

ASSEMBLY, No. 1821

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblyman ERIK PETERSON

District 23 (Hunterdon, Somerset and Warren)

Co-Sponsored by:

Assemblywoman B.DeCroce

SYNOPSIS

Applies statutory ethics and conflicts-of-interest standards for casino industry regulators and participants to regulators of and participants in legalized marijuana marketplace.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** concerning ethics and conflicts of interest pertaining to the
2 State regulation of legalized marijuana, supplementing Title 24
3 of the Revised Statutes, and amending P.L.1971, c.182 and
4 P.L.1981, c.142.

5

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

8

9 1. (New section) Pre-Interest or Pre-Employment Restrictions
10 Concerning State Officers and Employees Regulating Legal
11 Marijuana.

12 a. No person shall be appointed to any office in or employed
13 by any department, division, office, bureau, board, commission,
14 public authority, public agency, or other public body, including any
15 public body that is in but not of a particular part of the executive
16 branch, that is granted the authority under any State law to regulate
17 a legalized marijuana marketplace if, during the period commencing
18 three years prior to appointment or employment, the person held
19 any direct or indirect interest in, or any employment by, any holder
20 of, or applicant for, a marijuana license, permit, certification, or
21 other form of document which authorizes the recipient thereof to
22 engage in activities associated with a legalized marijuana
23 marketplace; provided, however, that notwithstanding any other
24 provision of this act to the contrary, any such person may be
25 appointed to or employed by a department, division, office, bureau,
26 board, commission, public authority, public agency, or other public
27 body as described herein if the person's prior interest in any such
28 holder of, or applicant for, a marijuana license, permit, certification,
29 or other issued document would not, in the opinion of the
30 department, division, office, bureau, board, commission, public
31 authority, public agency, or other public body, interfere with the
32 objective discharge of the person's duties or employment
33 obligations, but in no instance shall any person be appointed or
34 employed if the person's prior interest in the holder of, or applicant
35 for, a marijuana license, permit, certification, or other form of
36 document, constituted a controlling interest in that document holder
37 or applicant therefor; and provided further, however, that
38 notwithstanding any other provision of this act to the contrary, any
39 such person may be employed by the commission in a secretarial or
40 clerical position if, in the opinion of the department, division,
41 office, bureau, board, commission, public authority, public agency,
42 or other public body, the person's previous employment by, or
43 interest in, any holder of, or applicant for, a marijuana license,
44 permit, certification, or other issued document would not interfere

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

Matter underlined thus is new matter.

1 with the objective discharge of the person's employment
2 obligations.

3 b. Prior to appointment or employment, each person shall
4 swear or affirm that the person possesses no interest in any business
5 or organization issued a marijuana license, permit, certification, or
6 other form of document.

7 c. (1) Each appointed officer shall file with the State Ethics
8 Commission a financial disclosure statement listing all assets and
9 liabilities, property and business interests, and sources of income of
10 the officer and the officer's spouse, domestic partner, or partner in a
11 civil union, as the case may be, and shall provide to the State Ethics
12 Commission a financial disclosure statement listing all assets and
13 liabilities, property and business interests, and sources of income of
14 the parents, brothers, sisters, and children of the officer. Such
15 statement shall be under oath and shall be filed at the time of
16 appointment and annually thereafter.

17 (2) Each employee, except for secretarial and clerical personnel,
18 shall file with the State Ethics Commission a financial disclosure
19 statement listing all assets and liabilities, property and business
20 interests, and sources of income of the employee and the employee's
21 spouse, domestic partner, or partner in a civil union, as the case
22 may be. Such statement shall be under oath and shall be filed at the
23 time of employment and annually thereafter. Notwithstanding the
24 provisions of subsection (n) of section 10 of P.L.1971, c.182
25 (C.52:13D-21), only financial disclosure statements filed by an
26 employee who is in a policy-making management position shall be
27 posted on the Internet site of the State Ethics Commission.

28

29 2. (New section) Restrictions on State Officers and Employees
30 Regulating Legal Marijuana.

31 a. The "New Jersey Conflicts of Interest Law," P.L.1971, c.182
32 (C.52:13D-12 et seq.) shall apply to any person appointed to any
33 office in or employed by any department, division, office, bureau,
34 board, commission, public authority, public agency, or other public
35 body, including any public body that is in but not of a particular
36 part of the executive branch, that is granted the authority under any
37 State law to regulate a legalized marijuana marketplace, except as
38 herein specifically provided.

39 b. (1) Each regulating department, division, office, bureau,
40 board, commission, public authority, public agency, or other public
41 body shall promulgate and maintain a Code of Ethics that is
42 modeled upon the Code of Judicial Conduct of the American Bar
43 Association, as amended and adopted by the Supreme Court of New
44 Jersey.

45 (2) The Codes of Ethics promulgated and maintained by each
46 regulating department, division, office, bureau, board, commission,
47 public authority, public agency, or other public body shall not be in

1 conflict with the laws of this State, except, however, that the Code
2 of Ethics may be more restrictive than any law of this State.

