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COMMISSION MEETING

before

AD HOC COMMISSION ON LEGISLATIVE ETHICS AND CAMPAIGN FINANCE

"Continue seeking agreement on what changes, if any, in current State laws and regulations governing conflicts of interest the Commission should recommend to the Legislature"

September 5, 1990
Room 334
State House Annex
Trenton, New Jersey

COMMISSION MEMBERS PRESENT:

Dr. Alan Rosenthal, Chairman
Albert Burstein
Michael Cole
Patricia Sheehan
Thomas Stanton, Jr.
Senator Carmen A. Orechio
Senator Donald T. DiFrancesco
Assemblyman Thomas J. Deverin
Assemblyman Garabed "Chuck" Haytaian

ALSO PRESENT:

Marci Levin Hochman
Assistant Counsel
Office of Legislative Services

Frank J. Parisi
Office of Legislative Services
Aide, Ad Hoc Commission on Legislative Ethics
and Campaign Finance

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Meeting Recorded and Transcribed by
Office of Legislative Services
Public Information Office
Hearing Unit
State House Annex
CN 068
Trenton, New Jersey 08625

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TABLE OF CONTENTS

	<u>Page</u>
Gregg Edwards Assembly Minority Staff	62

* * * * *

hmw: 1-51 + 2
mjz: 52-85

(MEETING OPENS AT 1:15 p.m.)

DR. ALAN ROSENTHAL (Chairman): Why don't we get started now. Senator Orechio will be a little late, and I assume Al Burstein will show up shortly. Frank, do you want to call the roll?

MR. PARISI (Committee Aide): Okay. Assemblyman Haytaian?

ASSEMBLYMAN HAYTAIAN: Here.

MR. PARISI: Assemblyman Deverin?

ASSEMBLYMAN DEVERIN: Here.

MR. PARISI: Senator DiFrancesco?

SENATOR DiFRANCESCO: I must be doing something wrong, because every meeting Michelle gets closer and closer to me. (referring to partisan staff aide) Whatever I'm saying-- Yes, I'm here.

MR. PARISI: Senator Orechio is delayed. Tom Stanton?

MR. STANTON: Here.

MR. PARISI: Patricia Sheehan?

MS. SHEEHAN: Here.

MR. PARISI: Michael Cole?

MR. COLE: Here.

MR. PARISI: Al Burstein is delayed. Chairman Rosenthal?

DR. ROSENTHAL: Here.

MR. PARISI: Mr. Chairman, you have a quorum.

DR. ROSENTHAL: The agenda for today is to see if we can reach agreement in a number of areas having to do with personal interest, disclosure, gifts and honoraria, State contracts, post legislative employment, and so forth. If we complete our deliberations of those matters and reach agreement among Commission members, then we will not meet as scheduled next week. We will not have anything to do until the report is drafted, and we expect that the report will be drafted in advance of the meeting of September 26.

I also expect that the leadership who appointed members of this Commission will respond to some of the recommendations that have already been made by the Commission and reported in the press. They may want clarification, so it's very likely that at the meeting of the 26th we'll be getting a response for clarification from the leadership and getting the draft report. So we will certainly meet on the 26th.

I have a request from Pat Sheehan. Can we meet a little later, because she really has got to have more time to eat lunch? (laughter) That's okay, Pat. I see how you're gulping it down and you're--

MS. SHEEHAN: Listen, my mouth's full.

DR. ROSENTHAL: Is it possible to meet at 2:00? Is that okay with Commission members if we meet from 2:00 to 4:30 instead of from--

SENATOR DiFRANCESCO: You know, State employees only work till 4:00, so-- It's okay with us, but maybe Marci, you know--

ASSEMBLYMAN HAYTAIAN: That's right in the middle of the rush hour.

SENATOR DiFRANCESCO: Besides that, Chuck wants to cut their pay--

DR. ROSENTHAL: Well, what about 1:30 to 4:00?

SENATOR DiFRANCESCO: --so they'll only work to 3:00.

DR. ROSENTHAL: How about if we meet at 1:30?

MR. STANTON: Now, you're talking about the meeting of next week if there is one, or the 26th?

DR. ROSENTHAL: No, the 26th.

MR. STANTON: Okay.

DR. ROSENTHAL: And we'll figure out at the end of this meeting whether we're meeting next week. We also have a meeting scheduled for October 3, and I'll assume we'll need both the 26th and the 3rd to go over the report and to clean things up.

SENATOR DiFRANCESCO: We're going to go through this again? I mean, individually, do you think we'll go through each recommendation next week?

DR. ROSENTHAL: No, no. I think, basically, we'll get the report in advance. There will be certain issues or certain things that you disagree with in the report, and we'll take them up then. I think that the votes that we had are the votes, you know-- Barring exceptional circumstances, those will be the recommendations of the Commission. There may be some wording changes.

ASSEMBLYMAN HAYTAIAN: Mr. Chairman, am I missing something? I thought we pretty well discussed and dissected the personal interests and gifts and honoraria. In fact, we made some motions and some--

DR. ROSENTHAL: No. We discussed it, but I don't think we resolved it. I thought we would just discuss matters at the last meeting, and as it turned out there was so much agreement on the lobbying, we brought things to a vote right then, but we were going to resolve the-- Maybe there won't be a need for great discussion. I sensed a Commission consensus on some of those matters, but I think we ought to dispose of them and we ought to really cast a vote. If we, for example, want to leave personal disclosure statutes as they are, I think we ought to make an explicit decision to that effect.

Let me start off with one item left over from last week, and that had to do with the lobbying -- jurisdiction for lobbying -- which is now divided between ELEC and the Attorney General. We checked with the Office of the Attorney General -- that is, Frank did -- and you received a memorandum from Frank Parisi detailing his phone call. In effect, the Attorney General supports consolidating responsibility for monitoring and enforcement in ELEC. On that basis we've prepared a motion for the first business, which is: "Shall the Commission recommend that the monitoring of all lobbying activity be consolidated in ELEC?"

ASSEMBLYMAN HAYTAIAN: So moved.

MR. STANTON: Seconded.

DR. ROSENTHAL: Do you want to call the roll, Frank?

MR. STANTON: Is anyone going to appear from the Attorney General's Office? There was a comment that there might be someone here.

MR. PARISI: No, no one. They have been requested to attend. They said they weren't sure if they could, but I guess they're not going to show up.

MR. STANTON: But they're all signed off?

MR. PARISI: They will sign off on it, yes.

Okay, is there any preference as to how I call the roll? (negative response)

Assemblyman Haytaian?

ASSEMBLYMAN HAYTAIAN: Yes.

MR. PARISI: Assemblyman Deverin?

ASSEMBLYMAN DEVERIN: Yes.

MR. PARISI: Senator DiFrancesco?

SENATOR DiFRANCESCO: Yes.

MR. PARISI: Senator Orechio? (no response) Mr. Stanton?

MR. STANTON: Yes.

MR. PARISI: Ms. Sheehan?

MS. SHEEHAN: Yes.

MR. PARISI: Mr. Cole?

MR. COLE: Yes.

MR. PARISI: Mr. Burstein isn't here. Chairman Rosenthal?

DR. ROSENTHAL: Yes.

What about the issue then, of "personal interest"? Last week we had a discussion in which Al Burstein was quite passionate about the adequacy of current law, and I think a number of Commission members agreed, but I think now is the time to make any motions about changing or altering personal interest requirements.

How do you feel about that, because you weren't here last week? (directed to Mr. Cole)

MR. COLE: Talking about the definition of "personal interest"?

DR. ROSENTHAL: The definition.

MR. COLE: A couple of points: I think the definition is probably adequate in that it calls for an interest above and beyond that of a class. I feel very strongly -- as you may know -- about the second part, whether you can ever prohibit a legislator from casting a vote, even if he or she is unable to say she can do so without bias. I think that's something that they are elected to do. I don't know if that's in the sentiment of what was discussed last week or not, but if it was, I'm in agreement.

MR. STANTON: I agree with Mr. Cole. I mean, it would be almost unnatural to have a teacher vote against teachers' interests, unless it was some very unusual circumstances or-- When a person is elected, their occupation is known. It's not as though they are hiding something. That they express a personal interest, make that known, I think that's adequate as disclosure. I also feel that's a strong constitutional issue.

DR. ROSENTHAL: Is there any disposition to change the definition, or to require anything additionally? Senator?

SENATOR DiFRANCESCO: Well, I see no harm in the Minority Leader's proposal that's in bill form, in standing, in the statute in that form. I don't have the bill in front of me. I wanted to see if Chuck had it--

ASSEMBLYMAN HAYTAIAN: I may have it, yes.

SENATOR DiFRANCESCO: --because Mike wasn't here last time, in order to have an opportunity to-- I don't want to make a motion yet, because I want to see if there is any discussion about it, but I would, eventually, like to move that we recommend that amendment of the statute to coincide with Assemblyman Haytaian's proposal.

MR. STANTON: Are you going to read that language?

SENATOR DiFRANCESCO: Well, we--

MR. STANTON: As I recall, Chuck excerpted a small portion of that. I just don't recall--

SENATOR DiFRANCESCO: He eliminates, "member of a business, profession, occupation, or group," that language relating to personal interest, and he adds, "resident of this State or member of the Legislature," which greatly broadens your responsibility to indicate whether or not you have a personal interest.

MR. COLE: That would require a number of legislators to declare on each bill. Do you think that would be a problem, Chuck?

ASSEMBLYMAN HAYTAIAN: I don't think that's a problem at all.

