

## CHAPTER 27

**AN ACT** expanding the definition of lobbyist and legislative agent and amending various parts of the statutory law.

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

1. Section 1 of P.L.1971, c.183 (C.52:13C-18) is amended to read as follows:

C.52:13C-18 Declaration of intent.

1. The Legislature affirms that the preservation of responsible government requires that the fullest opportunity be afforded to the people of the State to petition their government for the redress of grievances and to express freely to individual legislators, committees of the Legislature and the Governor their opinion on legislation and current issues, to Executive Branch officers and agencies their opinion on rules and regulations developed and promulgated by those officers and agencies in the exercise of powers delegated to them by law, and to the Governor and Executive Branch officers and agencies their opinion on matters involving the administration of various governmental processes by the Governor and those officers and agencies in the exercise of powers delegated to them by law.

The Legislature finds, however, that the preservation and maintenance of the integrity of the legislative process, the regulatory process and governmental process, including the development and promulgation of rules and regulations or administration of various governmental processes to effectuate the implementation of statutory law, requires the identification in certain instances of persons and groups who seek to influence the content, introduction, passage or defeat of legislation, the proposal, adoption, amendment, or repeal of rules and regulations or the administration of various governmental processes, and, where it is not otherwise apparent or readily ascertainable, the nature of the interest which those persons and groups seek to advance or protect through such activity.

It is in the public interest to closely monitor the activities of governmental affairs agents and lobbyists with respect to their involvement in influencing legislative, regulatory and governmental processes to ensure the integrity of government.

Therefore, it is the purpose of this act, as amended by P.L.2004, c.27, to require adequate disclosure in certain instances in order to make available to the Legislature, governmental officials and the public information relative to the activities of persons who seek to influence the content, introduction, passage or defeat of legislation, the proposal, adoption, amendment or repeal of rules and regulations or the administration of various governmental processes by such means.

2. Section 2 of P.L.1971, c.183 (C.52:13C-19) is amended to read as follows:

C.52:13C-19 Short title.

2. This act shall be known as the "Legislative and Governmental Process Activities Disclosure Act."

3. Section 3 of P.L.1971, c.183 (C.52:13C-20) is amended to read as follows:

C.52:13C-20 Definitions.

3. For the purposes of this act, as amended and supplemented, unless the context clearly requires a different meaning:

a. The term "person" includes an individual, partnership, committee, association, corporation, and any other organization or group of persons.

b. The term "legislation" includes all bills, resolutions, amendments, nominations and appointments pending or proposed in either House of the Legislature, and all bills and resolutions which, having passed both Houses, are pending approval by the Governor.

c. The term "Legislature" includes the Senate and General Assembly of the State of New Jersey and all committees and commissions established by the Legislature or by either House thereof.

d. The term "lobbyist" means any person, partnership, committee, association, corporation, labor union or any other organization that employs, engages or otherwise uses the services of any governmental affairs agent to influence legislation, regulation or governmental processes.

e. The term "Governor" includes the Governor or the Acting Governor.

f. The term "communication with a member of the Legislature," "with legislative staff," "with the Governor," "with the Governor's staff," or "with an officer or staff member of the Executive Branch" means any communication, oral or in writing or any other medium, addressed, delivered, distributed or disseminated, respectively, to a member of the Legislature, to legislative staff, to the Governor, to the Governor's staff, or to an officer or staff member of the Executive Branch, as distinguished from communication to the general public including but not limited to a member of the Legislature, legislative staff, the Governor, the Governor's staff, or an officer or staff member of the Executive Branch. If any person shall obtain, reproduce or excerpt any communication or part thereof which in its original form was not a communication under this subsection and shall cause such excerpt or reproduction to be addressed, delivered, distributed or disseminated to a member of the Legislature, to legislative staff, to the Governor, to the Governor's staff, or to an officer or staff member of the Executive Branch, such communication, reproduction or excerpt shall be deemed a communication with the member of the Legislature, with legislative staff, with the Governor, with the Governor's staff, or with an officer or staff member of the Executive Branch by such person.

g. The term "governmental affairs agent" means any person who receives or agrees to receive, directly or indirectly, compensation, in money or anything of value including reimbursement of his expenses where such reimbursement exceeds \$100.00 in any three-month period, to influence legislation, to influence regulation or to influence governmental processes, or all of the above, by direct or indirect communication with, or by making or authorizing, or causing to be made or authorized, any expenditures providing a benefit to, a member of the Legislature, legislative staff, the Governor, the Governor's staff, or any officer or staff member of the Executive Branch, or who holds himself out as engaging in the business of influencing legislation, regulation or governmental processes, by such means, or who incident to his regular employment engages in influencing legislation, regulation or governmental processes, by such means; provided, however, that a person shall not be deemed a governmental affairs agent who, in relation to the duties or interests of his employment or at the request or suggestion of his employer, communicates with a member of the Legislature, with legislative staff, with the Governor, with the Governor's staff, or with an officer or staff member of the Executive Branch concerning any legislation, regulation or governmental process, if such communication is an isolated, exceptional or infrequent activity in relation to the usual duties of his employment.

h. The term "influence legislation" means to make any attempt, whether successful or not, to secure or prevent the initiation of any legislation, or to secure or prevent the passage, defeat, amendment or modification thereof by the Legislature, or the approval, amendment or disapproval thereof by the Governor in accordance with his constitutional authority.

i. The term "statement" includes a notice of representation or a report required by this act, as amended and supplemented.

j. (Deleted by amendment, P.L.1991, c.243).