3 c. The Codes of Ethics promulgated and maintained by each
4 regulating department, division, office, bureau, board, commission,
5 public authority, public agency, or other public body, and any
6 amendments or restatements thereof, shall be submitted to the State
7 Ethics Commission for approval. The Codes of Ethics shall include,
8 but not be limited to, provisions that:

9 (1) No appointed officer or employee shall be permitted to enter
10 and engage in any activities, nor have any interest, directly or
11 indirectly, in any business or organization issued a marijuana
12 license, permit, certification, or other form of document which
13 authorizes the recipient thereof to engage in activities associated
14 with a legalized marijuana marketplace, except in the course of the
15 officer's or employee's duties.

16 (2) No appointed officer or employee shall solicit or accept
17 employment from any business or organization issued a marijuana
18 license, permit, certification, or other form of document, or
19 applicant therefor, for a period of four years after termination of
20 service with the department, division, office, bureau, board,
21 commission, public authority, public agency, or other public body,
22 except as otherwise provided in section 3 of this act.

23 (3) No appointed officer or employee shall act in the officer's or
24 employee's official capacity in any matter wherein the officer,
25 employee, or the officer's or employee's spouse, domestic partner,
26 or partner in a civil union, or child, parent, or sibling has a direct or
27 indirect personal financial interest that might reasonably be
28 expected to impair the officer's or employee's objectivity or
29 independence of judgment.

30 (4) No appointed officer or employee shall act in the officer's or
31 employee's official capacity in a matter concerning any business or
32 organization issued a marijuana license, permit, certification, or
33 other form of document, or applicant therefor, and who is the
34 employer of a spouse, domestic partner, or partner in a civil union,
35 or child, parent, or sibling of the officer or employee when the fact
36 of the employment of the spouse, domestic partner, or partner in a
37 civil union, or child, parent, or sibling might reasonably be
38 expected to impair the objectivity and independence of judgment of
39 the officer or employee.

40 (5) No spouse, domestic partner, or partner in a civil union, or
41 child, parent, or sibling of an appointed officer shall be employed in
42 any capacity by any business or organization issued a marijuana
43 license, permit, certification, or other form of document, or
44 applicant therefor, nor by any holding, intermediary, or subsidiary
45 company thereof.

46 (6) No appointed officer shall meet with any person, except for
47 another appointed officer or employee of the regulating department,
48 division, office, bureau, board, commission, public authority, public

1 agency, or other public body, or discuss any issues involving any
2 pending or proposed application or any matter whatsoever which
3 may reasonably be expected to come before that public body, or any
4 officer thereof, for determination unless the meeting or discussion
5 takes place on the business premises of the public body, provided,
6 however, that appointed officers may meet to consider matters
7 requiring the physical inspection of equipment or premises at the
8 location of the equipment or premises. All meetings or discussions
9 subject to this paragraph shall be noted in a log maintained for this
10 purpose and available for inspection pursuant to the provisions of
11 P.L.1963, c.73 (C.47:1A-1 et seq.).

12 d. No appointed officer or employee shall have any interest,
13 direct or indirect, in any business or organization issued a marijuana
14 license, permit, certification, or other form of document, or
15 applicant therefor, during the member's term of office or
16 employee's term of employment.

17 e. Each appointed officer and employee shall devote the
18 officer's or employee's entire time and attention to the officer's or
19 employee's duties and shall not pursue any other business or
20 occupation or other gainful employment; provided, however, that
21 secretarial and clerical personnel may engage in such other gainful
22 employment as shall not interfere with their duties to the regulating
23 department, division, office, bureau, board, commission, public
24 authority, public agency, or other public body, unless otherwise
25 directed; and provided further, however, that other employees of the
26 public body may engage in such other gainful employment as shall
27 not interfere or be in conflict with their duties to the public body,
28 upon approval by the managing officer or body thereof, as the case
29 may be.

30 f. (1) An appointed officer and any other employee of a
31 regulating department, division, office, bureau, board, commission,
32 public authority, public agency, or other public body holding a
33 supervisory or policy-making management position shall not make
34 any contribution as that term is defined in "The New Jersey
35 Campaign Contributions and Expenditures Reporting Act,"
36 P.L.1973, c.83 (C.19:44A-1 et seq.).

37 (2) An appointed officer or employee of a regulating department,
38 division, office, bureau, board, commission, public authority, public
39 agency, or other public body shall not:

40 (a) Use the officer's or employee's official authority or
41 influence for the purpose of interfering with or affecting the result
42 of an election or a nomination for office;

43 (b) Directly or indirectly coerce, attempt to coerce, command or
44 advise any person to pay, lend, or contribute anything of value to a
45 party, committee, organization, agency or person for political
46 purposes; or

47 (c) Take any active part in political campaigns or the
48 management thereof; provided, however, that nothing herein shall

1 prohibit an officer or employee from voting as the officer or
2 employee chooses or from expressing personal opinions on political
3 subjects and candidates.