MS. SHEEHAN: I'm not sure I understand.

MR. COLE: What he's saying is -- as I understand it -- if you're a teacher and there's a bill impacting on school funding, anything having to do with schools, you would have to say, file a form, say, "I'm a teacher, but I feel that I can still vote on this bill," or, "I don't intend to vote on this bill." The same if you are a doctor, lawyer, dentist, farmer--

ASSEMBLYMAN HAYTAIAN: Isn't that, quite frankly, isn't that what the public wants? I mean I thought that--

MS. SHEEHAN: I'm not questioning the substance. I'm still not understanding the proposal. What does that do to a resident of New Jersey? I mean, I don't understand the words.

ASSEMBLYMAN HAYTAIAN: Maybe Marci should -- because Marci is the one who helped me with this.

DR. ROSENTHAL: Currently the restriction, the language in the statute requires you -- defines a personal interest in legislation only if you benefit more than does someone in your same business or occupation. Consequently, if you were a teacher, and you were voting on an education bill,

you don't benefit more than any other teacher; therefore, it is not considered to be a personal interest. Chuck's language would take out that, "more than anyone else in your occupation," and therefore if you were a teacher, you would be benefiting more than someone else in the State--

ASSEMBLYMAN HAYTAIAN: Correct.

DR. ROSENTHAL: --even though you're not benefiting more than other teachers, and it would be a personal interest. The same would be--

MR. STANTON: That can be carried almost to an absurd level, though.

ASSEMBLYMAN DEVERIN: May I ask, Chuck, if for instance, you're talking about a specific piece of legislation? Suppose if we vote to repeal the tax on toilet paper? I benefit by that. I use toilet paper. Do I have to get up and say, "Hey, I benefit by this"?

DR. ROSENTHAL: But you presumably don't benefit more than any other citizen of New Jersey except those who don't use toilet paper.

ASSEMBLYMAN DEVERIN: He's saying, he's saying--

ASSEMBLYMAN HAYTAIAN: What about those who don't use it?

ASSEMBLYMAN DEVERIN: That's right. And there are those who don't.

ASSEMBLYMAN HAYTAIAN: I don't know what I can tell you on that one, Tommy.

ASSEMBLYMAN DEVERIN: Well, I mean, that's how far you can stretch this.

ASSEMBLYMAN HAYTAIAN: Yeah, but-- I guess maybe I'm mistaken why we've convened this Joint Committee. I thought the public was concerned about that to an extent that-- And by the way, I didn't put this bill in because of this Committee. I think you should all take a look at this stuff, it was prefiled, I believe--

ASSEMBLYMAN DEVERIN: Yeah, but, you put it in because you took a rap in the newspaper, and you think that was unfair.

ASSEMBLYMAN HAYTAIAN: No. I put it in because I think, quite frankly, that we should have this, because I don't have a problem with doing that.

SENATOR DiFRANCESCO: Well, wait a minute.

ASSEMBLYMAN HAYTAIAN: And I don't think anyone else--

SENATOR DiFRANCESCO: Under the tax scenario, certainly his bill does not say that you have a personal interest. What it relates to is exactly what the Chairman was saying, and that is: If you are a lawyer and the bill impacts upon the law profession, then you must file a statement, of some nature. Then you may have a personal interest. That is not true today.

ASSEMBLYMAN HAYTAIAN: What has happened here, I think we have to go by experiences; otherwise we really don't gain anything here. If I were to abstain on a vote, and I get criticized for that, and then I vote on a bill and I get criticized because I vote on it, I'm not quite sure what the legislator is supposed to do? That's exactly what happened to me.

I don't understand where we are and how we are going to get there, so this is the best way to get to where I think we should get. In the public's mind--

ASSEMBLYMAN DEVERIN: How does that correct--

ASSEMBLYMAN HAYTAIAN: Oh, it does, because it lays down ground rules, and it's very specific.

ASSEMBLYMAN DEVERIN: Before we-- If we didn't have this legislation, what would you do under the circumstances?

ASSEMBLYMAN HAYTAIAN: Well, let me tell you what occurs. We ask Marci, now, through Al Porrone's office, can we vote on a piece of legislation, or does it present us with conflict? Don't most legislators ask for an opinion?

MS. HOCHMAN: They ask for an advisory opinion.

ASSEMBLYMAN HAYTAIAN: And she generally comes back with the opinion, "Well, you're not going to gain any more than anyone else in the Legislature." As far as I remember, the law states for personal interest, correct?

MS. HOCHMAN: Right. A member of the Legislature would not have a personal interest in a piece of legislation if it affected an occupation or a profession that he was a member of, provided he didn't have any peculiar benefit.

ASSEMBLYMAN HAYTAIAN: That's right. So, what I'm saying is that now it would be, you take now, it's, "a member of a business, profession, occupation, or group," and would add in, "resident of this State or member of the Legislature."

Now, I defer to Marci. Let her explain it. Maybe she can explain it as a lawyer, better than I can as an engineer.

MS. HOCHMAN: As I indicated, currently, if a member of the Legislature is, for example, a dentist, he could participate in legislation which affected the dental profession, provided he didn't have any financial gain or loss that was any different, under the present law.

What this would do -- this particular piece of legislation -- it would take out that proviso, and everyone who would be participating in legislation which affected their particular occupation or business, would in fact, now have a personal interest, unless the bill was such, as it affected the person as resident of the State or member of the Legislature. For example, they could participate in an increase or a decrease of taxation, because otherwise that would have a monetary effect on them--

MR. COLE: Marci, what if there was an increase or a decrease on the tax on an unincorporated business association--

MS. HOCHMAN: What would occur--

MR. COLE: --and you had some people who were members of partnerships, and others who were not?

MR. BURSTEIN: Professional associations.

MS. HOCHMAN: There would have to be determinations made by the Joint Committee as to whether or not, by virtue of this new definition, one did or did not have a personal interest? I would imagine that until the particular legislation was in the works for quite some time there would be a lot of opinions that we would have to issue, but generally what this would mean is, if, in fact, you were a physician and there was a full funding Medicaid bill, you would definitely have a personal interest in that as a member of that profession.

MR. COLE: Unless you didn't participate in the Medicaid program.

MS. HOCHMAN: Well, that may be true, yes, but if you did, then you would have a personal interest. If you were an attorney, and you did negligence work and there was a modification of the No-Fault law, you definitely would have a personal interest because, regardless, it would affect your profession. What that--

ASSEMBLYMAN DEVERIN: Marci, suppose that you're a doctor and there are bills pending about doctors' fees, and there are bills pending about Medicare fees for doctors, whether they either accept them or don't accept them, and it's voluntary. How does a doctor vote? What if he doesn't vote? Suppose he wants to accept the fees? Suppose he doesn't want to accept the fees? Does he declare a statement?

MS. HOCHMAN: No. Presently, that particular doctor does not have a personal interest.

ASSEMBLYMAN DEVERIN: I know what the present is. I'm talking about if you make a change.

MS. HOCHMAN: If that would change. If there were something in the law similar to what Assemblyman Haytaian has proposed here, then, in fact, the individual would have a personal interest. They would have to file a statement either

that, "I have a personal interest and I can't cast a fair and objective vote," or, "I can cast a fair and objective vote," and vote.

ASSEMBLYMAN DEVERIN: How does a teacher or a college professor vote on the State budget, because in that budget are appropriations for the schools, appropriations for the colleges, appropriations-- How do they vote?

DR. ROSENTHAL: You can vote, but you just declare a personal interest.

MS. HOCHMAN: They can say, "I have a personal interest. Notwithstanding that, I can cast a fair and objective vote."

ASSEMBLYMAN DEVERIN: You declare in what way? By filing a statement with the Clerk?

MS. SHEEHAN: What happens now where there is someone's determination, either my own as a legislator or yours from the Commission, that there is a personal interest? What-- Okay, we've agreed that there is a personal interest. What happens now?

MS. HOCHMAN: Currently, under the current definition, although there would be much left, less in terms of the number who, in fact, would have a personal interest, but if the facts were such that a personal interest was there, the individual would have several options. If they felt that despite that personal interest they could cast a fair and objective vote, they would file a statement with their house, they would file a statement with the Joint Committee, and they would vote.

Now, as I indicated before, there is a provision -- not in the law, but in the Code of Ethics -- which is more restrictive in this regard. Notwithstanding the constitutional issues that have come up here as to whether or not that's appropriate or not, there is, nevertheless, this provision in the Code of Ethics that would indicate that if a statement was filed that you had a personal interest, and notwithstanding

that you could cast a fair and objective vote, the Joint Committee would have the authority to review the filing of that statement and make a determination as to whether the legislator's participation in that particular vote was appropriate.

DR. ROSENTHAL: Currently, under current practice, how many people declare a personal interest?

MS. HOCHMAN: To tell you the truth, of the statements that I have seen, I have never seen someone say, "I have a personal interest, and I am going to vote because I think that I can do so without bias." Invariably I see filings that would indicate that, "I do not believe I have a personal interest, as that term is currently defined; nevertheless, I feel that I wish to abstain," and they file a statement.

ASSEMBLYMAN HAYTAIAN: But, in all of the complaints that are brought against legislators -- I'm not quite sure what the number might be, but I would say probably the majority of them is generally on personal interest -- that some legislator may have a personal interest, and that's why he or she introduced or voted on something. Isn't that correct?

