

ASSEMBLY, No. 4350

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED JULY 2, 2020

Sponsored by:

Assemblyman RONALD S. DANCER

District 12 (Burlington, Middlesex, Monmouth and Ocean)

SYNOPSIS

Requires elected public officials and candidates for elective public office to disclose if they ever filed for bankruptcy; requires financial disclosure by candidates for public office in county or municipality.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT requiring the disclosure of certain information by elected
2 public officials and candidates for elective public office, and
3 amending various parts of the statutory law.

4
5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
6 *of New Jersey:*

7
8 1. Section 6 of P.L.1991, c.393 (C.18A:12-26) is amended to
9 read as follows:

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

16 (1) Each source of income, earned or unearned, exceeding
17 \$2,000 received by the school official 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
20 a business organization need not be separately reported as sources
21 of income. If a publicly traded security or interest derived from a
22 financial institution is the source of income, the security or interest
23 derived from a financial institution need not be reported unless the
24 school official or member of his immediate family has an interest in
25 the business organization or financial institution;

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

31 (3) Each source of gifts, reimbursements or prepaid expenses
32 having an aggregate value exceeding \$250 from any single source,
33 excluding relatives, received by the school official or a member of
34 his immediate family during the preceding calendar year; **[and]**

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

38 (5) Whether the school official, if involved in the formulation or
39 approval of the district's annual budget, has filed for bankruptcy
40 during the period covered by the statement or at any other time
41 during the school official's lifetime.

42 b. The commission shall prescribe a financial disclosure
43 statement form for filing purposes. Initial financial disclosure
44 statements shall be filed within 90 days following the effective date

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 of this act. Thereafter, statements shall be filed on or before April
2 30th each year.

3 c. All financial disclosure statements filed shall be public
4 records.

5 (cf: P.L.1991, c.393, s.6)

6
7 2. Section 1 of P.L.1981, c.129 (C.19:44B-1) is amended to
8 read as follows:

9 1. a. "Gift" means any money or thing of value received other
10 than as income, and for which a consideration of equal or greater
11 value is not received, but does not include any political contribution
12 reported as otherwise required by law, any loan made in the
13 ordinary course of business, or any devise, bequest, intestate estate
14 distribution or principal distribution of a trust or gift received from
15 a member of a person's household or from a relative within the third
16 degree of consanguinity of the person or his spouse, or from the
17 spouse of that relative;

18 b. "Income" means any money or thing of value received, or to
19 be received, as a claim on future services, whether in the form of a
20 fee, expense, allowance, forbearance, forgiveness, interest,
21 dividend, royalty, rent, capital gain, or any other form of
22 recompense, or any combination thereof;

23 c. "Member of household" means the spouse of a candidate for
24 the office of Governor **【or】** , Lieutenant Governor or of a candidate
25 for the Senate or General Assembly, of a candidate for public office
26 in a county or municipality residing in the same domicile and any
27 dependent children.

28 (cf: P.L.2009, c.66, s.28)

29
30 3. Section 2 of P.L.1981, c.129 (C.19:44B-2) is amended to
31 read as follows:

32 2. a. Every candidate for the office of Governor **【and】** every
33 candidate for the Senate or General Assembly, and every candidate
34 for public office in a county or municipality shall file and certify
35 the correctness of a financial disclosure statement on or before the
36 tenth day following the last day for filing a petition to appear on the
37 ballot, and the financial disclosure statement shall be filed with the
38 Election Law Enforcement Commission in the Department of Law
39 and Public Safety.

40 b. Every candidate for the office of Lieutenant Governor shall
41 file and certify the correctness of a financial disclosure statement on
42 or before the 30th day following the day such candidate is selected
43 by the candidate for the office of Governor of the same political
44 party, and the financial disclosure statement shall be filed with the
45 commission.