4 g. For the purpose of applying the provisions of the “New
5 Jersey Conflicts of Interest Law,” any consultant or other person
6 under contract for services to a regulating department, division,
7 office, bureau, board, commission, public authority, public agency,
8 or other public body shall be deemed to be a special State
9 employee, except that the restrictions of section 4 of P.L.1981,
10 c.142 (C.52:13D-17.2) shall not apply to such person. Such person
11 and any corporation, firm, or partnership in which the person has an
12 interest or by which the person is employed shall not represent any
13 person or party other than the regulating department, division,
14 office, bureau, board, commission, public authority, public agency,
15 or other public body.

16

17 3. (New section) Post-Service Restrictions on State Officers
18 and Employees Regulating Legal Marijuana.

19 a. No appointed officer of a department, division, office,
20 bureau, board, commission, public authority, public agency, or
21 other public body, including any public body that is in but not of a
22 particular part of the executive branch, that is granted the authority
23 under any State law to regulate a legalized marijuana marketplace,
24 shall hold any direct or indirect interest in, or be employed by, any
25 holder of, or applicant for, a marijuana license, permit, certification,
26 or other form of document which authorizes the recipient thereof to
27 engage in activities associated with a legalized marijuana
28 marketplace, for a period of four years commencing on the date that
29 the appointed officer’s service on the public body terminates.

30 b. (1) No employee of a regulating department, division, office,
31 bureau, board, commission, public authority, public agency, or
32 other public body may acquire any direct or indirect interest in, or
33 accept employment with, any business or organization issued a
34 marijuana license, permit, certification, or other form of document,
35 or applicant therefor, for a period of two years commencing at the
36 termination of employment with the public body, except that a
37 secretarial or clerical employee of the public body may accept such
38 employment at any time after the termination of employment. At
39 the end of two years and for a period of two years thereafter, a
40 former employee who held a policy-making management position at
41 any time during the five years prior to termination of employment
42 may acquire an interest in, or accept employment with, any business
43 or organization issued a marijuana license, permit, certification, or
44 other form of document, or applicant therefor, upon application to,
45 and the approval of, the managing officer or body for the public
46 body at which the employee was formerly employed, upon a finding
47 that the interest to be acquired or the employment will not create the

1 appearance of a conflict of interest and does not evidence a conflict
2 of interest in fact.

3 (2) Notwithstanding the provisions of this subsection, if the
4 employment of an employee, other than an employee or who held a
5 policy-making management position at any time during the five
6 years prior to termination of employment, is terminated as a result
7 of a reduction in the workforce at the regulating department,
8 division, office, bureau, board, commission, public authority, public
9 agency, or other public body, the employee may, at any time prior
10 to the end of the two-year period, accept employment with any
11 business or organization issued a marijuana license, permit,
12 certification, or other form of document, or applicant therefor, upon
13 application to, and the approval of, the managing officer or body for
14 the public body at which the employee was formerly employed,
15 upon a finding that the employment will not create the appearance
16 of a conflict of interest and does not evidence a conflict of interest
17 in fact. The public body shall take action on an application within
18 30 days of receipt and an application may be submitted to the public
19 body prior to or after the commencement of the employment.

20 c. No appointed officer or employee shall represent any person
21 or party other than the State before or against the regulating
22 department, division, office, bureau, board, commission, public
23 authority, public agency, or other public body, for a period of two
24 years from the termination of office or employment with that public
25 body.

26 d. No partnership, firm, or corporation in which a former
27 appointed officer or employee has an interest, nor any partner,
28 officer, or employee of any such partnership, firm, or corporation
29 shall make any appearance or representation which is prohibited to
30 the former officer or employee.

31

32 4. (New section) Liability For Interest, Employment, and
33 Ethics Violations By Holder of or Applicant for Document to
34 Engage in Legal Marijuana Activities, and State Officers and
35 Employees Regulating Legal Marijuana; Enforcement by State
36 Ethics Commission.

37 a. (1) No holder of, or applicant for, a marijuana license, permit,
38 certification, or other form of document which authorizes the
39 recipient thereof to engage in activities associated with a legalized
40 marijuana marketplace shall employ or offer to employ, or provide,
41 transfer, or sell, or offer to provide, transfer, or sell any interest,
42 direct or indirect, in any document holder to any person restricted
43 from such transactions by the provisions of sections 1 through 3 of
44 this act.

45 (2) A department, division, office, bureau, board, commission,
46 public authority, public agency, or other public body, including any
47 public body that is in but not of a particular part of the executive
48 branch, that is granted the authority under any State law to regulate

1 a legalized marijuana marketplace may deny an application, or
2 revoke or suspend a marijuana license, permit, certification, or other
3 form of document for committing a violation of this subsection, as
4 well as impose a civil penalty of not less than \$500 nor more than
5 \$10,000, which penalty may be collected in a summary proceeding
6 pursuant to the "Penalty Enforcement Law of 1999," P.L.1999,
7 c.274 (C.2A:58-10 et seq.).

8 b. (1) An appointed officer or employee of a regulating
9 department, division, office, bureau, board, commission, public
10 authority, public agency, or other public body, who makes or causes
11 to be made a political contribution prohibited under subsection e. of
12 section 2 of this act is guilty of a crime of the fourth degree, but
13 notwithstanding the provisions of subsection b. of N.J.S.2C:43-3, a
14 fine not to exceed \$200,000 may be imposed.