MS. HOCHMAN: We've had quite a few--

DR. ROSENTHAL: I don't think that--

ASSEMBLYMAN HAYTAIAN: Now wait a minute, Alan. Please, let me listen to the answer here.

MS. HOCHMAN: We have had, I would say a fair number of complaints in that area. Not--

ASSEMBLYMAN DEVERIN: Not about votes. You get complaints about somebody representing somebody in the city, or somebody-- I don't ever remember a particular vote.

DR. ROSENTHAL: Assemblyman Haytaian, I oppose your motion, although I'm very sympathetic to the problem--

ASSEMBLYMAN HAYTAIAN: I didn't make a motion.

DR. ROSENTHAL: Well, I oppose the implicit motion that Senator DiFrancesco--

ASSEMBLYMAN HAYTAIAN: I don't want you on the Committee.

DR. ROSENTHAL: Okay. I oppose the idea, although I am very sympathetic with the problem. I mean, the problem is that as part-time legislators your motives and your interests are going to be impugned. I don't think that this solves the problem, however.

I think that what will happen as a result of your proposal, if it were to be adopted by the Legislature, is number one, every member would be very conscious of personal interest. There are so many pieces of legislation on which members vote, whether in committee or on the floor, that are not obvious in which they might have a personal interest if your definition is adopted. The obvious cases are a teacher, with legislation having to do with elementary and secondary education, but I think there are many more, less obvious cases.

I think there would be a complete run on staff. OLS would have to at least add ten attorneys to figure this out, and I think everyone would be preoccupied--

ASSEMBLYMAN HAYTAIAN: It may cut down on legislation, that's what it might do. And let me tell you what else it might do. It might also take a demanding public, quite frankly, and in essence say, this Committee did, in fact, look at what is concerning you. I think that truly is what is concerning the public; personal interest, and therefore because of personal interest, the appearances of conflicts, the appearances of impropriety, and I believe that if we don't address this in this manner, then we haven't addressed what we should be doing on this Committee.

DR. ROSENTHAL: I don't believe this will solve the problem. I think it will be very difficult to implement and then-- Let me play it out one more time. You're still going to be attacked, because if you declare that you have a personal interest but nonetheless, you can vote honestly, you're going

to be attacked for voting dishonestly, because if they don't believe you, they don't believe you: "Oh, sure, he has a personal interest and he voted for it, of course." "He says he can vote honestly but we know differently."

Secondly, if you want to be careful, then you will choose not to vote. We will have many legislators abstaining on many votes, and as you know better than I do, an abstention is voting negatively. I think you're really changing the system and may not be really curing the problem insofar as the problem exists.

ASSEMBLYMAN DEVERIN: You know, I understand what he is saying, and I understand that one of the things we have to address is this, but doing it this way, I think, would be a madhouse. I don't know how you would vote in a committee? How you would stay-- A teacher, or anybody else-- Everybody who votes on some kind of a tax program benefits one way or another; almost every program has to be-- The problem I see, most of all, besides the crazy business on the floor of, "I'm in, I'm out, I'm in, I'm out." It's going to put people in the position where they can say, "Oh, I'm going to get off the hook on this. I have a personal interest," and they're off the hook.

And you're not sent down here to get off the hook. You're sent down here to vote "yes" or "no" for a bill, and getting off the hook is easy. I have a personal interest. I'm a senior citizen. You're going to lower the senior citizens' toilet paper. Of course, I can't vote. That's nonsense. That's taking people off the hook, and that's what you're doing with this. If we have to strengthen this, we have to do it some other way.

I agree, they're not talking about a vote here, what they're talking about is somebody -- Chairman of the Committee or somebody here doing this -- or somebody making special trips-- That's what upsets the people, not how you vote on a

particular bill. If you're a lawyer and an insurance bill is up, the people of New Jersey aren't stupid. You vote for it, they know you're voting as a lawyer. If you're a teacher and you vote for an increase in teachers' pay, they're not stupid, they know you're voting for the teachers' pay.

What the hell, you've got to give them-- People have more sense than you try to give them credit for. You're just taking people off the hook with a piece of legislation like this. I have a personal interest, I can't vote. That's a negative vote, where they were-- In other words, they would vote "yes" for the bill.

ASSEMBLYMAN HAYTAIAN: Tommy, I would--

ASSEMBLYMAN DEVERIN: I'm afraid that you're carrying it just a little too far.

ASSEMBLYMAN HAYTAIAN: Well, I don't think that's a fair analogy of what's going on. I just don't believe that we can leave the personal interest statute the way it is. We can't, and from what I was just listening to, we intend to. And that's wrong. I think we have problems with this. I think we ought to address it. This is one way of addressing it. If this is too severe and too harsh, then let's address it another way, but let's address it.

DR. ROSENTHAL: Yeah, Al?

MR. BURSTEIN: I don't think we should address it. I don't think we should address it for the simple reason that given the structure of the Legislature as it is today, and probably will be forevermore; namely a group of people who have other occupations beyond serving as legislators, that inevitably you're going to have this type of potential conflict that is not resolvable by legislation.

I don't have an exalted view of the idea of disclosure, but in this case, I think disclosure is probably the best thing that could be said about resolving the problem; namely, that those who cast a vote and do so out of some

self-interest will have to justify it in the public forums that they occupy, whether it be at election time or in debates during the course of their service, so that I don't see anything useful coming out of an effort to tinker with the legislation as it is.

I find further problems, if you attempt to make it a little more stringent and attempt to put some teeth into the implementation of whatever legislation is to be adopted, with the notion that a committee of some sort -- an ethics committee or commission of any sort -- can rule upon the subjective feelings or interests of a legislator and deprive them of a vote where they feel that they can rightfully cast a vote, with all those things in front of you, it seems to me that it is best to leave this situation alone for public debate.

DR. ROSENTHAL: Further discussion? Mike?

MR. COLE: I agree with Al's viewpoint on policy. I think as long as you have a part-time Legislature, you're going to have farmers here, and I suspect farmers elect farmers because they think they protect farmers' interests. That's one of the reasons you have that. I think to try to change that policy or to somehow to cast a negative light on those people because they have to file a lot of disclosure forms on every farm bill doesn't make a lot of sense to me.

I think this language, Chuck, has major interpretive problems. As I understand it, unless you're in the same position as every other resident of the State on a particular bill or as every other member of the Legislature, you have to declare a personal interest. Well, if you're voting bills that only impact counties of the first class, and you are a representative who lives and represents a county of the first class, you have a personal interest. Assemblyman Deverin mentioned senior citizens. If you happen to be a senior citizen--

Just about on any bill you would have a question and a plausible argument as to whether one or more members of the Legislature may have a personal interest, given that standard.

I also agree -- again, I said it before -- the sensitivity of the prospect of ever removing someone's ability to vote on a bill that may impact his constituents. I, too, don't think we ought to touch this one.

MR. STANTON: I agree also. As I said when we first brought this up, I've never felt that this was a major problem, and I've been following legislation my entire career. I just never felt this was a major problem. If you want to be really absurd about it, you could take a banker who-- My bank for instance, has about two million customers. Anything that could affect anybody, theoretically could affect a banker; if you wanted to carry it to this absurd length.

In some ways that's done in juries. I mean, I've never been able to sit on a civil jury ever on anything. I've been challenged off -- I don't know, dozens of times -- because some customer of the bank is in some business that has something to do with something that is in that lawsuit. This goes on and on and on. You'd be overwhelmed with paper, I think.

DR. ROSENTHAL: Further discussion?

SENATOR DiFRANCESCO: I think I would support this.

DR. ROSENTHAL: Shall we vote on this? What I sense is a vote, really, on current statute. The question being the definition of personal interest currently in the law should not be modified.

SENATOR DiFRANCESCO: I don't think it's necessary to take a vote.

SENATOR ORECHIO: If there's no interest, why vote?

DR. ROSENTHAL: To basically address the question of whether we think the law is adequate as it is.

MR. BURSTEIN: I wouldn't put it in terms of adequacy or inadequacy. I think everybody recognizes that it's not

perfect. It's not really adequate to the task, but I don't think anything is. That's the recognition that we ought to give it.

DR. ROSENTHAL: Well, the other vote would be to vote on changing the definition of personal interest so to follow Assemblyman Haytaian's suggestion.

MR. BURSTEIN: Well, I think that makes it even worse, so that's why I say we should leave it alone.

DR. ROSENTHAL: Well, if it's your pleasure not to vote, that's okay with me.

MR. BURSTEIN: No. I insist on casting a vote despite my preferences. (laughter)

DR. ROSENTHAL: The definition of personal interest currently in the law should not be modified. That does not talk to its adequacy or ideal quality.

ASSEMBLYMAN DEVERIN: You know, I feel very strongly. This statute has been around for quite awhile, and I don't think everybody has paid that much attention to it, legislators. Given today's present climate and the atmosphere and the concern of the public and the press, I think you're going to see people pay more attention to it, and that's the whole key to this statute.

DR. ROSENTHAL: How about the--

SENATOR DiFRANCESCO: What about the-- I thought we had discussed the idea of sponsorship of a piece of legislation here, as opposed to voting on a piece of legislation.

DR. ROSENTHAL: We did discuss that, and we could go on and consider that. That would not change-- That would change the definition then.

SENATOR DiFRANCESCO: Of course, I'm not sure that they would feel any differently about that than what they've expressed.

DR. ROSENTHAL: There's another-- We discussed last--

SENATOR DiFRANCESCO: Should I be able to sponsor a bill in which I have a personal interest?