k. The term "member of the Legislature" includes any member or member-elect of, or any person who shall have been selected to fill a vacancy in, the Senate or General Assembly, and any other person who is a member or member-designate of any committee or commission established by the Legislature or by either House thereof.

l. The term "legislative staff" includes all staff, assistants and employees of the Legislature

or any of its members in the member's official capacity, whether or not they receive compensation from the State of New Jersey.

m. The term "Governor's staff" includes the members of the Governor's Cabinet, the Secretary to the Governor, the Counsel to the Governor and all professional employees in the office of the Counsel to the Governor, and all other employees of the Office of the Governor.

n. The term "officer or staff member of the Executive Branch" means any assistant or deputy head of a principal department in the Executive Branch of State Government, including all assistant and deputy commissioners; the members and chief executive officer of any authority, board, commission or other agency or instrumentality in or of such a principal department; and any officer of the Executive Branch of State Government other than the Governor who is not included among the foregoing or among the Governor's staff, but who is empowered by law to issue, promulgate or adopt administrative rules and regulations or to administer governmental processes, and any person employed in the office of such an officer who is involved with the development, issuance, promulgation or adoption of such rules and regulations or administration of governmental processes in the regular course of employment.

o. The term "regulation" includes any administrative rule or regulation affecting the rights, privileges, benefits, duties, obligations, or liabilities of any one or more persons subject by law to regulation as a class, but does not include an administrative action (1) to issue, renew or deny, or, in an adjudicative action, to suspend or revoke, a license, order, permit or waiver under any law or administrative rule or regulation, (2) to impose a penalty, or (3) to effectuate an administrative reorganization within a single principal department of the Executive Branch of State Government.

p. The term "influence regulation" means to make any attempt, whether successful or not, to secure or prevent the proposal of any regulation or to secure or prevent the consideration, amendment, issuance, promulgation, adoption or rejection thereof by an officer or any authority, board, commission or other agency or instrumentality in or of a principal department of the Executive Branch of State Government empowered by law to issue, promulgate or adopt administrative rules and regulations.

q. The term "expenditures providing a benefit" or "expenditures providing benefits" means any expenditures for entertainment, food and beverage, travel and lodging, honoraria, loans, gifts or any other thing of value, except for (1) any money or thing of value paid for past, present, or future services in regular employment, whether in the form of a fee, expense, allowance, forbearance, forgiveness, interest, dividend, royalty, rent, capital gain, or any other form of recompense, or any combination thereof, or (2) any dividends or other income paid on investments, trusts, and estates.

r. The term "commission" means the Election Law Enforcement Commission established pursuant to section 5 of P.L.1973, c.83 (C.19:44A-5).

s. The term "communication with the general public" means any communication:

(1) disseminated to the general public through direct mail or in the form of a paid advertisement in a newspaper, magazine, or other printed publication of general circulation or aired on radio, television, or other broadcast medium, and

(2) which explicitly supports or opposes a particular item or items of legislation or regulation, or the content of which can reasonably be understood, irrespective of whether the communication is addressed to the general public or to persons in public office or employment, as intended to influence legislation or to influence regulation.

t. The terms "influence governmental processes", "influencing governmental processes" or "influence governmental process" means to make any attempt, whether successful or not, to assist a represented entity or group to engage in communication with, or to secure information from, an officer or staff member of the Executive Branch, or any authority, board, commission or other agency or instrumentality in or of a principal department of the Executive Branch of

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State Government, empowered by law to administer a governmental process or perform other functions that relate to such processes.

u. The term "governmental process" means:

promulgation of executive orders;

rate setting;

development, negotiation, award, modification or cancellation of public contracts;

issuance, denial, modification, renewal, revocation or suspension of permits, licenses or waivers;

procedures for bidding;

imposition or modification of fines and penalties;

procedures for purchasing;

rendition of administrative determinations; and

award, denial, modification, renewal or termination of financial assistance, grants and loans.

v. The term "public contract" means a contract the cost or price of which is to be paid with or out of State funds or the funds of an independent authority created by the State or by the Legislature.

4. Section 4 of P.L.1971, c.183 (C.52:13C-21) is amended to read as follows:

C.52:13C-21 Notice of representation; filing, contents, separate notices.

4. a. Any person who, on or after the effective date of P.L.1991, c.243 or on or after the effective date of P.L.2004, c.27 for the purpose of influencing governmental processes, is employed, retained or engages himself as a governmental affairs agent shall, prior to any communication with, or the making of any expenditures providing a benefit to, a member of the Legislature, legislative staff, the Governor, the Governor's staff, or an officer or staff member of the Executive Branch, and in any event within 30 days of the appropriate effective date or of such employment, retainer or engagement, whichever occurs later, file a signed notice of representation with the Election Law Enforcement Commission in such detail as the commission may prescribe, identifying himself and persons by whom he is employed or retained, and the persons in whose interests he is working, and the general nature of his proposed services as a governmental affairs agent for such persons, which notice shall contain the following information:

(1) his name, business address and regular occupation;

(2) the name, business address and occupation or principal business of the person from whom he receives compensation for acting as a governmental affairs agent;

(3) (a) the name, business address and occupation or principal business of any person in whose interest he acts as a governmental affairs agent in consideration of the aforesaid compensation, if such person is other than the person from whom said compensation is received; and

(b) if a person, identified under paragraph (2) of this subsection as one from whom the governmental affairs agent receives compensation, is a membership organization or corporation whose name or occupation so identified does not, either explicitly or by virtue of the nature of the principal business in which the organization or its members, or the corporation or its shareholders, is commonly known to be engaged, clearly reveal the primary specific economic, social, political, or other interest which the organization or corporation may reasonably be understood to seek to advance or protect through its employment, retainer, or engagement of the governmental affairs agent, a description of that primary economic, social, political, or other interest and a list of the persons having organizational or financial control of the organization or corporation, including the names, mailing addresses and occupations, respectively, of those persons. The commission shall promulgate rules and regulations to govern the content of any

information required to be disclosed under this subparagraph and shall take such steps as are reasonably necessary to ensure that all such information is, in accordance with those rules and regulations, both accurate and complete.

