

ASSEMBLY, No. 103

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblyman CHRISTOPHER P. DEPHILLIPS

District 40 (Bergen, Essex, Morris and Passaic)

SYNOPSIS

Establishes certain ethical standards and financial control requirements for State authorities.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** establishing certain ethical standards and financial control
2 requirements for State authorities and supplementing P.L.1971,
3 c.182 (C.52:13D-12 et seq.).
4

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

8 1. For the purpose of this act:

9 "authority" means any board, commission or agency which is
10 organized in, but not of, a principal department of State government
11 and any independent State authority; and

12 "executive director" means the executive or administrative head
13 of an authority.
14

15 2. The Governor's Authorities Unit, in conjunction with the
16 Executive Commission on Ethical Standards and the Inspector
17 General, shall hold several training sessions for members of all
18 State authorities in government ethics and proper fiscal practices,
19 including specific training in the requirements of the federal
20 Sarbanes Oxley Act, as related to their duties as authority members.
21 Such training shall include the responsibility of authority members
22 in the employment of authority staff, oversight of procurement and
23 fiscal operations and approval of contracts. As of January 1, 2006
24 and annually thereafter, the executive director of each authority
25 shall certify in writing to the Director of the Governor's Authorities
26 Unit that each member of the authority has completed such training.
27 Such training shall be updated annually at the direction of the
28 Director of the Governor's Authorities Unit to include such federal
29 mandates as directed by Congress and such State mandates as
30 directed by the Office of the Inspector General.
31

32 3. The Inspector General shall assess the internal controls that
33 are in place at every authority and make recommendations
34 concerning what uniform practices and procedures should be
35 established for all State authorities.
36

37 4. Within 30 days of the effective date of this act, the Director
38 of the Governor's Authorities Unit shall provide recommendations
39 concerning whether there are any authorities, boards, commissions
40 or agencies that are not presently covered by the provisions of this
41 act or Executive Orders Nos. 10 (2002), 122 (2004) or 134 (2004),
42 but should be included within its scope. The director shall further
43 review whether any executive director of an authority also serves as
44 a member of the authority and recommend whether legislative or
45 regulatory changes are necessary to eliminate this service in dual
46 capacities.
47

48 5. Within 30 days of the effective date of this act and annually

1 as of May 15 thereafter, the executive director of an authority shall
 2 certify in writing to the Director of the Governor's Authorities Unit
 3 that all authority members have met the requirements of Executive
 4 Order No.10 (2002).

5
 6 6. Within 45 days of the effective date of this act and annually
 7 as of January 1 thereafter, each executive director shall certify in
 8 writing to the Director of the Governor's Authorities Unit that the
 9 authority has met the requirements of Executive Order No.122
 10 (2004), which includes the requirement that every authority covered
 11 by that executive order have an audit committee that serves
 12 independently of the management of the authority in soliciting,
 13 procuring and overseeing the function of the independent auditor
 14 and ensuring that the relationship with such auditor is the function
 15 of the board and not the management of the authority.

16
 17 7. Within 60 days of the effective date of this act and annually
 18 as of January 1 thereafter, each executive director shall certify in
 19 writing to the Director of the Governor's Authorities Unit that the
 20 authority has met the requirements of Executive Order No. 134
 21 (2004), which includes the requirement that every authority comply
 22 with procedures designed to limit or ban campaign contributions by
 23 vendors doing business with the State or the authority.

24
 25 8. The failure of any authority member, officer or employee to
 26 comply with the provisions of this act shall constitute good cause
 27 for his or her removal from office or employment.

28
 29 9. This act shall take effect immediately.

30
 31
 32 STATEMENT

33
 34 This bill codifies Executive Order No. 41 (2005), issued by
 35 Acting Governor Codey on June 15, 2005. Specifically, it provides
 36 that:

37 the Governor's Authorities Unit, in conjunction with the
 38 Executive Commission on Ethical Standards and the Inspector
 39 General, will conduct training sessions for members of independent
 40 State authorities, as well as members of boards, commissions, or
 41 agencies that are in but not of a principal department, in
 42 government ethics and proper fiscal practices, including specific
 43 training in the requirements of the federal Sarbanes Oxley Act, as
 44 related to their duties as authority members and will include the
 45 responsibility of authority members in the employment of authority
 46 staff, oversight of procurement and fiscal operations and approval
 47 of contracts;

48 as of January 1, 2006 and annually thereafter, the executive

1 director of each authority will certify in writing to the Director of
2 the Governor's Authorities Unit that each member of the authority
3 has completed such training;
4 such training will be updated annually at the direction of the
5 Director of the Governor's Authorities Unit to include such federal
6 mandates as directed by Congress and such State mandates as
7 directed by the Office of the Inspector General;
8 the Inspector General will assess the internal controls that are in
9 place at every authority and make recommendations concerning
10 what uniform practices and procedures should be established for all
11 State authorities;
12 within 30 days of the bill's effective date, the Director of the
13 Governor's Authorities Unit will provide recommendations
14 concerning whether there are any authorities, boards, commissions
15 or agencies that are not presently covered by the bill's provisions or
16 Executive Orders Nos 10 (2002), 122 (2004) or 134 (2004), but
17 should be included within their scope, and the director will further
18 review whether any executive director of an authority also serves as
19 a member of the authority and recommend whether legislative or
20 regulatory changes are necessary to eliminate this service in dual
21 capacities;
22 within 30 days of the bill's effective date and annually as of May
23 15 thereafter, the executive director of an authority will certify in
24 writing to the Director of the Governor's Authorities Unit that all
25 authority members have met the requirements of Executive Order
26 No. 10 (2002);
27 within 45 days of the bill's effective date and annually as of
28 January 1 thereafter, each executive director will certify in writing
29 to the Director of the Governor's Authorities Unit that the authority
30 has met the requirements of Executive Order No. 122 (2004), which
31 includes the requirement that every authority covered by that
32 executive order have an audit committee that serves independently
33 of the management of the authority in soliciting, procuring and
34 overseeing the function of the independent auditor and ensuring that
35 the relationship with such auditor is the function of the board and
36 not the management of the authority;
37 within 60 days of the bill's effective date and annually as of
38 January 1 thereafter, each executive director will certify in writing
39 to the Director of the Governor's Authorities Unit that the authority
40 has met the requirements of Executive Order No. 134 (2004), which
41 includes the requirement that every authority comply with
42 procedures designed to limit or ban campaign contributions by
43 vendors doing business with the State or the authority; and
44 the failure of any authority member, officer or employee to
45 comply with the bill's provisions will constitute good cause for his
46 or her removal from office or employment.