MR. COLE: Under which--

SENATOR DiFRANCESCO: Under which I would have to file a statement.

DR. ROSENTHAL: Under which definition?

ASSEMBLYMAN DEVERIN: You know, there's one thing that I don't think we want to put out to the public. It's that they say, "These guys are all crazy." If we make a part of this rule that we can't sponsor a bill for a particular group because we're a member of it, they know that they're going to get somebody else to sponsor it. If you've got a bill for the lawyers you're going to ask me to sponsor it. If he's got one for the engineers, he's going to ask me. If I've got one for the senior citizens, I'll ask him. That's crazy, to make that part of the law. People know that doesn't really make any difference.

But if you want to sponsor a bill by this statute, now you have to declare that you are sponsoring a bill. What legislator in his right mind would put himself up to a debate on the floor about himself, or to a debate in Committee about sponsoring a bill that affects him personally, or the group he belongs to?

You can write all the laws you want, but you don't want the people to think that we're writing laws that are going to be easy to evade.

DR. ROSENTHAL: Any feelings about that issue? I mean, that would be, you know, if you changed the definition of personal interest and broadened it as Chuck Haytaian suggested, then you might apply it to voting, or you might only apply it to sponsorship of bills. Is there any disposition to apply it to anything? I sense there isn't.

MR. COLE: That farmers couldn't introduce farm bills?

DR. ROSENTHAL: Well, they could, but they would declare a personal interest and say that despite that apparent personal interest, they can do it objectively anyway.

ASSEMBLYMAN DEVERIN: Al, just take that away from public scrutiny and public perception. Does the press say, "Oh, the guy declared. He's okay"? Or are they--

DR. ROSENTHAL: No. I don't think so. You see, I don't think it changes the situation. If you have an opponent running against you, your opponent is going to use whatever issues the opponent thinks will advantage him, and an enterprising newspaper reporter will pursue the story if there is apparently a conflict of interest, whether you declare that you can vote objectively or not. So I don't think it is going to change anything.

SENATOR DiFRANCESCO: It probably won't, but let me just ask this question of the public members. If I am an insurance agent, and I introduce a bill to make the insurance licensing laws more restrictive, do you find that to be a matter which is a result of a citizen Legislature; that there's nothing you can do about it? Would you want to address that kind of problem, or if you're--

MS. SHEEHAN: Well, it's not that there is nothing to do about it, but it's that the public knows. There you are: You're an insurance agent, and you're introducing a bill for insurance agents. Then you make your own judgment and consider the source. Maybe it's a bill that would be great for everybody in the world, but the public has to be convinced about that because your bias is right up-front and obvious.

Changing the law and saying you won't introduce the bill, you'll have Carmen introduce it.

SENATOR DiFRANCESCO: You can't do that. I mean, why say you can't do that?

MS. SHEEHAN: What I'm saying is that there are enough facts before the public to make a judgment and that it would be playing games, if you, the insurance agent, drafted this bill and then had Tom introduce it because you were an insurance

agent. I then, sitting back in New Brunswick, know less about the source of that bill than I did when you were up-front about it.

I think the public needs and wants to know, and if you set things up so that you're suggesting that you're playing games with them, that only antagonizes them.

I'd rather know that you were sponsoring a bill--

ASSEMBLYMAN DEVERIN: You know, the press and the public-- If you're a ditch digger, you have to have a special interest in ditch digging. If you're a lawyer, you have to have a special interest in lawyers. You would have to be out of your mind to be against your profession. You would have to be out of your mind to be against your occupation. You know, there has to be some-- The people know that.

SENATOR DiFRANCESCO: Well, there are times when that happens, but much of the criticism directed at the Legislature is that they're directly involved in feathering the nests of the professions of which they are a part, particularly lawyers, and in some instances some of the other professions. I'm just throwing that open for discussion as to whether or not--

DR. ROSENTHAL: Is that true?

SENATOR DiFRANCESCO: Is what true?

DR. ROSENTHAL: Is that what the legislators are--

SENATOR DiFRANCESCO: Oh, in other words, on the Judiciary Committee, we have almost all lawyers who are reviewing bills that generally affect the law profession. There has been a lot of criticism of that.

DR. ROSENTHAL: And are they doing that to feather the nest of their professions? I'm asking you.

SENATOR DiFRANCESCO: I can't speak for members of the Legislature, but I can only speak for myself.

ASSEMBLYMAN DEVERIN: Well, are you or aren't you?

SENATOR DiFRANCESCO: No. It's obvious I'm not feathering my nest. I told you that last time that we met.

SENATOR ORECHIO: We don't believe you.

DR. ROSENTHAL: Senator Orechio hasn't talked on the subject.

SENATOR ORECHIO: I had this situation several years ago. I had a travel agency and I was a member of this organization of travel agents. For the last six or seven years there had been a proliferation of agents, a lot of bankruptcies, a lot of consumer fraud, and so forth. We talked about licensure for New Jersey, so I sponsored a bill. I had no hesitation about sponsoring a bill. I've been involved in the business for over 30 years and I knew the failures. We set some guidelines that we felt-- You know, we looked at other statutes in other states.

I feel that somebody who sponsors a bill who is involved in a business or profession, there is probably nobody who is more knowledgeable about that particular profession or business, who can be, I think, the best advocate for the consumer. In this case, it involved consumerism. As a result--

Lawyers for example, bills affecting judiciary or other matters involving complex law-- I mean, there's nobody better than a lawyer to sponsor a bill to deal with the questions that come up, as well as the answer that you need. I find, if you had something like this with a change in the law with lawyers not being able to sponsor bills that affect their profession to a degree, I think that's harmful to the process, myself.

SENATOR DiFRANCESCO: I think somebody said it best the last time. We should just prohibit lawyers from serving in the Legislature.

MR. BURSTEIN: That would solve the problem.

SENATOR DiFRANCESCO: That would solve most of the problems. (laughter)

ASSEMBLYMAN HAYTAIAN: Two comments, one a question: A comment about this being detrimental and having some definite

problems, changing the definition of personal interest. I think when I heard the public members talking about that causing problems, I guess the question comes back to the general campaign funding.

Why didn't that cause a problem? I think if someone received a donation from a group that sponsored a bill there already is a perception that there's something wrong. But when they're in the professions there is nothing wrong, or let's not change it. That's the comment.

The question: I've known attorneys here in the Legislature who were school board attorneys and served on the Education Committee and sponsored education bills. No potential conflict? No question about that? I think there should be a question about that.

I truly believe that when we have personal interest questions, that we have to toughen the statute. Because of that, I'm going to move that this bill, No. 2948, be a bill that we recommend to the Legislature to be a part of the personal interest legislation.

DR. ROSENTHAL: So, you're making that as a motion?

ASSEMBLYMAN HAYTAIAN: Yes, I am.

SENATOR ORECHIO: Would you repeat that?

DR. ROSENTHAL: Well, it would be a motion to adopt--

ASSEMBLYMAN HAYTAIAN: Make this bill a recommendation--

DR. ROSENTHAL: --Assembly Bill No. 2948.

ASSEMBLYMAN DEVERIN: Mr. Chairman, I'm not sure that that's part of our function, recommending, you know. I mean, I have bills that-- I should have made some motions that-- I mean, I'm not sure that's our function; that we recommend specific bills. If you want to recommend certain changes in the legislation, that's okay, but not Chuck Haytaian's bill, I mean,--

DR. ROSENTHAL: Okay, then what about, the definition of personal interest currently in the law should be modified so that a-- What would the language be in the Haytaian bill?

MR. BURSTEIN: Resident of the State, or member of the Legislature.

DR. ROSENTHAL: So that no member of the Legislature shall be deemed to have a personal interest in any legislation within the meaning of this section, if, by reason of his participation in the enactment or defeat of any legislation, no benefit or detriment could reasonably be expected to accrue to him as a resident of this State or member of the Legislature, to any greater extent.

MR. BURSTEIN: That's all part of the resolution?

DR. ROSENTHAL: Yeah, I would use that as language.

MR. BURSTEIN: That's a clever way to get away from saying A-2948.

DR. ROSENTHAL: Well, the language. So the proposal is to adopt the definition of personal interest currently in the law shall be modified so that it reads as follows. And I gave you the following reading. Shall we vote on that? I mean that's what we've been debating.

MR. STANTON: Can you vote? Is there a second.

DR. ROSENTHAL: Pardon me?

MR. STANTON: There's a resolution. Is there a second?

SENATOR ORECHIO: Are we still talking about a part-time Legislature now?

DR. ROSENTHAL: Well, we're talking about whatever is out there, yes. That's the Haytaian Resolution. Is there a second for it?

SENATOR DiFRANCESCO: Do you need a second? I'll second it.

DR. ROSENTHAL: Okay, thank you. Do you want to call the roll, Frank? Oh, Marci, do you want to call the roll?

MR. BURSTEIN: No, neither one of them wants to call the roll.

MS. HOCHMAN: Do you want it to read exactly as it is here? I can shorten it up.

DR. ROSENTHAL: Okay. Shorten it. It's the sense of it. Why don't you call the roll?

SENATOR ORECHIO: Al, while she shortens it, I have a question to ask. Has anybody here, including Assemblyman Haytaian, checked in other states with part-time legislatures as to whether or not our present statute is more stringent, less stringent -- you know, where do we compare? I'd also like, a second question: With a full-time legislature, Nebraska, what are their Code of Ethics as it affects personal interest?