Any list of governmental affairs agents and their principals required to be published quarterly under subsection h. of section 6 of P.L.1971, c.183 (C.52:13C-23) shall include, for each such principal for whom it is not otherwise apparent, the primary specific interest which the principal may reasonably be understood to seek to advance or protect through its engagement of the governmental affairs agent and the category of persons required to file additional information, as that interest and such category shall have been determined under subparagraph (b) of this paragraph;

(4) whether the person from whom he receives said compensation employs him solely as a governmental affairs agent, or whether he is a regular employee performing services for his employer which include but are not limited to the influencing of legislation, regulation or governmental processes;

(5) the length of time for which he will be receiving compensation from the person aforesaid for acting as a governmental affairs agent, if said length of time can be ascertained at the time of filing;

(6) the type of legislation, regulation or governmental process or the particular legislation, regulation or governmental process in relation to which he is to act as governmental affairs agent in consideration of the aforesaid compensation, and any particular legislation, regulation or governmental process, or type of legislation, regulation or governmental process which he is to promote or oppose;

(7) a full and particular description of any agreement, arrangement or understanding according to which his compensation, or any portion thereof, is or will be contingent upon the success of any attempt to influence legislation, regulation or governmental processes.

b. Any governmental affairs agent who receives compensation from more than one person for his services as a governmental affairs agent shall file a separate notice of representation with respect to each such person; except that a governmental affairs agent whose fee for acting as such in respect to the same legislation, regulation or governmental process or type of legislation, regulation or governmental process is paid or contributed to by more than one person may file a single statement, in which he shall detail the name, business address and occupation or principal business of each person so paying or contributing.

5. Section 4 of P.L.1981, c.150 (C.52:13C-21a) is amended to read as follows:

C.52:13C-21a Nonresident governmental affairs agent, lobbyist, filing of consent to service of process.

4. Any governmental affairs agent or lobbyist not a resident of this State, or not a corporation of this State or authorized to do business in this State, shall file with the Election Law Enforcement Commission, before attempting to influence legislation, regulation or governmental process, or within 30 days of the effective date of P.L.2004, c.27, as appropriate, its consent to service of process at an address within this State, or by regular mail at an address outside this State.

6. Section 3 of P.L.2003, c.255 (C.52:13C-21b) is amended to read as follows:

C.52:13C-21b Restriction on offer of gifts, etc. to certain State officers or employees.

3. Except as expressly authorized in section 13 of P.L.1971, c.182 (C.52:13D-24) or when the lobbyist or governmental affairs agent is a member of the immediate family of the officer or staff member of the Executive Branch or member of the Legislature or legislative staff, no

lobbyist or governmental affairs agent shall offer or give or agree to offer or give, directly or indirectly, any compensation, reward, employment, gift, honorarium or other thing of value to an officer or staff member of the Executive Branch or member of the Legislature or legislative staff, totaling more than \$250.00 in a calendar year. The \$250.00 limit on any compensation, reward, gift, honorarium or other thing of value shall also apply to each member of the immediate family of a member of the Legislature, as defined in section 2 of P.L.1971, c.182 (C.52:13D-13) to be a spouse, child, parent, or sibling of the member residing in the same household as the member of the Legislature.

b. The prohibition in subsection a. of this section on offering or giving, or agreeing to offer or give, any compensation, reward, gift, honorarium or other thing of value shall not apply if it is in the course of employment, by an employer other than the State, of an individual covered in subsection a. of this section or a member of the immediate family. The prohibition in subsection a. of this section on offering or giving, or agreeing to offer or give, any compensation, reward, gift, honorarium or other thing of value shall not apply if receipt is from a member of the immediate family when the family member received such in the course of his or her employment.

c. Subsection a. of this section shall not apply if an officer or staff member of the Executive Branch or member of the Legislature or legislative staff who accepted any compensation, reward, gift, honorarium or other thing of value offered or given by a lobbyist or governmental affairs agent makes a full reimbursement, within 90 days of acceptance, to the lobbyist or governmental affairs agent in an amount equal to the money accepted or the fair market value of that which was accepted if other than money. As used in this subsection, "fair market value" means the actual cost of the compensation, reward, gift, honorarium or other thing of value accepted.

d. A violation of this section shall not constitute a crime or offense under the laws of this State.

7. Section 1 of P.L.1977, c.92 (C.52:13C-21.1) is amended to read as follows:

C.52:13C-21.1 Employment of unregistered governmental affairs agent.

1. Any person who knowingly employs another person to serve as a governmental affairs agent who is not registered as required by section 4 of the act of which this act is a supplement, except upon the condition that such person register as a governmental affairs agent as provided by law or who continues to employ any such person who has not registered within the time required by law, shall, upon conviction, be guilty of a crime of the fourth degree.

8. Section 1 of P.L.1977, c.90 (C.52:13C-21.2) is amended to read as follows:

C.52:13C-21.2 Representation of adverse interest, fourth degree crime.

1. Any governmental affairs agent who knowingly represents an interest adverse to any of his employer's without first obtaining such employer's written consent thereto, after full disclosure to such employer of such adverse interest, shall, upon conviction, be guilty of a crime of the fourth degree.