15 (2) An appointed officer or employee who willfully violates any
16 other provisions in sections 1 through 3 of this act is guilty of a
17 disorderly persons offense.

18 c. The State Ethics Commission, established pursuant to the
19 "New Jersey Conflicts of Interest Law," P.L.1971, c.182
20 (C.52:13D-12 et seq.), shall enforce the provisions of sections 1
21 through 3 of this act, and upon a finding of a violation, impose a
22 civil penalty of not less than \$500 nor more than \$10,000, which
23 penalty may be collected in a summary proceeding pursuant to the
24 "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10
25 et seq.). If a violation also represents a crime or disorderly persons
26 offense as set forth in subsection b. of this section, the State Ethics
27 Commission shall also refer the matter to the Attorney General or
28 appropriate county prosecutor for further investigation and
29 prosecution.

30
31 5. Section 2 of P.L.1971, c.182 (C.52:13D-13) is amended to
32 read as follows:

33 2. As used in this act, and unless a different meaning clearly
34 appears from the context, the following terms shall have the
35 following meanings:

36 a. "State agency" means any of the principal departments in the
37 Executive Branch of the State Government, and any division, board,
38 bureau, office, commission or other instrumentality within or
39 created by such department, the Legislature of the State and any
40 office, board, bureau or commission within or created by the
41 Legislative Branch, and, to the extent consistent with law, any
42 interstate agency to which New Jersey is a party and any
43 independent State authority, commission, instrumentality or agency.
44 A county or municipality shall not be deemed an agency or
45 instrumentality of the State.

46 b. "State officer or employee" means any person, other than a
47 special State officer or employee (1) holding an office or
48 employment in a State agency, excluding an interstate agency, other

1 than a member of the Legislature or (2) appointed as a New Jersey
2 member to an interstate agency.

3 c. "Member of the Legislature" means any person elected to
4 serve in the General Assembly or the Senate.

5 d. "Head of a State agency" means (1) in the case of the
6 Executive Branch of government, except with respect to interstate
7 agencies, the department head or, if the agency is not assigned to a
8 department, the Governor, and (2) in the case of the Legislative
9 Branch, the chief presiding officer of each House of the Legislature.

10 e. "Special State officer or employee" means (1) any person
11 holding an office or employment in a State agency, excluding an
12 interstate agency, for which office or employment no compensation
13 is authorized or provided by law, or no compensation other than a
14 sum in reimbursement of expenses, whether payable per diem or per
15 annum, is authorized or provided by law; (2) any person, not a
16 member of the Legislature, holding a part-time elective or
17 appointive office or employment in a State agency, excluding an
18 interstate agency, or (3) any person appointed as a New Jersey
19 member to an interstate agency the duties of which membership are
20 not full-time.

21 f. "Person" means any natural person, association or corporation.

22 g. "Interest" means (1) the ownership or control of more than
23 **【10%】** 10 percent of the profits or assets of a firm, association, or
24 partnership, or more than **【10%】** 10 percent of the stock in a
25 corporation for profit other than a professional service corporation
26 organized under the "Professional Service Corporation Act," P.L.
27 1969, c. 232 (C. 14A:17-1 et seq.); or (2) the ownership or control
28 of more than **【1%】** one percent of the profits of a firm, association,
29 or partnership, or more than **【1%】** one percent of the stock in any
30 corporation, (a) which is the holder of, or an applicant for, a casino
31 license or in any holding or intermediary company with respect
32 thereto, as defined by the "Casino Control Act," P.L. 1977, c. 110
33 (C. 5:12-1 et seq.), or (b) which is the holder of, or an applicant for,
34 a marijuana license, permit, certification, or other form of document
35 which authorizes the recipient thereof to engage in activities
36 associated with a legalized marijuana marketplace issued by any
37 department, division, office, bureau, board, commission, public
38 authority, public agency, or other public body, including any public
39 body that is in but not of a particular part of the executive branch,
40 that is granted the authority under any State law to regulate a
41 legalized marijuana marketplace, or any holding or intermediary
42 company with respect to the document holder or applicant therefor.
43 The provisions of this act governing the conduct of individuals are
44 applicable to shareholders, associates or professional employees of
45 a professional service corporation regardless of the extent or
46 amount of their shareholder interest in such a corporation.

47 h. "Cause, proceeding, application or other matter" means a
48 specific cause, proceeding or matter and does not mean or include

1 determinations of general applicability or the preparation or review
2 of legislation which is no longer pending before the Legislature or
3 the Governor.

4 i. "Member of the immediate family" of any person means the
5 person's spouse, child, parent or sibling residing in the same
6 household.