I mean, I think we're shooting in the dark here, myself. I think, Chuck, maybe you're still hung up on that other matter, which no doubt was unfair to you, but, I mean, I think, you know, maybe you're being a little too sensitive.

ASSEMBLYMAN HAYTAIAN: Well, I don't think--

SENATOR ORECHIO: The system works. The voters, they give you a pretty good scrutiny in elections and they know what you are and they know where you come from. They know what you stand for.

ASSEMBLYMAN HAYTAIAN: If that's the case, then after finishing up with 71% of the vote, I guess--

SENATOR ORECHIO: That's right. You're vindicated. So, what are you worried about?

ASSEMBLYMAN HAYTAIAN: That's why I'm pushing for this. I've been vindicated already, so--

ASSEMBLYMAN DEVERIN: But you haven't run for election since the papers--

ASSEMBLYMAN HAYTAIAN: Sure I have. That story was in the paper last June and we had a November election.

DR. ROSENTHAL: The language in brief is: "The definition of personal interest currently in the law should be modified so that a member would have a personal interest -- a member would have no personal interest -- oh, a member would

have a personal interest, unless he had no benefit or detriment different from residents of the State or members of the Legislature generally."

Do you want to call the roll?

Whoever wants to call the roll, call the roll.

MS. HOCHMAN: Okay. Chairman Rosenthal?

DR. ROSENTHAL: No.

MS. HOCHMAN: Mr. Burstein?

MR. BURSTEIN: No.

MS. HOCHMAN: Mr. Cole?

MR. COLE: No.

MS. HOCHMAN: Ms. Sheehan?

MS. SHEEHAN: No.

MS. HOCHMAN: Mr. Stanton?

MR. STANTON: No.

MS. HOCHMAN: Senator Orechio?

SENATOR ORECHIO: No.

MS. HOCHMAN: Senator DiFrancesco?

SENATOR DiFRANCESCO: I'm going to repeat what I said the last time; and that is, while there may be room for a change in the statute, I'm not convinced that this change is in the public interest. As I said the last time, it's a matter of how you apply this law to the facts at hand, not a matter of changing this particular law. It's a matter of dealing with it and applying it properly. That doesn't mean there isn't another bill that might come on that I might say this is a better statute than the one we have before us, but I am concerned about -- even though the votes aren't here anyway -- I'm concerned about expanding this in this way. I have a lot of unanswered questions, so I will vote no.

MS. HOCHMAN: Assemblyman Deverin?

ASSEMBLYMAN DEVERIN: No.

MS. HOCHMAN: Assemblyman Haytaian?

ASSEMBLYMAN HAYTAIAN: Yes.

DR. ROSENTHAL: What about moving on to any changes in disclosure requirements? Is that a way to approach this subject? We, again, had a discussion, at least a preliminary discussion, last week. There are a variety of possibilities for changing disclosure requirements that are listed in the memo which you got several weeks ago, drafted by Marci Hochman. But discussion of disclosure--

SENATOR DiFRANCESCO: Is this page two?

MR. BURSTEIN: Page three, Roman Numeral III.

SENATOR DiFRANCESCO: Did we take care of gifts and honoraria? Is that done?

DR. ROSENTHAL: No. We haven't done that yet. I thought we'd get on to disclosure of personal finances and then go on to gifts and honoraria. We will definitely deal with gifts and honoraria.

MS. SHEEHAN: This is for the legislators, right?

DR. ROSENTHAL: Yes, disclosure by legislators. There are existing provisions, as you see at the top of the page.

ASSEMBLYMAN DEVERIN: You know, I think "d" may be something. I don't know whether-- But, I'm not sure that I know of a committee that has a majority of any one profession or business. But I think the Speaker and the President-- But if the intent is to be--

DR. ROSENTHAL: I'm sorry. I didn't-- Which--

ASSEMBLYMAN DEVERIN: "D," the possible options for "d." That there shouldn't be any one particular committee-- For instance, the Health Committee shouldn't have five doctors on it.

SENATOR DiFRANCESCO: He's back on page two. They had skipped on to financial disclosure.

DR. ROSENTHAL: Oh, okay. We'll get back to gifts and honoraria.

SENATOR DiFRANCESCO: We've unilaterally--

ASSEMBLYMAN HAYTAIAN: Mr. Chairman?

DR. ROSENTHAL: Yes, sir.

ASSEMBLYMAN HAYTAIAN: I assume then, by the vote, that we are not going to touch the personal interest -- that section of the statute for recommendation by this Committee. Is that what we're doing?

DR. ROSENTHAL: I would presume that. I don't think there is agreement on a recommendation.

ASSEMBLYMAN HAYTAIAN: No, I didn't think so, but I thought--

DR. ROSENTHAL: I think that is the decision of this Committee, not to change the statute. Unless there is objection, I would say that is the consensus of the Committee, and is exhibited by the vote.

SENATOR ORECHIO: Al, I just want to make one point. As Chairman of the Joint Commission, that's a matter that I think the Committee would (indiscernible), with respect to personal interest.

DR. ROSENTHAL: I'm sorry.

SENATOR ORECHIO: Our Commission, our Joint Commission on Ethical Standards-- We'll bring that matter up ourselves among the Committee.

DR. ROSENTHAL: Okay. Any suggestions for disclosure?

SENATOR DiFRANCESCO: Well, I think liabilities, let's say mortgages. I wouldn't have a problem-- I'm looking for that particular, I guess, liabilities. (referring to the memo he is looking through) Let me read this now. This is taken out of the Executive branch.

MS. SHEEHAN: Liabilities aren't required to be reported now. Is that what we have?

MS. HOCHMAN: Not currently, on our financial disclosure statement.

MR. COLE: And now you require reporting of income by source, but not amount, if it's above \$1000?

MS. HOCHMAN: That's correct.

MS. SHEEHAN: Say it again. I'm sorry.

MR. COLE: It requires the reporting of income above \$1000 by source but not amount.

MR. STANTON: Is every member of the Legislature required to file a financial disclosure statement every year?

ASSEMBLYMAN DEVERIN: Or anybody who runs for office--

SENATOR DiFRANCESCO: Legislative office.

MR. STANTON: Is it the same form that's used for employment in the Executive?

SENATOR DiFRANCESCO: No. I wouldn't have a problem with assets and liabilities.

DR. ROSENTHAL: Discussions, suggestions? Michael, since you--

MR. COLE: Disclosure is something that is always hard to argue against.

DR. ROSENTHAL: Well, go ahead and argue against it, if you care to.

MR. COLE: I don't think I would. I don't see any reason why the Legislature's disclosure shouldn't mirror that of the Executive branch. It seems to me income reporting by amount, that makes sense, instead of just saying, "I earned more than \$1000." Liabilities--

ASSEMBLYMAN HAYTAIAN: Michael, if I might interrupt, excuse me. Isn't the Executive branch full-time, generally, and we're part-time? Isn't that the argument that we just heard?

MR. COLE: I thought that Executive Order, Chuck -- at least as I read it -- applied to commissions as well, including the bistate commissions. That's whether they're paid or unpaid commissions. So, I think it does apply across-the-board.

SENATOR DiFRANCESCO: Income amounts, or sources of income?

MR. COLE: Sources and amounts.

SENATOR DiFRANCESCO: In other words--

MR. COLE: If you have two or three companies--

MR. STANTON: The Executive Order includes spouses--

MR. COLE: It includes the immediate family living in the same household.

MR. STANTON: --and members living in the same household, which is a real problem.

MR. COLE: So, I guess, to continue, I don't have a problem with one, two, all the way through five. (referring to numbered items on a memo)

ASSEMBLYMAN DEVERIN: Al, I don't see anything. The Executive Order, I think, would fit with the Legislature, without too much trouble.

DR. ROSENTHAL: Basically, one through five would apply the Executive Order to the Legislature, is that correct?

MS. SHEEHAN: What about the families?

MS. HOCHMAN: Those were the differences. In some of the other areas the Executive Order requires some additional disclosure. It doesn't mirror exactly what the Legislative Financial Disclosure Form does, but what one through five endeavor to do is to list all those new areas which are included in Executive Order No. 1 and are not included in the current Legislative Financial Disclosure Forms.

ASSEMBLYMAN DEVERIN: Of course, I'm not sure that the liabilities would not need some interpretation. What do they mean? If you buy a car and if it's for more than \$10,000 you have to declare it; if it's less than \$10,000 you don't have to?

MS. HOCHMAN: What they currently require is: "A list of all liabilities of the public employee or the public officer, his or her spouse and dependent children, valued by category in the same manner as required elsewhere, except liabilities which are less than \$10,000 and owed to a relative," -- and they define "relative" right in the Executive

Order -- "less than \$1000 owed to any other person. Loans secured by a personal motor vehicle, household furniture, or appliance where the loan does not exceed the purchase price of the item, and the outstanding balance does not exceed \$10,000 as of the close of the preceding calendar year, and revolving charge accounts where the outstanding liability does not exceed \$10,000 as of the close of the preceding calendar year." Those are the only exceptions.

MR. BURSTEIN: Suppose you had a bank loan, and it was less than \$10,000, or it was less than \$5000? Under the terms of three, at least, that would seem to require disclosure. No, I'm sorry, not three, that's a loan forgiveness. No, I guess under two, because it doesn't fit within any of these exceptions. What's the purpose of that? In other words, why--

Let me tell you that I have a general feeling -- I'm not sure how I'm going to vote on this, frankly -- but I have a general feeling that this is an overreaching that has a downside to it. The downside is that it deters people from coming into public life. I think it's a consideration that has not been weighed too heavily, or heavily enough, in discussing matters of disclosure, but I have a belief that this -- probably primary amongst various other things that go with a run for public office or appointive office -- has deterred people of some quality from getting into public life.