9. Section 1 of P.L.1977, c.91 (C.52:13C-21.3) is amended to read as follows:

C.52:13C-21.3 Introduction of legislation for purposes of later employment, fourth degree crime.

1. Any governmental affairs agent who knowingly causes, influences, or otherwise secures the introduction of any legislation or amendment thereto for the purpose of thereafter being employed to prevent the passage thereof, shall upon conviction be guilty of a crime of the fourth

degree.

10. Section 5 of P.L.1971, c.183 (C.52:13C-22) is amended to read as follows:

C.52:13C-22 Quarterly reports; contents.

5. a. Every governmental affairs agent shall file with the commission a signed quarterly report of his activity in attempting to influence legislation, regulation or governmental processes during each such quarter.

b. The quarterly reports required under this section shall be made in the form and manner prescribed by the commission and shall be filed between the first and tenth days of each calendar quarter for such activity during the preceding calendar quarter. The commission may, in its discretion, permit joint reports by persons subject to this act.

c. Each such quarterly report shall

(1) describe the particular items of legislation, regulation, or governmental process and any general category or type of legislation, regulation or governmental process regarding which the governmental affairs agent acted as a governmental affairs agent during the quarter, and any particular items or general types of legislation, regulation, or governmental processes which he actively promoted or opposed during the quarter; and

(2) supply any information necessary to make the notice of representation filed by the governmental affairs agent pursuant to section 4 of P.L.1971, c.183 (C.52:13C-21), current and accurate as of the final day of the calendar quarter covered by the report.

11. Section 2 of P.L.1981, c.150 (C.52:13C-22.1) is amended to read as follows:

C.52:13C-22.1 Annual reports.

2. Each governmental affairs agent or lobbyist shall make and certify the correctness of a full annual report to the Election Law Enforcement Commission, of those moneys, loans, paid personal services or other things of value contributed to it and those expenditures made, incurred or authorized by it for the purpose of communication with or providing benefits to any member of the Legislature, legislative staff, the Governor, the Governor's staff, or an officer or staff member of the Executive Branch, or a communication with the general public, during the previous year. The report shall include, but not be limited to, the following expenditures which relate to communication with, or providing benefits to, any member of the Legislature, legislative staff, the Governor, the Governor's staff, or an officer or staff member of the Executive Branch, or communication with the general public: media, including advertising; entertainment; food and beverage; travel and lodging; honoraria; loans; gifts; and salary, fees, allowances or other compensation paid to an agent. The expenditures shall be reported whether made to the intended recipient of the communication or benefit, to a governmental affairs agent or a lobbyist, or in the case of a communication to the general public, to the publisher of that communication. The expenditures shall be reported in the aggregate by category, except that if the aggregate expenditures on behalf of a member of the Legislature, legislative staff, the Governor, the Governor's staff, or an officer or staff member of the Executive Branch exceed \$25.00 per day, they shall be detailed separately as to the name of the member of the Legislature, member of legislative staff, the Governor, member of the Governor's staff, or officer or staff member of the Executive Branch, date and type of expenditure, amount of expenditure and to whom paid. Where the aggregate expenditures for the purpose of communication with or providing benefits to any one member of the Legislature, member of legislative staff, the Governor, the Governor's staff, or officer or staff member of the Executive Branch exceed \$200.00 per year, the expenditures, together with the name of the intended recipient of the communication or benefits, shall be stated in detail including the type of each expenditure, amount of expenditure and to

whom paid. Where those expenditures in the aggregate, or where the aggregate expenditures for the purpose of communication with the general public, with respect to any specific occasion are in excess of \$100.00, the report shall include the date and type of expenditure, amount of expenditure and to whom paid. The Election Law Enforcement Commission may, in its discretion, permit joint reports by governmental affairs agents. No governmental affairs agent shall be required to file a report unless all moneys, loans, paid personal services or other things of value contributed to it for the purpose of communication with or making expenditures providing a benefit to a member of the Legislature, legislative staff, the Governor, the Governor's staff, or officer or staff member of the Executive Branch or for the purpose of communication with the general public exceed \$2,500.00 in any year or unless all expenditures made, incurred or authorized by it for the purpose of communication with or providing benefits to a member of the Legislature, legislative staff, the Governor, the Governor's staff, or officer or staff member of the Executive Branch or for the purpose of communication with the general public exceed \$2,500.00 in any year.

Any lobbyist who receives contributions or makes expenditures to influence legislation or regulation shall be required to file and certify the correctness of a report of such contributions or expenditures if the contributions or expenditures made, incurred or authorized by it for the purpose of communication with or providing benefits to a member of the Legislature, legislative staff, the Governor, the Governor's staff, or an officer or staff member of the Executive Branch exceed, in the aggregate, \$2,500.00 in any year. Any lobbyist required to file a report pursuant to this section may designate a governmental affairs agent in its employ or otherwise engaged or used by it to file a report on its behalf; provided such designation is made in writing by the lobbyist, is acknowledged in writing by the designated governmental affairs agent and is filed with the Election Law Enforcement Commission on or before the date on which the report of the lobbyist is due for filing, and further provided that any violation of this act shall subject both the lobbyist and the designated governmental affairs agent to the penalties provided in this act.

Any person other than a governmental affairs agent or lobbyist who receives contributions or makes expenditures for the purpose of communication with the general public shall be required to file and certify the correctness of a report of such contributions or expenditures in the same manner as governmental affairs agents under the provisions of this section if the contributions or expenditures made, incurred or authorized by the person for the purpose of communication with the general public exceed in the aggregate \$2,500 in any year. This section shall not be construed to authorize any person to make or authorize, or to cause to be made or authorized, any expenditure providing a benefit, or to provide a benefit, the provision or receipt of which is prohibited under the "New Jersey Conflicts of Interest Law," P.L.1971, c.182 (C.52:13D-12 et seq.) or any code of ethics promulgated thereunder, or under any other law or any executive order, rule or regulation.

