ethical Standards determines that the employment does not create an actual or perceived conflict of interest. This amendment conforms the Code to the changes made by P.L.1993, c.292. This section is further amended to add the post employment restrictions imposed by P.L.1981, c.142.

5. Section 3:6 is amended to broaden the post employment restrictions to prohibit a State officer or employee or special State officer or employee from providing or agreeing to provide information not generally available to members of the public or services to, either individually or through an organization in which he has an interest, anyone other than the State in connection with any matter in which he was substantially and directly involved during the course of his office or employment. This amendment conforms the Code to the changes made by P.L.1987, c.432.

6. Section 3:6 is amended to prohibit a State officer or employee or a special State officer or employee with purchasing responsibility from individually, by his partners or through a corporation in which he owns or controls more than 1% of the stock, contracting with any State agency, in the case of a State officer or employee, or the State agency in which he is employed, in the case of a special State officer or employee, in an amount exceeding \$25.00, except where the contract is publicly bid or falls within the limited exceptions enumerated in the section. The restrictions apply to contracts of interstate agencies only if the contract is undertaken or executed by a New Jersey member to that interstate agency or by his partners or a corporation in which he owns or controls more than 1% of the stock. This amendment conforms the Code to the changes made by P.L.1987, c.432.

7. New Section 3:7.1 is added to allow State officers or employees and special State officers or employees and their firms to contract with State agencies for the development of scientific or technological discoveries or innovations in which the State has a property right under certain conditions. This supplemental section conforms the Code to the changes made by P.L.1991, c.254.

8. New Section 3:7.2 is added to allow State officers or employees and special State officers or employees and special State officers or employees and their firms to enter into rental agreements with State agencies which operate facilities which rent space or provide services to assist small businesses. This supplemental section conforms the Code to the changes made by P.L.1991, c.254.

9. Section 3:9 is amended to require special State officers and employees

whose trade or occupation subjects them to licensing or regulation by a State agency or who practice law to report that fact to the Joint Legislative Committee on Ethical Standards. This amendment conforms the code to the changes made by P.L.1987, c.432.

10. Section 3:10 is amended to allow a member of the immediate family of a State officer or employee or a special State officer or employee with responsibility for matters affecting casino activity to hold employment with a casino licensee or applicant if the Joint Legislative Committee on Ethical Standards Determines that the employment does not create an actual or perceived conflict of interest. The section is also amended to allow a special State officer or employee without responsibility for matters affecting casino activity to hold employment directly with any holder of or applicant for a casino license or any holding or intermediary company thereof and if so employed to hold, directly or indirectly, an interest in, or represent, appear for, or negotiate on behalf of, his employer, except as otherwise prohibited by law. These amendments conform the Code to the changes made by P.L.1991, c.182 and P.L.1993, c.292. The section is also amended to conform the Code to the representation, employment and post employment restrictions in P.L.1981, c.142 and the spousal exception in P.L.1983, c.185.

11. Section 4:1 is amended to clarify that the jurisdiction of the Joint Legislative Committee on Ethical Standards extends to acts supplementing the New Jersey Conflicts of Interest Law.

12. Section 4:2 is amended to clarify that the Legislative Services Commission may prescribe additional conditions of employment for special State officers or employees.

13. New Section 4:6 is added to allow documents filed with the Joint Committee to be deemed timely filed if the postmark bears a date on or before the date of the last day prescribed for filing. This supplemental section conforms the Code to the changes made by P.L.1991, c.333.

14. New section 4:7 is added to provide that when the last day prescribed for filing a document falls on a Saturday, Sunday or legal holiday, the next succeeding business day shall be regarded as the date of the last day prescribed for filing the document. This supplemental section conforms the Code to the changes made by P.L.1991, c.333.

The committee adopted amendments that reflect the provisions of P.L.1995, c.18, with employment in the casino industry, and P.L.1996, c.116, which dealt with the ability of legislators and their employees to assist constituents with matters pending before State agencies.