7 (cf: P.L.1987, c.432, s.2)

8
9 6. Section 4 of P.L.1981, c.142 (C.52:13D-17.2) is amended to
10 read as follows:

11 4. a. As used in this section "person" means:

12 (1) any State officer or employee subject to financial disclosure
13 by law or executive order and any other State officer or employee
14 with responsibility for matters affecting casino activity or marijuana
15 activity subject to any State law regulating a legalized marijuana
16 marketplace; any special State officer or employee with
17 responsibility for matters affecting casino activity or marijuana
18 activity subject to any State law regulating a legalized marijuana
19 marketplace; the Governor; any member of the Legislature or any
20 full-time member of the Judiciary; any full-time professional
21 employee of the Office of the Governor, or the Legislature;
22 members of the Casino Reinvestment Development Authority;
23 appointed officers of any department, division, office, bureau,
24 board, commission, public authority, public agency, or other public
25 body, including any public body that is in but not of a particular
26 part of the executive branch, that is granted the authority under any
27 State law to regulate a legalized marijuana marketplace; the head of
28 a principal department; the assistant or deputy heads of a principal
29 department, including all assistant and deputy commissioners; the
30 head of any division of a principal department; or

31 (2) (a) any member of the governing body, or the municipal
32 judge or the municipal attorney of a municipality wherein a casino
33 is located; any member of or attorney for the planning board or
34 zoning board of adjustment of a municipality wherein a casino is
35 located, or any professional planner, or consultant regularly
36 employed or retained by such planning board or zoning board of
37 adjustment; or

38 (b) any member of the governing body, or the municipal judge or
39 the municipal attorney of a municipality wherein a business or
40 organization authorized under any State law to engage in activities
41 associated with a legalized marijuana marketplace is located.

42 b. (1) No State officer or employee, nor any person, nor any
43 member of the immediate family of any State officer or employee,
44 or person, nor any partnership, firm or corporation with which any
45 such State officer or employee or person is associated or in which
46 he has an interest, nor any partner, officer, director or employee
47 while he is associated with such partnership, firm, or corporation,
48 shall hold, directly or indirectly, an interest in, or hold employment

1 with, or represent, appear for, or negotiate on behalf of, any holder
2 of, or applicant for, a casino license, or any holding or intermediary
3 company with respect thereto, in connection with any cause,
4 application, or matter, except as provided in section 3 of P.L.2009,
5 c.26 (C.52:13D-17.3), and except that **[(1)]** (a) a State officer or
6 employee other than a State officer or employee included in the
7 definition of person, and **[(2)]** (b) a member of the immediate
8 family of a State officer or employee, or of a person, may hold
9 employment with the holder of, or applicant for, a casino license if,
10 in the judgment of the State Ethics Commission, the Joint
11 Legislative Committee on Ethical Standards, or the Supreme Court,
12 as appropriate, such employment will not interfere with the
13 responsibilities of the State officer or employee, or person, and will
14 not create a conflict of interest, or reasonable risk of the public
15 perception of a conflict of interest, on the part of the State officer or
16 employee, or person. No special State officer or employee without
17 responsibility for matters affecting casino activity, excluding those
18 serving in the Departments of Education, Health **[and Senior**
19 **Services]**, and Human Services and the Commission on Higher
20 Education, shall hold, directly or indirectly, an interest in, or
21 represent, appear for, or negotiate on behalf of, any holder of, or
22 applicant for, a casino license, or any holding or intermediary
23 company with respect thereto, in connection with any cause,
24 application, or matter. However, a special State officer or employee
25 without responsibility for matters affecting casino activity may hold
26 employment directly with any holder of or applicant for a casino
27 license or any holding or intermediary company thereof and if so
28 employed may hold, directly or indirectly, an interest in, or
29 represent, appear for, or negotiate on behalf of, **[his]** that employer,
30 except as otherwise prohibited by law.

31 (2) No State officer or employee, nor any person, nor any
32 member of the immediate family of any State officer or employee,
33 or person, nor any partnership, firm or corporation with which any
34 such State officer or employee or person is associated or in which
35 he has an interest, nor any partner, officer, director or employee
36 while he is associated with such partnership, firm, or corporation,
37 shall hold, directly or indirectly, an interest in, or hold employment
38 with, or represent, appear for, or negotiate on behalf of, or derive
39 any remuneration, payment, benefit or any other thing of value for
40 any services, including but not limited to consulting or similar
41 services, from any holder of, or applicant for, a license, permit, or
42 other approval to conduct Internet gaming, or any holding or
43 intermediary company with respect thereto, or any Internet gaming
44 affiliate of any holder of, or applicant for, a casino license, or any
45 holding or intermediary company with respect thereto, or any
46 business, association, enterprise or other entity that is organized, in
47 whole or in part, for the purpose of promoting, advocating for, or

1 advancing the interests of the Internet gaming industry generally or
2 any Internet gaming-related business or businesses in connection
3 with any cause, application, or matter, except as provided in section
4 3 of P.L.2009, c.26 (C.52:13D-17.3), and except that **[(1)]** (a) a
5 State officer or employee other than a State officer or employee
6 included in the definition of person, and **[(2)]** (b) a member of the
7 immediate family of a State officer or employee, or of a person,
8 may hold employment with the holder of, or applicant for, a license,
9 permit, or other approval to conduct Internet gaming, or any
10 holding or intermediary company with respect thereto, or any
11 Internet gaming affiliate of any holder of, or applicant for, a casino
12 license, or any holding or intermediary company with respect
13 thereto if, in the judgment of the State Ethics Commission, the Joint
14 Legislative Committee on Ethical Standards, or the Supreme Court,
15 as appropriate, such employment will not interfere with the
16 responsibilities of the State officer or employee, or person, and will
17 not create a conflict of interest, or reasonable risk of the public
18 perception of a conflict of interest, on the part of the State officer or
19 employee, or person.