If you look at it from what I hope is an objective standpoint as to what impact disclosure has, when we had our four wise people to discuss the campaign finance issue with us, and I asked a question at the tail end of their presentation whether they could point to any situation where disclosure had an impact upon an election, they could not.

I'm not at all sure that this kind of disclosure has an impact upon the purification process that we're all attempting to achieve with the regard to the introduction or

the voting on of legislation. I have some real reservations about that, and I would have to give some serious consideration as to whether any of this is meaningful in the sense of doing anything beyond satisfying a morbid curiosity on the part of some sections of the public or the media.

DR. ROSENTHAL: Michael?

MR. COLE: I think we've had a discussion before about "personal interest and legislation," and I think the general consensus of the group then was that if people know from where you come and what your interests are, they'll be the best judge of whether you've done something right or wrong in introducing or voting on a particular piece of legislation at the time when they're supposed to; namely, when there is a reelection campaign. It seems to me if you follow that logic through, then you've got to provide the system that makes that information available to the people, information about the candidates. Liabilities, for example, is something, I think, they have to know if they are really going to be able to judge whether or not the representative is truly representing them or perhaps themselves in the way that the people wouldn't approve of. So, I think disclosure-- What you're saying is disclosure is the real prophylactic here, and debate and people knowing as much as they possibly can know about candidates.

To me it follows that the present disclosure, I think, has a lot of gaps in it, just from the brief outline that we have received, and strengthening that makes a lot of sense.

The Executive has already moved toward an enhanced disclosure. Mr. Burstein may be right that having a bank loan for 5000 and not an automobile loan for 10 doesn't make sense -- and I frankly didn't realize that when I read it -- so perhaps those kinds of loopholes should be closed as well, but I think, having done what we have done in other areas, the only logical and consistent thing to do is to enhance disclosure here.

DR. ROSENTHAL: Pat?

MS. SHEEHAN: Well, I think that there should be some disclosure of liabilities, because if someone is indebted way over his or her head to a particular interest, that's something that would certainly raise a grave question in the public's mind. So I would like to see something with regard to liabilities for the individual. But, I have a real problem going the whole nine yards, I guess, in terms of the current Executive Order.

I'm not sure any of you have really had to live under that kind of thing. It isn't a matter of the voter knowing that you have a mortgage or a bank loan, or owe on your car. It's much more a matter of your mother, or your mother-in-law, or your cousin, because it's played up in the local newspaper much more so than any of your actions, and it-- I mean, if you're a private person, it's a very difficult thing to live under. Not in the way you exercise your public responsibilities, but in the way you deal with your family, friends, or neighbors.

I mean, that was my experience in terms of having my children harassed, having people make comments, and so on. Not about a great deal of money, and not about a conflict. I think that the way it has generally been treated as a gossip column item makes it difficult, and if you have a choice-- I don't know what the experience has been yet under the Executive Order, but I would suggest that Al Burstein may well be close to the mark in that people are not going to voluntarily subject themselves to that, for the sake of extending their guidance and wisdom to the Executive or to the Legislature.

The two things that I express my concern about are: 1) the difficulty of reporting. I mean, let's not make the form, whatever it is, so complicated that no one can do it without an army of accountants; and 2) that it refer only to

the principal and not to his or her entire family in all the detail that makes hot discussion at the PTA or the Elks, or whatever. That's a very unpleasant experience.

ASSEMBLYMAN HAYTAIAN: Question: How would we treat -- if we were to recommend this liability section -- how would we treat credit lines on homes?

MR. STANTON: Equity loans.

ASSEMBLYMAN HAYTAIAN: Would that be a revolving account?

MR. STANTON: That would be a revolving account, but--

ASSEMBLYMAN HAYTAIAN: So that means anyone who takes a credit line would-- I think that's being done by a lot of people.

MR. STANTON: More and more.

ASSEMBLYMAN HAYTAIAN: More and more, and most of those involve more than \$10,000.

MR. STANTON: Yeah, they probably average anywhere between \$50,000 and \$100,000.

ASSEMBLYMAN HAYTAIAN: That's what I was told.

MR. STANTON: A good average would be \$50,000, I would think.

ASSEMBLYMAN HAYTAIAN: Yeah, because people are now taking the availability of the worth of their homes, because they can't sell it anyway, so they might as well pay into that. If they default, they give the home to the bank, and walk away with the money.

MR. STANTON: No, no, no. (laughter)

ASSEMBLYMAN HAYTAIAN: I read that somewhere. It was in a magazine, but, the point is--

MR. STANTON: You think we have real estate problems in this State?

ASSEMBLYMAN HAYTAIAN: The point is, I think that would fit into this liability section. It would be over \$10,000.

ASSEMBLYMAN DEVERIN: It's a mortgage.

ASSEMBLYMAN HAYTAIAN: It's a revolving account.

ASSEMBLYMAN DEVERIN: No, it's a mortgage.

ASSEMBLYMAN HAYTAIAN: No, it isn't.

ASSEMBLYMAN DEVERIN: The hell it's not.

MR. STANTON: It's, in effect, a second mortgage.

SENATOR DiFRANCESCO: If it's not, the bank's got a problem.

MR. STANTON: They file in the County Clerk's Office on that property. It's a mortgage.

SENATOR DiFRANCESCO: Are we dealing with a specific proposal?

DR. ROSENTHAL: Well, we're dealing generally. We haven't gotten down to a specific proposal, but the general idea of more stringent disclosure requirements; I'd be interested in how the members of the Legislature feel about that?

ASSEMBLYMAN DEVERIN: I really think that we could live with all five of those options. The liabilities thing would have to be corrected, and I agree with what Chuck just said. A home equity loan is a-- You know you take it, your balance-- I don't think you have a balance. They give you a credit line--

SENATOR DiFRANCESCO: I know I have a balance.

ASSEMBLYMAN DEVERIN: You can write a check against it.

MR. STANTON: It's a revolving account. You take it down, you pay it back, you take it down. It can go up and down.

DR. ROSENTHAL: Senator?

SENATOR DiFRANCESCO: First of all, I think you're dealing with a form that's filed by May 15, -- in this case, for the next year -- for 1990, so that on December 31 you had a home equity loan in the amount of \$55,000. It's a mortgage, a \$55,000 mortgage, a \$100,000 first mortgage, a \$25,000 loan

somewhere else. You would list those liabilities as of a certain date, so I don't think you have to worry about what the balance is or anything like that.

I could support -- and I think the membership, hopefully, would support -- an expansion of the financial disclosure statement which is what I think we're talking about to include liabilities and assets; specific amounts of income. I could support that. Whether or not the membership of the Legislature would support that or not, I do not know, particularly when you are talking about including members of your immediate family, and I'm not sure what that means? What does that mean, Marci?

For purposes of our statement, what does that mean?

MS. HOCHMAN: Well--

SENATOR ORECHIO: Spouse and children?

MR. STANTON: People who live under your roof.

SENATOR DiFRANCESCO: Children who are over 18?

MS. HOCHMAN: It's spouses and dependent children in our own particular--

SENATOR DiFRANCESCO: That's what we're talking about, our own. So that if you had a 21-year-old child living in the house, and that person was emancipated, though living in the house, you would not include that income on that statement. Right?

MR. STANTON: Is that correct? I thought that was if a person lived in your house that they were--

SENATOR ORECHIO: Just dependent children.

SENATOR DiFRANCESCO: Just dependent children, so if a 21-year-old child is in college and is still dependent on you, you--

MS. HOCHMAN: It may even be minor children.

DR. ROSENTHAL: Mike?

MR. COLE: Well, I don't know. I know for the--

DR. ROSENTHAL: One at a time, please.

MR. COLE: --Casino Conflict Amendment it's "residing in the same household," and that doesn't draw a distinction, that statute.

SENATOR DiFRANCESCO: What if your mother lives with you?

MR. COLE: That doesn't draw a distinction between whether they are dependents or not. I defer to Marci, though--

MR. BURSTEIN: Under this, you would have to report any debts she had.

SENATOR DiFRANCESCO: Can you force the person to do that?

MR. COLE: This may not require it.

SENATOR DiFRANCESCO: To tell you what their income is?

MS. HOCHMAN: It's with respect to the member's, his spouse's, and minor children's sources of income.

SENATOR DiFRANCESCO: Okay.

MS. SHEEHAN: What is that, Marci, that you just read? That's current?

MS. HOCHMAN: This is the current Legislative Code of Ethics, section 214, which is what our source of financial disclosure is.

ASSEMBLYMAN HAYTAIAN: Could somebody clarify the liabilities section of what's listed here? For instance, I find it interesting that revolving charge accounts, for instance-- Is that an aggregate amount, \$10,000? Suppose I had five credit cards with the outstanding balances of \$8000. That's \$40,000, yet none of them are over -- not one of the five are over the \$10,000. Is that to be disclosed, or not? I can't quite-- I'm asking for a--

SENATOR DiFRANCESCO: We haven't made a proposal yet, but the proposal ought to make it anything over \$1000.

ASSEMBLYMAN HAYTAIAN: This is the Executive branch's disclosure.

SENATOR DiFRANCESCO: Right.

ASSEMBLYMAN HAYTAIAN: So, could someone clarify that who knows the answer?