46 (cf: P.L.2009, c.66, s.29)

1 4. Section 3 of P.L.1981, c.129 (C.19:44B-3) is amended to
2 read as follows:

3 3. The commission shall prepare and transmit to each candidate
4 for the office of Governor **【and】**, the office of Lieutenant Governor
5 and to each candidate for the Senate or General Assembly, and to
6 each candidate for public office in a county or municipality forms
7 for the filing of financial disclosure statements required by this act.
8 (cf: P.L.2009, c.66, s.30)

9
10 5. Section 4 of P.L.1981, c.129 (C.19:44B-4) is amended to
11 read as follows:

12 4. Financial disclosure statements shall include the sources of
13 income received from sources other than the **【State】** salary
14 received for holding public office during the preceding calendar
15 year by the candidate and members of **【his】** the candidate's
16 household. Without disclosing the amounts of income, gifts,
17 reimbursements, and holdings, the statements shall include the
18 following:

19 a. Each of the following categories of earned income totalling
20 more than \$1,000.00: salaries, bonuses, royalties, fees,
21 commissions and profit sharing received as an officer, employee,
22 partner or consultant of a named corporation, professional
23 association, partnership or sole proprietorship;

24 b. Each of the following categories of unearned income
25 totalling more than \$1,000.00: rents, dividends and other income
26 received from named investments, trusts and estates;

27 c. Fees and honorariums totalling more than \$100.00 received
28 from named payers for personal appearances, speeches or writings;

29 d. Reimbursements totalling more than \$100.00 for travel,
30 subsistence or facilities provided in kind received from named
31 payers or providers other than the State, any political subdivision
32 thereof, a principal employer, or a nonprofit organization;

33 e. Gifts having a value totalling more than \$250.00 received
34 from named donors; and

35 f. Ownership, holding, or control of an interest in any land or
36 building in any city in which casino gambling is authorized, which
37 land or building shall be specified.

38 The statement shall also require the candidate to disclose
39 whether the candidate, if ever involved in the formulation or
40 approval of an annual appropriations act or school, county or
41 municipal budget, has filed for bankruptcy during the period
42 covered by the statement or at any other time during the candidate's
43 lifetime.

44 (cf: P.L.1981, c.129, s.4)

45

46 6. Section 5 of P.L.1981, c.129 (C.19:44B-5) is amended to
47 read as follows:

1 5. a. Upon receipt from any person of a declaration of
2 candidacy or a petition to appear on the ballot for election as
3 Governor or as Lieutenant Governor, or as a member of the
4 Legislature, the **【Secretary of State】** Attorney General shall, within
5 **【2】** two days of the receipt, notify the commission of the name and
6 address of the candidate and the date of the receipt.

7 b. Upon receipt from any person of a declaration of candidacy
8 or a petition to appear on the ballot for election to public office in a
9 county or a municipality within such a county, the clerk thereof
10 shall, within two days of the receipt, notify the commission of the
11 name and address of the candidate and the date of the receipt.

12 (cf: P.L.2009, c.66, s.31)

13
14 7. Section 6 of P.L.1991, c.29 (C.40A:9-22.6) is amended to
15 read as follows:

16 6. a. Local government officers shall annually file a financial
17 disclosure statement. All financial disclosure statements filed
18 pursuant to P.L.1991, c.29 shall include the following information
19 which shall specify, where applicable, the name and address of each
20 source and the local government officer's job title:

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

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

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

40 (4) The name and address of all business organizations in which
41 the local government officer or a member of his immediate family
42 had an interest during the preceding calendar year; **【and】**

43 (5) The address and brief description of all real property in the
44 State in which the local government officer or a member of his
45 immediate family held an interest during the preceding calendar
46 year.

1 (6) Whether the local government officer, if involved in the
2 formulation or approval of an annual county or municipal budget,
3 has filed for bankruptcy during the period covered by the statement
4 or at any other time during the officer's lifetime.

5 b. The Local Finance Board shall prescribe a financial
6 disclosure statement form for filing purposes. For counties and
7 municipalities which have not established ethics boards, the board
8 shall transmit sufficient copies of the forms to the municipal clerk
9 in each municipality and the county clerk in each county for filing
10 in accordance with this act. The municipal clerk shall make the
11 forms available to the local government officers serving the
12 municipality. The county clerk shall make the forms available to
13 the local government officers serving the county.

14 For counties and municipalities which have established ethics
15 boards, the Local Finance Board shall transmit sufficient copies of
16 the forms to the ethics boards for filing in accordance with this act.
17 The ethics boards shall make the forms available to the local
18 government officers within their jurisdiction.