20 (3) No State officer or employee, nor any person, nor any
21 member of the immediate family of any State officer or employee,
22 or person, nor any partnership, firm or corporation with which any
23 such State officer or employee or person is associated or in which
24 he has an interest, nor any partner, officer, director or employee
25 while he is associated with such partnership, firm, or corporation,
26 shall hold, directly or indirectly, an interest in, or hold employment
27 with, or represent, appear for, or negotiate on behalf of, any holder
28 of, or applicant for, a marijuana license, permit, certification, or
29 other form of document which authorizes the recipient thereof to
30 engage in activities associated with a legalized marijuana
31 marketplace issued by any department, division, office, bureau,
32 board, commission, public authority, public agency, or other public
33 body, including any public body that is in but not of a particular
34 part of the executive branch, that is granted the authority under any
35 State law to regulate a legalized marijuana marketplace, or any
36 holding or intermediary company with respect to that document
37 holder or applicant, in connection with any cause, application, or
38 matter, except as provided in section 3 of P.L.2009, c.26
39 (C.52:13D-17.3), and except that (a) a State officer or employee
40 other than a State officer or employee included in the definition of
41 person, and (b) a member of the immediate family of a State officer
42 or employee, or of a person, may hold employment with the holder
43 of, or applicant for, a marijuana license, permit, certification, or
44 other form of document if, in the judgment of the State Ethics
45 Commission, the Joint Legislative Committee on Ethical Standards,
46 or the Supreme Court, as appropriate, such employment will not
47 interfere with the responsibilities of the State officer or employee,
48 or person, and will not create a conflict of interest, or reasonable

1 risk of the public perception of a conflict of interest, on the part of
2 the State officer or employee, or person. No special State officer or
3 employee without responsibility for matters affecting legalized
4 marijuana activity, excluding those serving in the Departments of
5 Education, Health, and Human Services and the Commission on
6 Higher Education, shall hold, directly or indirectly, an interest in, or
7 represent, appear for, or negotiate on behalf of, any holder of, or
8 applicant for, a marijuana license, permit, certification, or other
9 form of document in connection with any cause, application, or
10 matter. However, a special State officer or employee without
11 responsibility for matters affecting legalized marijuana activity may
12 hold employment directly with any holder of or applicant for a
13 marijuana license, permit, certification, or other form of document,
14 and if so employed may hold, directly or indirectly, an interest in,
15 or represent, appear for, or negotiate on behalf of, that employer,
16 except as otherwise prohibited by law.

17 c. No person or any member of his immediate family, nor any
18 partnership, firm or corporation with which such person is
19 associated or in which he has an interest, nor any partner, officer,
20 director or employee while he is associated with such partnership,
21 firm or corporation, shall, within two years next subsequent to the
22 termination of the office or employment of such person, hold,
23 directly or indirectly, an interest in, or hold employment with, or
24 represent, appear for or negotiate on behalf of, any holder of, or
25 applicant for, a casino license, or any holder of, or applicant for, a
26 marijuana license, permit, certification, or other form of document
27 which authorizes the recipient thereof to engage in activities
28 associated with a legalized marijuana marketplace, or any holding
29 or intermediary company with respect to that document holder or
30 applicant, in connection with any cause, application or matter, or
31 any holding or intermediary company with respect to such holder
32 of, or applicant for, a casino license, or marijuana document, in
33 connection with any phase of **【casino】** development, permitting,
34 licensure or any other matter whatsoever related to casino or
35 legalized marijuana activity, except as provided in section 3 of
36 P.L.2009, c.26 (C.52:13D-17.3), and except that:

37 (1) a member of the immediate family of a person may hold
38 employment with the holder of, or applicant for, a casino license, or
39 the holder of, or applicant for, a marijuana license, permit,
40 certification, or other form of document if, in the judgment of the
41 State Ethics Commission, the Joint Legislative Committee on
42 Ethical Standards, or the Supreme Court, as appropriate, such
43 employment will not interfere with the responsibilities of the person
44 and will not create a conflict of interest, or reasonable risk of the
45 public perception of a conflict of interest, on the part of the person;

46 (2) (a) an employee who is terminated as a result of a reduction
47 in the workforce at the agency where employed, other than an
48 employee who held a policy-making management position at any

1 time during the five years prior to termination of employment, may,
2 at any time prior to the end of the two-year period, accept
3 employment with the holder of, or applicant for, a casino license, or
4 the holder of, or applicant for, a marijuana license, permit,
5 certification, or other form of document if, in the judgment of the
6 State Ethics Commission, the Joint Legislative Committee on
7 Ethical Standards, or the Supreme Court, as appropriate, such
8 employment will not create a conflict of interest, or reasonable risk
9 of the public perception of a conflict of interest, on the part of the
10 employee. In no case shall the restrictions of this subsection apply
11 to a secretarial or clerical employee.