MS. HOCHMAN: I'm not really sure. I would interpret this as an individual charge, not an aggregate, but I really can't tell how the Executive branch has been interpreting it. It's relatively new.

MR. BURSTEIN: If it were not aggregate, it wouldn't make any sense to have it.

ASSEMBLYMAN DEVERIN: Do we have to cross the "t's" and dot the "i's"? Eventually it has to be written into a legislative form.

DR. ROSENTHAL: Assemblyman Deverin asked the question: Do we have to write out specific language; cross the "t's" and dot the "i's"? I don't think we have to do that. It would have to be done in any kind of legislation or any kind of regulation that's adopted, but I'm not sure that we have to do that at this time.

ASSEMBLYMAN DEVERIN: Yeah, if we make the motion that we-- As Donny just said, if we enlarge the financial disclosure: include debt, liabilities, property ownership, so on and so forth, eventually--

DR. ROSENTHAL: Does somebody want to make a motion that would be in as general or as specific language as you care to make it?

MR. STANTON: In other words, what you're saying Tom, let that be beat out in Committee and then voted on.

ASSEMBLYMAN DEVERIN: Well, it will be anyway, you know, and for us to argue-- Of course, I have a problem with that home equity-- That's nuts.

MR. STANTON: There is one situation on aggregating credit lines of credit cards. Many banks did not ask that question, and when they found that they had difficulties, they found out that the debtor who was over, in real trouble, had

cards from five or six different banks, and they weren't aware of that. Now, all those applications always ask where you have other credit card accounts. Also the credit reporting companies ask that now.

ASSEMBLYMAN HAYTAIAN: They ask that on mortgage applications.

MR. STANTON: Yes. At one time nobody bothered with that, but now they do because it's so easy to get cards.

DR. ROSENTHAL: Anybody want to put in the-- Do you want to try to draft a motion discussing the-- (directed to Ms. Hochman)

ASSEMBLYMAN DEVERIN: That we enlarge the financial disclosure to include assets--

SENATOR DiFRANCESCO: In excess of?

ASSEMBLYMAN DEVERIN: In excess of, or just assets, with specific amounts of income, with liabilities without saying what kinds of liabilities? With all sorts of income including directorships and so forth.

DR. ROSENTHAL: Along the lines of the Executive Order No. 1.

ASSEMBLYMAN HAYTAIAN: Mr. Chairman?

DR. ROSENTHAL: Yes.

ASSEMBLYMAN HAYTAIAN: I'm thinking out loud, if I might. It seems that we're looking at people who have a lot of assets as being fine; people with some debt, questionable. I don't understand that--

MR. BURSTEIN: It's the American way of life.

ASSEMBLYMAN HAYTAIAN: Yeah, but I've also been told that in order to make a lot of money, you've got to be a crook. I don't have a lot of money, so I don't know what that means, but that's--

MR. BURSTEIN: I would suggest that you be a little more precise with that language. (laughter)

ASSEMBLYMAN HAYTAIAN: I just don't understand. I guess there's a reason-- Especially in this economy that we have and the fact that if you ask anybody today, are you saving any money-- I ask a lot of my constituents, "Are you able to save any money?" Their answer is, "No, can't save a penny." And I'll bet you dollars to doughnuts that 9 out of the 10 of them that you ask are in debt.

Does that make them bad individuals? I don't think so.

DR. ROSENTHAL: No.

ASSEMBLYMAN HAYTAIAN: And yet, the debt that that person-- They probably have assets that are--

ASSEMBLYMAN DEVERIN: Pat explained, I think, the basis for reporting liabilities here. If you're indebted to a bank or you're really extended to one specific group, and you're really in bad financial shape, you may not vote exactly the way you should vote on a certain issue. I think that's the idea. I don't think it's to see how poor you are.

DR. ROSENTHAL: I think the disclosure of information like this is almost a requirement of contemporary public life. I don't know, you know-- It's not a happy requirement, but it is a requirement, and it is an infringement on a person's privacy. But I think that is a trade-off that people who go into public office have got to deal with, and I think there are other deterrents to running for public office far beyond disclosure.

I'm not sure that disclosing this information tells anybody anything, but it puts it out there. I mean, it is food for interpretation by colleagues, by the press, by opponents and what have you. It's out there, and I think that's all that you can do. You can't guarantee that it would be made proper sense of, but it's out there, and it may be relevant. Very often it isn't relevant to what a person is about.

SENATOR DiFRANCESCO: Then we really ought to make our opponents do the same.

DR. ROSENTHAL: And your opponents will do the same.

ASSEMBLYMAN DEVERIN: Marci, are you still writing?

MR. BURSTEIN: She needs another piece of paper, several pieces of paper.

MR. STANTON: Well, we've had an interesting case in recent history about assets. Just ask Mayor Dinkins; the assets of his cable stock.

DR. ROSENTHAL: Do you have the language?

MS. HOCHMAN: I believe so. I hope so.

DR. ROSENTHAL: Marci has some language.

MS. HOCHMAN: Financial disclosure requirements should be enlarged to include: assets, liabilities, forgiven debts, directorships or fiduciary positions for which compensation has or will be claimed, contractual arrangements generating income, and offices, trusteeships, directorships, or other positions held by the member.

MR. COLE: The only addition that I would offer is specific dollar amount of income.

ASSEMBLYMAN HAYTAIAN: I was going to suggest that we also include tax returns.

ASSEMBLYMAN DEVERIN: You can have one or the other.

SENATOR DiFRANCESCO: I won't support that.

ASSEMBLYMAN HAYTAIAN: That's my personal-- I've always been in favor of that.

ASSEMBLYMAN DEVERIN: I make a motion that we vote on the--

DR. ROSENTHAL: Let's vote on the tax return separately, as a separate item.

ASSEMBLYMAN HAYTAIAN: Don't make me the odd man out again.

DR. ROSENTHAL: What?

ASSEMBLYMAN HAYTAIAN: Are you going to make me the odd man out?

DR. ROSENTHAL: I'm not making you the odd man out.

Is there any sentiment for including the tax return?
If not we'll sort of pass on.

ASSEMBLYMAN DEVERIN: I make a motion we vote on
Marci's proposal.

DR. ROSENTHAL: Okay. You make that as a motion.
Second?

MR. STANTON: One question on that, because I was
going to ask about that, but I think you excluded it. Number
five talks about compensated and uncompensated, which would be
a directorship of the American Red Cross, or the Boy Scouts, or
something. You excluded that, correct? Uncompensated, I mean,
people in public office very often are involved in--

MS. HOCHMAN: I didn't-- I put offices, trusteeships,
directorships, or other positions held by the member. I had no
qualifications about to pay or nonpay.

SENATOR DiFRANCESCO: Wait a minute. You're talking
about compensated, right?

DR. ROSENTHAL: Al?

MR. BURSTEIN: I think I want to state before I vote,
as a matter of record, that in this general framework, as put
together by Marci Hochman, I can vote for it, but I think there
is a great deal of fleshing out and fine-tuning and honing that
has to be done in each of the categories that have been
mentioned, with dollar limitations, with certain types of
assets perhaps, not to be revealed, things that don't produce
income as an example. If you have valuable furniture or
paintings or what have you, what difference does it make to the
general public if you have it?

It's earned income, that kind of thing -- which would,
I think, also address the point that is now being raised by Tom
-- would be left to the legislative process. But, as a
generalized recommendation, I think it would be all right.

DR. ROSENTHAL: Do you want to read the proposal again?

MS. HOCHMAN: Financial disclosure requirements should be enlarged to include: assets, liabilities, forgiven debts, directorships or fiduciary positions for which compensation has or will be claimed, contractual arrangements generating income--

SENATOR DiFRANCESCO: Can I stop you there? Why did you include contractual arrangements generating income, if we are going to put the income down, as of a certain date?

MS. HOCHMAN: It would appear that the way they have it, they get you if you anticipate income or if you already have any.

SENATOR DiFRANCESCO: I don't think-- I think we're looking at a form that says in 1990, we earned \$600, and this is how we earned it.

ASSEMBLYMAN DEVERIN: No wonder you only have seven--

DR. ROSENTHAL: That would fit, just the anticipation--

MR. BURSTEIN: Tom, he now has eight clients. I'm going to go-- (laughter)

DR. ROSENTHAL: Want to take another pass?

MS. HOCHMAN: Okay. Financial disclosure requirements should be enlarged to include: assets, liabilities, forgiven debts, directorships or fiduciary positions for which compensation has been claimed--

MR. BURSTEIN: Yes.

MS. SHEEHAN: For which there is compensation.

MR. BURSTEIN: So it's not a futurol (sic) sort of thing.

MS. HOCHMAN: --and offices, trusteeships, directorships, or other positions held by the member for which there is compensation?

MR. BURSTEIN: Well, as I said, leave it alone for consideration by the Legislature when they come to this.

MS. HOCHMAN: Then I added specific dollar amounts should be disclosed.

ASSEMBLYMAN DEVERIN: So moved.

ASSEMBLYMAN HAYTAIAN: Seconded.

DR. ROSENTHAL: Seconded.

MR. STANTON: Well, does that address what Al mentioned before, assets such as artwork? I mean, why advertise to the world that you have--

ASSEMBLYMAN DEVERIN: It will in the final--

MR. STANTON: --\$200,000 of good art in your house, or something like that?

MR. COLE: I think what Al was--

MR. STANTON: You're talking about income producing assets?

MR. BURSTEIN: Yes, but what I was saying as a corollary to that was that we don't have to address that now. That would be subject to consideration.