19 For local government officers serving the municipality, the
20 original statement shall be filed with the municipal clerk in the
21 municipality in which the local government officer serves. For
22 local government officers serving the county, the original statement
23 shall be filed with the county clerk in the county in which the local
24 government officer serves. A copy of the statement shall be filed
25 with the board. In counties or municipalities which have
26 established ethics boards a copy of the statement shall also be filed
27 with the ethics board having jurisdiction over the local government
28 officer. Local government officers shall file the initial financial
29 disclosure statement within 90 days following the effective date of
30 this act. Thereafter, statements shall be filed on or before April
31 30th each year, except that each local government officer shall file a
32 financial disclosure statement within 30 days of taking office.

33 c. All financial disclosure statements filed shall be public
34 records.

35 d. The Division of Local Government Services in the
36 Department of Community Affairs may establish an electronic
37 filing system for financial disclosure statements required to be filed
38 pursuant to this section.

39 (cf: P.L.2015, c.95, s.22)

40
41 8. Section 12 of P.L.1971, c.182 (C.52:13D-23) is amended to
42 read as follows:

43 12. (a) (1) The head of each State agency, or the principal
44 officer in charge of a division, board, bureau, commission or other
45 instrumentality within a department of State Government
46 designated by the head of such department for the purposes
47 hereinafter set forth, shall within six months from the date of
48 enactment, promulgate a code of ethics to govern and guide the

1 conduct of the members of the Legislature, the State officers and
2 employees or the special State officers and employees in the agency
3 to which said code is applicable. Such code shall conform to the
4 general standards hereinafter set forth in this section, but it shall be
5 formulated with respect to the particular needs and problems of the
6 agency to which said code is to apply and, when applicable, shall be
7 a supplement to the uniform ethics code promulgated pursuant to
8 paragraph (2) of this subsection. Notwithstanding any other
9 provisions of this section, the New Jersey members to any interstate
10 agency to which New Jersey is a party and the officers and
11 employees of any State agency which fails to promulgate a code of
12 ethics shall be deemed to be subject to a code of ethics the
13 provisions of which shall be paragraphs (1) through (6) of
14 subsection (e) of this section.

15 (2) Within 180 days following the effective date of this act,
16 P.L.2005, c.382, the State Ethics Commission shall promulgate a
17 uniform ethics code to govern and guide the conduct of State
18 officers and employees and special State officers and employees in
19 State agencies in the Executive Branch. Such code shall conform to
20 the general standards hereinafter set forth in this section, shall be
21 the primary code of ethics for State agencies once it is adopted and
22 a code promulgated pursuant to paragraph (1) of this subsection
23 shall be a supplement to the primary code. The head of each State
24 agency, or the principal officer in charge of a division, board,
25 bureau, commission or other instrumentality within a department of
26 State Government designated by the head of such department shall
27 revise each code of ethics promulgated prior to the uniform code to
28 recognize the uniform code as the primary code.

29 (b) A code of ethics formulated pursuant to subsection (a) of
30 this section to govern and guide the conduct of the State officers
31 and employees or the special State officers and employees in any
32 State agency in the Executive Branch, or any portion of such a
33 code, shall not be effective unless it has first been approved by the
34 State Ethics Commission. When a proposed code is submitted to
35 the said commission it shall be accompanied by an opinion of the
36 Attorney General as to its compliance with the provisions of this act
37 and any other applicable provision of law. Nothing contained herein
38 shall prevent officers of State agencies in the Executive Branch
39 from consulting with the Attorney General or with the State Ethics
40 Commission at any time in connection with the preparation or
41 revision of such codes of ethics.

42 (c) A code of ethics formulated pursuant to this section to
43 govern and guide the conduct of the members of the Legislature,
44 State officers and employees or special State officers and
45 employees in any State agency in the Legislative Branch, or any
46 portion of such code, shall not be effective unless it has first been
47 approved by the Legislature by concurrent resolution. When a
48 proposed code is submitted to the Legislature for approval it shall

1 be accompanied by an opinion of the chief counsel as to its
2 compliance with the provisions of this act and any other applicable
3 provisions of law. Nothing contained herein shall prevent officers
4 of State agencies in the Legislative Branch from consulting with the
5 Chief Legislative Counsel or the Joint Legislative Committee on
6 Ethical Standards at any time in connection with the preparation or
7 revision of such codes of ethics.