12. Section 7 of P.L.1991, c.243 (C.52:13C-22.1a) is amended to read as follows:

C.52:13C-22.1a Governmental affairs agent, disclosure of certain service.

7. A person who is registered as a governmental affairs agent and who, on or after the effective date of P.L.1991, c.243 (C.52:13C-18 et al.) or on or after P.L.2004, c.27 for the purpose of influencing governmental processes, serves or shall serve as a member of any independent State authority, county improvement authority or municipal utilities authority, or as a member from New Jersey on an inter-state or bi-state authority, or as a member of any board or commission established by statute or resolution or by executive order of the Governor or by the Legislature or by any agency, department or other instrumentality of the State shall disclose such service, including the name of the authority, board or commission and the date upon which his term as a member thereof expires, in the annual report required to be made under



section 2 of P.L.1981, c.150 (C.52:13C-22.1).

13. Section 1 of P.L.1996, c.144 (C.52:13C-22.4) is amended to read as follows:

C.52:13C-22.4 Report of benefits to recipients.

1. a. Each governmental affairs agent and lobbyist shall provide to each member of the Legislature, legislative staff, the Governor, the Governor's staff, or an officer or staff member of the Executive Branch who receives a benefit that is required to be reported to the commission pursuant to section 2 of P.L.1981, c.150 (C.52:13C-22.1), a full written and certified report describing the benefit, including a description of the benefit, the amount of the benefit, the date it was provided and to whom it was paid.

b. The reports shall be transmitted to the member of the Legislature, legislative staff, the Governor, the Governor's staff, or an officer or staff member of the Executive Branch by each governmental affairs agent or lobbyist no later than February 1 of each year and shall cover benefits provided in the immediately preceding calendar year. In the event that a governmental affairs agent or lobbyist provides more than one benefit to a member of the Legislature, legislative staff, the Governor, the Governor's staff, or an officer or staff member of the Executive Branch during a calendar year, the reports describing those benefits required pursuant to subsection a. of this section may be combined into one report or filed as separate reports.

14. Section 6 of P.L.1971, c.183 (C.52:13C-23) is amended to read as follows:

C.52:13C-23 Duties of the commission.

6. The commission shall:

a. permit public inspection of all statements filed pursuant to this act, as amended and supplemented;

b. compile and summarize information contained in statements filed pursuant to this act, as amended and supplemented, and report the same to the Legislature and the Governor;

c. ascertain whether any persons have failed to file statements as required by this act, as amended and supplemented, or have filed incomplete or inaccurate statements, and give notice to such persons to file such statements as will conform to the requirements of this act, as amended and supplemented;

d. investigate violations of this act, as amended and supplemented, report to the Legislature and the Governor thereon, and notify the Attorney General of any possible criminal violations of this act, as amended and supplemented, that may warrant further investigation and action;

e. make such recommendations to the Legislature and the Governor as will tend to further the objectives of this act, as amended and supplemented, and take such other action as shall be necessary and proper to effectuate the purposes of this act, as amended and supplemented;

f. report to the Legislature and the Governor annually on the administration of this act, as amended and supplemented;

g. develop and prescribe methods and forms for statements required to be filed by this act, as amended and supplemented, and require the use of such forms by persons subject to this act, as amended and supplemented;

h. compile and publish quarterly a list of all governmental affairs agents then registered, together with the information contained in their notices of representation and last quarterly report, which compilation shall be distributed to all members of the Legislature and the Governor, and published in the New Jersey Register;

i. prepare and publish a summary and explanation of the registration and reporting requirements of this act, as amended and supplemented, for the use and guidance of those persons who may be required to file statements under this act, as amended and supplemented;

j. in accordance with a fee schedule adopted by the commission as a rule or regulation, establish and charge reasonable fees for the filing of notices of representation and quarterly and annual reports pursuant to this act, as amended and supplemented, provided that such fees shall not apply to the organizations which qualify under subsection (b) of section 9 of chapter 30 of the laws of 1966, as amended (C.54:32B-9), and provided further that the amount of such fees shall not exceed the cost to the commission of processing and maintaining those notices and reports and of compiling, summarizing and publishing the information contained therein as prescribed by this act, as amended and supplemented; and

k. during periods when the Legislature is in session, report monthly to the members of the Legislature and the Governor and his staff all new notices of representation, notices of termination and other notices filed pursuant to this act, as amended and supplemented, during the preceding month.

15. Section 11 of P.L.1991, c.244 (C.52:13C-23.1) is amended to read as follows:

C.52:13C-23.1 Violations, penalties.

11. Upon receiving evidence of any violation of P.L.1971, c.183 (C.52:13C-18 et seq.), as amended and supplemented, the commission shall have power to bring complaint proceedings, to issue subpoenas for the production of witnesses and documents, and to hold or to cause to be held by the Office of Administrative Law, hearings upon such complaint. In addition to any other penalty provided by law, any person who is found to have committed such a violation shall be liable for a civil penalty not in excess of \$1,000, which penalty may be collected in a summary proceeding pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).

16. Section 7 of P.L.1971, c.183 (C.52:13C-24) is amended to read as follows:

C.52:13C-24 Records of governmental affairs agent.