12 (b) (i) Nothing herein contained shall alter or amend the post-
13 employment restrictions applicable to members and employees of
14 the Casino Control Commission and employees and agents of the
15 Division of Gaming Enforcement pursuant to paragraph (2) of
16 subsection e. **[(2)]** of section 59 and to section 60 of P.L.1977,
17 c.110 (C.5:12-59 and C.5:12-60); and

18 (ii) Nothing herein contained shall alter or amend the post-
19 service or post-employment restrictions applicable to appointed
20 officers and employees of any department, division, office, bureau,
21 board, commission, public authority, public agency, or other public
22 body, including any public body that is in but not of a particular
23 part of the executive branch, that is granted the authority under any
24 State law to regulate a legalized marijuana marketplace pursuant to
25 paragraph (2) of subsection c. of section 2 and to section 3 of this
26 act; and

27 (3) any partnership, firm or corporation engaged in the practice
28 of law or in providing any other professional services with which
29 any person included in paragraph (1) of subsection a. of this
30 section, or a member of the immediate family of that person, is
31 associated, and any partner, officer, director or employee thereof,
32 other than that person, or immediate family member, may represent,
33 appear for or negotiate on behalf of any holder of, or applicant for,
34 a casino license, or the holder of, or applicant for, a marijuana
35 license, permit, certification, or other form of document in
36 connection with any cause, application or matter or any holding
37 company or intermediary company with respect to such holder of,
38 or applicant for, a casino license, or the holder of, or applicant for, a
39 marijuana license, permit, certification, or other form of document,
40 in connection with any phase of **casino** development, permitting,
41 licensure or any other matter whatsoever related to casino or
42 legalized marijuana activity, and that person or immediate family
43 member shall not be barred from association with such partnership,
44 firm or corporation, if for a period of two years next subsequent to
45 the termination of the person's office or employment, the person or
46 immediate family member (a) is screened from personal
47 participation in any such representation, appearance or negotiation;
48 and (b) is associated with the partnership, firm or corporation in a

1 position which does not entail any equity interest in the partnership,
2 firm or corporation. The exception provided in this paragraph shall
3 not apply to a former Governor, Lieutenant Governor, Attorney
4 General, member of the Legislature, person included in paragraph
5 (2) of subsection a. of this section, or to the members of their
6 immediate families.

7 d. This section shall not apply to the spouse of a State officer
8 or employee, which State officer or employee is without
9 responsibility for matters affecting casino or legalized marijuana
10 activity, who becomes the spouse subsequent to the State officer's
11 or employee's appointment or employment as a State officer or
12 employee and who is not individually or directly employed by a
13 holder of, or applicant for, a casino license, or any holder of, or
14 applicant for, a marijuana license, permit, certification, or other
15 form of document which authorizes the recipient thereof to engage
16 in activities associated with a legalized marijuana marketplace, or
17 any holding or intermediary company thereof.

18 e. The Joint Legislative Committee on Ethical Standards and
19 the State Ethics Commission, as appropriate, shall forthwith
20 determine and publish, and periodically update, a list of those
21 positions in State government with responsibility for matters
22 affecting casino and legalized marijuana activity.

23 f. (1) No person shall solicit or accept, directly or indirectly,
24 any complimentary service or discount from any casino applicant or
25 licensee which he knows or has reason to know is other than a
26 service or discount that is offered to members of the general public
27 in like circumstance.

28 (2) No person shall solicit or accept, directly or indirectly, any
29 complimentary service or discount from any holder of, or applicant
30 for, a marijuana license, permit, certification, or other form of
31 document which authorizes the recipient thereof to engage in
32 activities associated with a legalized marijuana marketplace, which
33 the person knows or has reason to know is other than a service or
34 discount that is offered to members of the general public in like
35 circumstance.

36 g. No person shall influence, or attempt to influence, by use of
37 his official authority, the decision of the **【commission】** Casino
38 Control Commission or the investigation of the **【division】** Division
39 of Gaming Enforcement in any application for casino licensure, or
40 the decision of any department, division, office, bureau, board,
41 commission, public authority, public agency, or other public body,
42 including any public body that is in but not of a particular part of
43 the executive branch, that is granted the authority under any State
44 law to regulate a legalized marijuana marketplace in any application
45 for a marijuana license, permit, certification, or other form of
46 document which authorizes the recipient thereof to engage in
47 activities associated with a legalized marijuana marketplace, or in
48 any proceeding to enforce the provisions of this act or the

1 regulations of **the** either the commission or public body. Any
2 such attempt shall be promptly reported to the Attorney General;
3 provided, however, that nothing in this section shall be deemed to
4 proscribe a request for information by any person concerning the
5 status of any application for casino licensure or application for a
6 marijuana license, permit, certification, or other form of document,
7 or any proceeding to enforce the provisions of this act or the
8 regulations of **the** either the commission or public body.

9 h. Any person who willfully violates the provisions of this
10 section is a disorderly person and shall be subject to a fine not to
11 exceed \$1,000, or imprisonment not to exceed six months, or both.