8 (d) Violations of a code of ethics promulgated pursuant to this
9 section shall be cause for removal, suspension, demotion or other
10 disciplinary action by the State officer or agency having the power
11 of removal or discipline. When a person who is in the classified
12 civil service is charged with a violation of such a code of ethics, the
13 procedure leading to such removal or discipline shall be governed
14 by any applicable provisions of the Civil Service Act, N.J.S. 11A:1-
15 1 et seq., and the Rules of the Civil Service Commission. No action
16 for removal or discipline shall be taken under this subsection except
17 upon the referral or with the approval of the State Ethics
18 Commission or the Joint Legislative Committee on Ethical
19 Standards, whichever is authorized to exercise jurisdiction with
20 respect to the complaint upon which such action for removal or
21 discipline is to be taken.

22 (e) A code of ethics for officers and employees of a State
23 agency shall conform to the following general standards:

24 (1) No State officer or employee or special State officer or
25 employee should have any interest, financial or otherwise, direct or
26 indirect, or engage in any business or transaction or professional
27 activity, which is in substantial conflict with the proper discharge of
28 his duties in the public interest.

29 (2) No State officer or employee or special State officer or
30 employee should engage in any particular business, profession,
31 trade or occupation which is subject to licensing or regulation by a
32 specific agency of State Government without promptly filing notice
33 of such activity with the State Ethics Commission, if he is an officer
34 or employee in the Executive Branch, or with the Joint Legislative
35 Committee on Ethical Standards, if he is an officer or employee in
36 the Legislative Branch.

37 (3) No State officer or employee or special State officer or
38 employee should use or attempt to use his official position to secure
39 unwarranted privileges or advantages for himself or others.

40 (4) No State officer or employee or special State officer or
41 employee should act in his official capacity in any matter wherein
42 he has a direct or indirect personal financial interest that might
43 reasonably be expected to impair his objectivity or independence of
44 judgment.

45 (5) No State officer or employee or special State officer or
46 employee should undertake any employment or service, whether
47 compensated or not, which might reasonably be expected to impair

1 his objectivity and independence of judgment in the exercise of his
2 official duties.

3 (6) No State officer or employee or special State officer or
4 employee should accept any gift, favor, service or other thing of
5 value under circumstances from which it might be reasonably
6 inferred that such gift, service or other thing of value was given or
7 offered for the purpose of influencing him in the discharge of his
8 official duties.

9 (7) No State officer or employee or special State officer or
10 employee should knowingly act in any way that might reasonably
11 be expected to create an impression or suspicion among the public
12 having knowledge of his acts that he may be engaged in conduct
13 violative of his trust as a State officer or employee or special State
14 officer or employee.

15 (8) Rules of conduct adopted pursuant to these principles should
16 recognize that under our democratic form of government public
17 officials and employees should be drawn from all of our society,
18 that citizens who serve in government cannot and should not be
19 expected to be without any personal interest in the decisions and
20 policies of government; that citizens who are government officials
21 and employees have a right to private interests of a personal,
22 financial and economic nature; that standards of conduct should
23 separate those conflicts of interest which are unavoidable in a free
24 society from those conflicts of interest which are substantial and
25 material, or which bring government into disrepute.

26 (f) The code of ethics for members of the Legislature shall
27 conform to subsection (e) hereof as nearly as may be possible and
28 shall require a member to disclose whether the member has filed for
29 bankruptcy during the period covered by an annual disclosure
30 statement or at any other time during the member's lifetime.

31 (cf: P.L.2008, c.29, s.104)

32

33 9. This act shall take effect on the January 1 next following the
34 date of enactment.

35

36

37 STATEMENT

38

39 The purpose of this bill is to require that every elected public
40 official in this State, and every candidate for elective public office,
41 disclose on the financial disclosure statement required to be filed by
42 that individual, if she or he was involved in the formulation or
43 approval of an annual appropriations act or school, county or
44 municipal budget, whether the individual has filed for bankruptcy
45 during the period covered by the disclosure statement or at any
46 other time during the individual's lifetime.

47 The bill also requires the filing of financial disclosure forms by
48 candidates for public office in a county or municipality. The

1 financial disclosure statements would be required to be filed with
2 the Election Law Enforcement Commission (ELEC) and would seek
3 the disclosure of the same information as is now required to be
4 disclosed by candidates for the office of Governor and member of
5 the Legislature.