7. Any person engaged in activity which makes him subject to filing a statement under this act shall keep and preserve all records of his receipts, disbursements and other financial transactions in the course of and as a part of his activities as a governmental affairs agent. Such records shall be preserved for a period of three calendar years next succeeding the calendar year in which they were made. The provisions of this section shall not apply to any governmental affairs agent with respect to any quarterly period within which the total of his compensation including reimbursement of expenses is less than \$500.00.

17. Section 8 of P.L.1971, c.183 (C.52:13C-25) is amended to read as follows:

C.52:13C-25 Governmental affairs agent's responsibilities.

8. a. Every governmental affairs agent shall file a notice of termination report within 30 days after his activity shall cease, on such form as the commission shall prescribe, and any person who engages a governmental affairs agent may file a notice of termination after such agent ceases to represent such person.

b. A governmental affairs agent who receives or agrees to receive compensation for acting as such from any person not named in the notice of representation filed pursuant to section 4 of P.L.1971, c.183 (C.52:13C-21) shall, within 15 days of receiving or agreeing to receive such compensation, file an appropriate notification thereof in writing with the commission.

c. A governmental affairs agent shall notify the commission in writing of any material change in the information supplied by him in the notice of representation filed pursuant to section 4 of P.L.1971, c.183 (C.52:13C-21) within 15 days of the effective date of such change.

18. Section 10 of P.L.1971, c.183 (C.52:13C-27) is amended to read as follows:

C.52:13C-27 Act not applicable to certain activities.

10. This act shall not apply to the following activities:

a. the publication or dissemination, in the ordinary course of business, of news items, advertising which does not constitute communication with the general public, editorials or other comments by a newspaper, book publisher, regularly published periodical, or radio or television station, including an owner, editor or employee thereof;

b. acts of an officer or employee of the Government of this State or any of its political subdivisions, or of the Government of the United States or of any State or territory thereof or any of their political subdivisions, in carrying out the duties of their public office or employment;

c. acts of bona fide religious groups acting solely for the purpose of protecting the public right to practice the doctrines of such religious groups;

d. acts of a duly organized national, State or local committee of a political party;

e. acts of a person in testifying before a legislative committee or commission, at a public hearing duly called by the Governor on legislative proposals or on legislation passed and pending his approval, or before any officer or body empowered by law to issue, promulgate or adopt administrative rules and regulations in behalf of a nonprofit organization incorporated as such in this State who receives no compensation therefor beyond the reimbursement of necessary and actual expenses, and who makes no other communication with a member of the Legislature, legislative staff, the Governor, the Governor's staff, or an officer or staff member of the Executive Branch in connection with the subject of his testimony;

f. acts of a person in communicating with or providing benefits to a member of the Legislature, legislative staff, the Governor, the Governor's staff, or an officer or staff member of the Executive Branch if such communication or provision of benefits is undertaken by him as a personal expression and not incident to his employment, even if it is upon a matter relevant to the interests of a person by whom or which he is employed, and if he receives no additional compensation or reward, in money or otherwise, for or as a result of such communication or provision of benefits;

g. with regard to influencing governmental processes as defined in subsections t. and u. of section 3 of P.L.1971, c.183 (C.52:13C-20) any communications, matters or acts of an attorney falling within the attorney-client privilege while engaging in the practice of law to the extent that confidentiality is required in order for the attorney to exercise his ethical duties as a lawyer; and

h. with regard to influencing governmental processes as defined in subsections t. and u. of section 3 of P.L.1971, c.183 (C.52:13C-20) any communications, matters or acts involving collective negotiations, or the interpretation or violation of collective negotiation agreements, of a labor organization of any kind which exists or is constituted for the purpose, in whole or in part, of collective bargaining, or of dealing with employers concerning the grievances, terms or conditions of employment, or of other mutual aid or protection in connection with employment.

19. Section 11 of P.L.1971, c.183 (C.52:13C-28) is amended to read as follows:

C.52:13C-28 Wearing of name tag.

11. Every governmental affairs agent who, for the purpose of influencing legislation, is in the State House, the State House Annex, or any other State building or other location when and where an authorized meeting of a legislative committee is being held shall at all times wear a descriptive name tag of a type prescribed by the commission.

20. Section 12 of P.L.1971, c.183 (C.52:13C-29) is amended to read as follows:

C.52:13C-29 Legislative employees as governmental affairs agents, fourth degree crime.

12. All staff, assistants and employees of the Legislature who receive for their services a stated salary or similar compensation from the State of New Jersey are forbidden to act as governmental affairs agents or to seek, receive or agree to receive, directly or indirectly, compensation, in money or any thing of value, for influencing or purporting to influence legislation. Whoever violates this section is guilty of a crime of the fourth degree.

21. Section 13 of P.L.1971, c.183 (C.52:13C-30) is amended to read as follows:

C.52:13C-30 Willful falsification; fourth degree crime.

13. Any person who knowingly and willfully falsifies all or any part of any statement, notice or report under this act shall, upon conviction, be guilty of a crime of the fourth degree.

22. Section 14 of P.L.1971, c.183 (C.52:13C-31) is amended to read as follows:

C.52:13C-31 False communication relative to legislation; fourth degree crime.

14. Any person who shall transmit, utter or publish to the Legislature or the Governor or his staff any communication relating to any legislation or be a party to the preparation thereof, knowing such communication or any signature thereto is false, forged, counterfeit, or fictitious, shall upon conviction, be guilty of a crime of the fourth degree.

23. Section 16 of P.L.1971, c.183 (C.52:13C-33) is amended to read as follows:

C.52:13C-33 Failure to file notice of representation, report; fourth degree crime.

16. Any governmental affairs agent required to file a notice of representation or report or maintain any record under this act who fails to file such a notice or report or maintain such record shall, upon conviction, be guilty of a crime of the fourth degree.