12 In addition, for violations of subsection c. of this section
13 occurring after the effective date of P.L.2005, c.382, a civil penalty
14 of not less than \$500 nor more than \$10,000 shall be imposed upon
15 a former State officer or employee or former special State officer or
16 employee of a State agency in the Executive Branch upon a finding
17 of a violation by the State Ethics Commission, which penalty may
18 be collected in a summary proceeding pursuant to the "Penalty
19 Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).
20 (cf: P.L.2013, c.27, s.35)

21
22 7. This act shall take effect immediately.
23
24

25 STATEMENT

26
27 This bill would apply the same statutory ethics and conflicts-of-
28 interest standards for casino industry regulators and participants to
29 any regulators of and participants in a legalized marijuana
30 marketplace, if marijuana is legalized in this State.

31 An appointed officer or employee of any department, division,
32 office, bureau, board, commission, public authority, public agency, or
33 other public body, including any public body that is in but not of a
34 particular part of the executive branch, which is granted authority
35 under any State law to regulate a legalized marijuana marketplace
36 would be subject to such ethical and conflicts-of-interest restrictions,
37 addressing activities engaged in prior to, during, and following their
38 public service. For instance, a person generally could not be an
39 appointed officer or employee if, during the period commencing three
40 years prior to appointment or employment, the person held any direct
41 or indirect interest in, or any employment by, any holder of, or
42 applicant for, a marijuana license, permit, certification, or other
43 form of document which authorizes the recipient thereof to engage
44 in activities associated with a legalized marijuana marketplace,
45 unless the person's prior interest would not, in the opinion of the
46 particular public body, interfere with the person's obligations of
47 appointment or employment; and generally, for a period of four years
48 commencing from the date that an appointed officer's or employee's

1 service terminates, that former officer or employee would not be
2 permitted to hold any direct or indirect interest in, or any employment
3 by, a holder of or applicant for any form of authorizing marijuana
4 documentation (this four-year post-service restriction would not apply
5 to secretarial or clerical employees).

6 At the time of commencing service, each appointed officer and
7 employee, with the exception of secretarial and clerical employees,
8 would be required to file a financial disclosure statement with the State
9 Ethics Commission, listing all assets and liabilities, property and
10 business interests, and sources of income of the person, and the
11 person's spouse, domestic partner, or partner in a civil union couple.
12 Additionally, appointed officers would have to supply the same
13 information for their parents, brothers, sisters, and children.

14 The appointed officers and employees would generally be subject
15 to the "New Jersey Conflicts of Interest Law," P.L.1971, c.182
16 (C.52:13D-12 et seq.), as well as a Code of Ethics promulgated by the
17 particular public body that is modeled upon the Code of Judicial
18 Conduct of the American Bar Association, as amended and adopted by
19 the New Jersey Supreme Court. All officers and employees would be
20 prohibited from using any official authority to interfere with or affect
21 the result of an election or nomination for office, coerce or advise any
22 person to contribute anything of value to another person or
23 organization for political purposes, or take active part in any political
24 campaign. For appointed officers and any employee holding a
25 supervisory or policy-making management position, the bill also
26 provides a prohibition on making any political contributions as that
27 term is defined in "The New Jersey Campaign Contributions and
28 Expenditures Reporting Act," P.L.1973, c.83 (C.19:44A-1 et seq.).

29 The "New Jersey Conflicts of Interest Law" is also amended to
30 establish restrictions on various State officers or employees, the
31 Governor and full-time professionals employed in the Governor's
32 Office, members of the Legislature or Judiciary, and municipal
33 officers of a municipality wherein a business or organization
34 authorized under any State law to engage in activities associated with a
35 legalized marijuana marketplace is located, with respect to their own
36 activities, and the activities of their associated partnerships, firms, or
37 corporations, or their family members in connection with either
38 employment or another interest in, or representation of, any holder of,
39 or applicant for, a marijuana license, permit, certification, or other
40 form of authorizing document. The restrictions, being the same as the
41 current restrictions on these people and businesses concerning casino
42 licensees and applicants, and casino-related activities, include a
43 general prohibition on employment, representation, appearance for, or
44 negotiation on behalf of, any holder of, or applicant for, an authorizing
45 document in connection with any cause, application, or matter, and
46 these restrictions can carry over into the post-employment or post-
47 service period following the departure of a person from State or local
48 employment or office.

1 The ethical and conflicts-of-interest restrictions would be enforced
2 by the State Ethics Commission, and any person found to have
3 committed a violation would be subject to a civil penalty of not less
4 than \$500 or more than \$10,000. Additionally, any willful violation of
5 the restrictions that are applicable to the above State or municipal
6 elected, appointed, or employed persons, their associated partnerships,
7 firms, or corporations, or their family members would be considered a
8 disorderly persons offense, punishable by a term of imprisonment of
9 up to six months, a fine of up to \$1,000, or both.

10 If a marijuana regulating department, division, office, bureau,
11 board, commission, public authority, public agency, or other public
12 body found that a holder of, or applicant for, an authorizing document
13 to engage in activities associated with a legalized marijuana
14 marketplace had committed a violation involving an appointed officer
15 or employee with respect to pre-service activities, activities during
16 service, or post-service activities, that document holder or applicant
17 would be subject to a civil penalty of not less than \$500 or more than
18 \$10,000, and possible document revocation or suspension, or denial of
19 an application, as applicable.