24. Section 19 of P.L.1971, c.183 (C.52:13C-36) is amended to read as follows:

C.52:13C-36 Powers of the commission.

19. a. When it shall appear to the commission that a person required to file any statement under this act, as amended and supplemented, has failed to file such required statement, or has filed a statement false, inaccurate or incomplete in any material matter, or has otherwise violated the provisions of this act, as amended and supplemented; or when the commission believes it to be in the public interest that an investigation should be made to ascertain whether a person has in fact violated any of the provisions of this act, as amended and supplemented, it may apply to the Superior Court for an order or orders directing:

(1) That any such person or persons make available to the commission's inspection, or to the inspection of any of its authorized deputies or agents, such records as are required to be kept by that person pursuant to section 7 of P.L.1971, c.183 (C.52:13C-24); or

(2) That any such person file a statement or report in writing under oath concerning the facts and circumstances upon which the commission's belief in the necessity of an investigation is based; or

(3) That any person submit to examination under oath by the commission in connection with said circumstances, and produce any and all records, books and other documents which may be specified by order of the court; or

(4) That the commission may impound any record, book or other documents specified by order of the court.

b. Such application by the commission shall set forth all the facts and circumstances upon

which its belief in the necessity of an investigation is based. The court may proceed on such application in a summary manner; and if the court determines that from the evidence submitted it appears that a person required to file any statement under this act, as amended and supplemented, has failed to file such statement, or has filed a statement false, inaccurate or incomplete in any material respect, or has otherwise violated any of the provisions of this act, as amended and supplemented, or that it is in the public interest that an investigation be held to determine whether such violation has occurred, the court shall issue such order pursuant to subsection a. of this section as it may deem necessary and proper.

c. The commission shall hold as confidential all statements, books, records, testimony and other information or sources of information coming into its possession or knowledge as a result of an investigation pursuant to this section and shall not disclose or divulge any such materials or information to anyone except the court under whose order such material or information comes into its knowledge or possession, unless the court shall order its disclosure to a grand jury of this State or other appropriate authorities for the purposes of enforcing the provisions of this act, as amended and supplemented, or any other law.

d. If any person shall refuse to testify or produce any book, paper or other document in any proceeding under this section as ordered by the court on the grounds that the testimony or evidence, documentary or otherwise, which is required of him may tend to incriminate him, convict him of a crime, or subject him to a penalty or forfeiture, and shall, notwithstanding, be directed to testify or to produce such book, paper or document, he shall comply with such direction. A person who is entitled by law to assert such privilege, and does so assert, and thereafter complies with such direction, shall not thereafter be prosecuted or subjected to any penalty or forfeiture in any criminal proceeding which arises out of and relates to the subject matter of the proceeding. No person so testifying shall be exempt from prosecution or punishment for perjury on false swearing committed by him in giving such testimony.

e. In any action brought under this section, the court may award to the State all costs of investigation and trial, including a reasonable attorney's fee to be fixed by the court. If costs are awarded in such an action brought against a governmental affairs agent, the judgment may be awarded against the governmental affairs agent, and the governmental affairs agent's employer or employers joined as defendants, jointly, severally, or both. If the defendant prevails, he shall be awarded all costs of trial, and may be awarded a reasonable attorney's fee to be fixed by the court and paid by the State of New Jersey.

25. Section 11 of P.L.1971, c.182 (C.52:13D-22) is amended to read as follows:

C.52:13D-22 Joint Legislative Committee on Ethical Standards; membership; powers; duties; penalties.

11. (a) The Joint Legislative Committee on Ethical Standards created pursuant to the provisions of P.L.1967, c.229, as continued and established pursuant to P.L.1971, c.182, is continued and established in the Legislative Branch of State Government with the addition of the public members as set forth in this section.

(b)(1) The joint committee shall be composed of 12 members as follows: four members of the Senate appointed by the President thereof, no more than two of whom shall be of the same political party; four members of the General Assembly, appointed by the Speaker thereof, no more than two of whom shall be of the same political party; and four public members, one appointed by the President of the Senate, one appointed by the Speaker of the General Assembly, one appointed by the Minority Leader of the Senate and one appointed by the Minority Leader of the General Assembly.

(2) Commencing with the second Tuesday in January of the next even numbered year following the effective date of P.L.2004, c.24, the Joint committee shall be composed of sixteen

members as follows: four members of the Senate, appointed by the President thereof, no more than two of whom shall be of the same political party; four members of the General Assembly, appointed by the Speaker thereof, no more than two of whom shall be of the same political party; and eight public members, two appointed by the President of the Senate, two appointed by the Speaker of the General Assembly, two appointed by the Minority Leader of the Senate and two appointed by the Minority Leader of the General Assembly.

(3) No public member shall be a lobbyist or governmental affairs agent as defined by the "Legislative and Governmental Process Activities Disclosure Act," P.L.1971, c.183 (C.52:13C-18 et seq.), a full-time State employee or an officer or director of any entity which is required to file a statement with the Election Law Enforcement Commission, and no former lobbyist or governmental affairs agent shall be eligible to serve as a public member for one year following the cessation of all activity by that person as a governmental affairs agent or lobbyist.

The legislative members shall serve until the end of the two-year legislative term during which the members are appointed. The public members shall serve for terms of two years and until the appointment and qualification of their successors.

The terms of the public members shall run from the second Tuesday in January of an even-numbered year to the second Tuesday in January of the next even-numbered year, regardless of the original date of appointment.

Vacancies in the membership of the joint committee shall be filled in the same manner as the original appointments, but for the unexpired term only. Public members of the joint committee shall serve without compensation, but shall be entitled to be reimbursed for all actual and necessary expenses incurred in the performance of their duties.

(c) The joint committee shall organize as soon as may be practicable after the appointment of its members, by the selection of a chairman and vice chairman from among its membership and the appointment of a secretary, who need not be a member of the joint committee.

(d) The Legislative Counsel in the Office of Legislative Services shall act as legal adviser to the joint committee. The Legislative Counsel shall, upon request, assist and advise the joint committee in the rendering of advisory opinions by the joint committee, in the approval and review of codes of ethics adopted by State agencies in the Legislative Branch, and in the recommendation of revisions in codes of ethics or legislation relating to the conduct of members of the Legislature or State officers and employees in the Legislative Branch.

(e) The joint committee may, within the limits of funds appropriated or otherwise available to it for the purpose, employ other professional, technical, clerical or other assistants, excepting legal counsel, and incur expenses as may be necessary to the performance of its duties.

(f) The joint committee shall have all the powers granted pursuant to chapter 13 of Title 52 of the Revised Statutes.

(g) The joint committee is authorized to render advisory opinions as to whether a given set of facts and circumstances would, in its opinion, constitute a violation of the provisions of this act, of a code of ethics promulgated pursuant to the provisions of this act or of any rule of either or both Houses which gives the joint committee jurisdiction and the authority to investigate a matter.

(h) The joint committee shall have jurisdiction to initiate, receive, hear and review complaints regarding violations of the provisions of this act or of a code of ethics promulgated pursuant to the provisions of this act. It shall further have such jurisdiction as to enforcement of the rules of either or both Houses of the Legislature governing the conduct of the members or employees thereof as those rules may confer upon the joint committee. A complaint regarding a violation of a code of ethics promulgated pursuant to the provisions of this act may be referred by the joint committee for disposition in accordance with subsection 12(d) of this act.

(i) Any State officer or employee or special State officer or employee in the Legislative Branch found guilty by the joint committee of violating any provisions of this act, of a code of

ethics promulgated pursuant to the provisions of this act or of any rule of either or both Houses which gives the joint committee jurisdiction and the authority to investigate a matter shall be fined not less than \$500.00 nor more than \$10,000, which penalty may be collected in a summary proceeding pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.), and may be reprimanded and ordered to pay restitution where appropriate and may be suspended from office or employment by order of the joint committee for a period not in excess of one year. If the joint committee finds that the conduct of the officer or employee constitutes a willful and continuous disregard of the provisions of this act, of a code of ethics promulgated pursuant to the provisions of this act or of any rule of either or both Houses which gives the joint committee jurisdiction and the authority to investigate a matter, it may order that person removed from office or employment and may further bar the person from holding any public office or employment in this State in any capacity whatsoever for a period of not exceeding five years from the date on which the person was found guilty by the joint committee.

(j) A member of the Legislature who shall be found guilty by the joint committee of violating the provisions of this act, of a code of ethics promulgated pursuant to the provisions of this act or of any rule of either or both Houses which gives the joint committee jurisdiction and the authority to investigate a matter shall be fined not less than \$500.00 nor more than \$10,000, which penalty may be collected in a summary proceeding pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.), and shall be subject to such further action as may be determined by the House of which the person is a member. In such cases the joint committee shall report its findings to the appropriate House and shall recommend to the House such further action as the joint committee deems appropriate, but it shall be the sole responsibility of the House to determine what further action, if any, shall be taken against such member.

26. Section 2 of P.L.2003, c.255 (C.52:13D-24.1) is amended to read as follows:

C.52:13D-24.1 Restriction on acceptance of gifts, etc. from lobbyist, governmental affairs agent.

2. a. Except as expressly authorized in section 13 of P.L.1971, c.182 (C.52:13D-24) or when the lobbyist or governmental affairs agent is a member of the immediate family of the officer or staff member of the Executive Branch or member of the Legislature or legislative staff, no officer or staff member of the Executive Branch or member of the Legislature or legislative staff may accept, directly or indirectly, any compensation, reward, employment, gift, honorarium or other thing of value from each lobbyist or governmental affairs agent, as defined in the "Legislative and Governmental Process Activities Disclosure Act," P.L.1971, c.183 (C.52:13C-18 et seq.), totaling more than \$250.00 in a calendar year. The \$250.00 limit on acceptance of compensation, reward, gift, honorarium or other thing of value shall also apply to each member of the immediate family of a member of the Legislature, as defined in section 2 of P.L.1971, c.182 (C.52:13D-13) to be a spouse, child, parent, or sibling of the member residing in the same household as the member of the Legislature.

b. The prohibition in subsection a. of this section on accepting any compensation, reward, gift, honorarium or other thing of value shall not apply if received in the course of employment, by an employer other than the State, of an individual covered in subsection a. of this section or a member of the immediate family. The prohibition in subsection a. of this section on accepting any compensation, reward, gift, honorarium or other thing of value shall not apply if acceptance is from a member of the immediate family when the family member received such in the course of his or her employment.

c. Subsection a. of this section shall not apply if an officer or staff member of the Executive Branch or member of the Legislature or legislative staff who accepted any compensation, reward,

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gift, honorarium or other thing of value provided by a lobbyist or governmental affairs agent makes a full reimbursement, within 90 days of acceptance, to the lobbyist or governmental affairs agent in an amount equal to the money accepted or the fair market value of that which was accepted if other than money. As used in this subsection, "fair market value" means the actual cost of the compensation, reward, gift, honorarium or other thing of value accepted.

d. A violation of this section shall not constitute a crime or offense under the laws of this State.

27. This act shall take effect immediately.

Approved June 16, 2004.