MR. STANTON: Subject to consideration in the debate on the actual legislation.

MR. BURSTEIN: In the legislative process, right.

SENATOR DiFRANCESCO: You've got to include art as assets. Assets are assets, if you have a--

MR. STANTON: Well, assets--

SENATOR DiFRANCESCO: You can't limit it to income producing because your home is not income producing, your boat is not income producing.

MR. STANTON: No, but your home has the potential. I mean--

ASSEMBLYMAN DEVERIN: So does the artwork.

MR. STANTON: So does the artwork, but the--

SENATOR DiFRANCESCO: So, you're talking about personal? Perhaps if it's personal property we could distinguish-- You're saying that we should fine-tune this in such a way--

MR. BURSTEIN: That's right. I'm not saying that we should argue about--

SENATOR DiFRANCESCO: No one will know about my coin collection, or something like that? Or my knife collection?

ASSEMBLYMAN DEVERIN: They will now.

DR. ROSENTHAL: I think we want to know about your knife collection. I've always suspected--

MR. STANTON: Pretty soon the only guy who is going to be eligible to run for office is going to be a homeless person.

DR. ROSENTHAL: Marci, are we ready to call the roll?

MS. HOCHMAN: I believe so. Chairman Rosenthal?

DR. ROSENTHAL: Yes.

MS. HOCHMAN: Mr. Burstein?

MR. BURSTEIN: Yes, with many caveats.

MS. HOCHMAN: Mr. Cole?

MR. COLE: Yes.

MS. HOCHMAN: Ms. Sheehan?

MS. SHEEHAN: Yes.

MS. HOCHMAN: Mr. Stanton?

MR. STANTON: Yes.

MS. HOCHMAN: Senator Orechio?

SENATOR ORECHIO: Yes.

MS. HOCHMAN: Senator DiFrancesco?

SENATOR DiFRANCESCO: Yes.

MS. HOCHMAN: Assemblyman Deverin?

ASSEMBLYMAN DEVERIN: Yes.

MS. HOCHMAN: Assemblyman Haytaian?

ASSEMBLYMAN HAYTAIAN: Yes.

DR. ROSENTHAL: We discussed gifts and honoraria last week. Further discussion or motions on gifts and honoraria? (no response)

As I recall the discussion there seemed to be some consensus to prohibit honoraria, but not to prohibit gifts in terms of having expenses paid for trips to various conventions or what have you.

MS. SHEEHAN: Also, some clarification on that. Currently, if your travel was paid when you got back, that was reimbursement, and if your travel was paid before you left, that was considered a gift. That doesn't make any sense.

DR. ROSENTHAL: Travel is travel.

ASSEMBLYMAN DEVERIN: No, no. That's-- Marci answered the question last week. If they send you an airplane ticket and pay your hotel, that's a gift. If you pay it, and then they reimburse you, that's reimbursement.

MS. SHEEHAN: Yeah, and I'm saying that I thought our sense of discussion was that we wanted that clarified; that reimbursement was reimbursement.

SENATOR DiFRANCESCO: Well, I'll make a motion that we prohibit all gifts and honoraria and reimbursements.

MS. SHEEHAN: And reimbursements?

SENATOR DiFRANCESCO: Sure.

DR. ROSENTHAL: You prohibit all gifts--

SENATOR DiFRANCESCO: Honoraria, and reimbursements, with some exceptions, limited exceptions.

SENATOR ORECHIO: What are the exceptions?

SENATOR DiFRANCESCO: Exceptions such as: Tom -- I mentioned a couple of these things the last time. First of all, there should be a threshold, obviously. If you want to buy me a cup of coffee or breakfast, I think that that is low enough where we ought to have a threshold where the legislator doesn't have to worry about the cup of coffee or the breakfast.

MR. BURSTEIN: Two-dollars-ninety-eight cents.

SENATOR DiFRANCESCO: Whatever, \$2.98. In Bergen County?

Secondly, you buy tickets to a charity event and you want to take a legislator and his spouse to that charity event and the ticket costs \$500. I don't see any problem with that. You're not giving that person the money. I mean, theoretically you are -- legally you are -- but you're not handing them a check for \$500; you're not taking them on a trip. You're taking them to a hotel where there is a dinner dance, the proceeds of which are going to a charity event. I could see that as an exception.

There might be other types of exceptions, but by and large, I think that we ought to prohibit, definitely, all honoraria and gifts.

The problem with reimbursement is what you just described; and that is, if the Bankers want to take me to Palm Beach and I call it a reimbursement because they reimbursed me for the money that I put out, it's the same as receiving a gift. A trip is a gift.

ASSEMBLYMAN DEVERIN: Well, if you went just to clown around-- If you went for a specific reason--

MS. SHEEHAN: But if you're a conference speaker?

ASSEMBLYMAN DEVERIN: You know, if there is a big piece of legislation, and you're the sponsor of it; you're the guy. You're the one, people want to hear. And you may be having some problem with it, and you want to get as much public exposure as you can, and you get invited to speak somewhere. That exposure is going to do you some good, and explaining that legislation is going to do that legislation some good. What's wrong with somebody inviting you and paying for the whole thing?

SENATOR DiFRANCESCO: My sense of--

ASSEMBLYMAN DEVERIN: But, if they invite you to come speak to them on Monday, and you stay until the following Sunday, then there is something wrong with that.

SENATOR DiFRANCESCO: My sense of the public is that they think there is something wrong with that.

MS. SHEEHAN: What about going to--

SENATOR DiFRANCESCO: I've done it. I was in Palm Beach.

MS. SHEEHAN: Yeah, but what about going to the Eagleton seminar at--

SENATOR DiFRANCESCO: It's not essential. That's a chore. I mean they ought to pay you a lot for that. (laughter)

MS. SHEEHAN: --or coming to speak to the Pharmaceutical something?

SENATOR DiFRANCESCO: Where?

MS. SHEEHAN: Atlantic City, Teaneck, Puerto Rico, wherever. I don't think that's the question.

SENATOR DiFRANCESCO: Well, I don't get reimbursed-- I don't think I've ever been reimbursed for driving down to Atlantic City for a meeting or anything like that.

MS. SHEEHAN: How about if you stay overnight?

SENATOR DiFRANCESCO: I've accepted, I'm sure, overnight accommodations, once from the Bankers, many years ago when they went to Atlantic City. Once from, I'm sure, someone else. I know, I know what you're saying, but nevertheless, my sense of the public is that they think that there is something inherently wrong with allowing that to happen.

Other states have done this.

DR. ROSENTHAL: Do you think there is something inherently wrong in it?

SENATOR DiFRANCESCO: No, or I wouldn't have gone to Palm Beach.

ASSEMBLYMAN DEVERIN: You know what is really wrong, is the fact that people did take trips to Palm Beach, to Boca Raton for six or seven days? To Aspen, you know, for conventions. That's what is wrong with it.

MS. SHEEHAN: Or a \$2000 speaking fee.

ASSEMBLYMAN DEVERIN: But if you say it in a business, professional way, Don, that there's a reason to be there for a specific amount of time and that you are either part of a speaking engagement or a part of a forum or a part of a workshop or something. And you have something to add to that or something that you can really do to enhance the image of the State and the Legislature, there's nothing wrong with that.

To go on a joyride, there's something wrong, and that's why the public is upset and that's why the press has knocked the hell out of us; because of the trips that were really not part of a professional trip or a working trip. They were just a trip, period.

MS. SHEEHAN: Mr. Chairman, could we vote on -- or the maker of the motion, could we do gifts and honoraria separate from reimbursements?

SENATOR DiFRANCESCO: I know Tom had suggested a compromise in terms of amounts, but, you know, I'm throwing this out for discussion.

MR. STANTON: In discussing it with some of my associates, both bankers and also in the associations, it would seem that there have been abuses from time to time by a few people, but not by too many.

On the other hand, if a dollar amount was put on it, and that dollar amount was disclosed -- which it would be under the current rules -- I think it's good not to isolate or insulate the Legislature to too great a degree. I mean, after all, you guys can't live in a vacuum.

SENATOR DiFRANCESCO: You see, the Banking Commissioner pays his own way, for example.

MR. STANTON: Well, he did this year.

SENATOR DiFRANCESCO: The Insurance Commissioner pays his own way.

MR. STANTON: This year.

SENATOR DiFRANCESCO: He's a regulator, I understand that, but nevertheless--

MR. STANTON: I want to emphasize that though this year the Banking Commissioner paid his own way because--

SENATOR DiFRANCESCO: No, I meant, the State pays.

MR. STANTON: No, they didn't, because there was a freeze on travel. Ordinarily--

SENATOR DiFRANCESCO: But generally speaking, a cabinet officer has a budget for that kind of thing. Why couldn't the Senate President say, "Okay, the Chairman of the Banking Committee should be at the Banking Convention. We'll take that out of our budget"?

MR. STANTON: Personally, I would think that would be a great solution, something of that nature.

ASSEMBLYMAN HAYTAIAN: Mr. Chairman, I think Donny has touched on-- I think Senator DiFrancesco has touched on-- And it's correct. I believe it should be a line item in the budget for the Legislature; and that is for each committee -- and there are 20 standing committees in the Assembly, or 24, and I guess about 16 in the Senate -- and if there would be a line item for travel based on a Chairman's prerogative for that committee, then there's no question.

Now if the public should bitch and moan -- and they will -- about the amount of the budget, but then there's no question as to why that member is going, because the Chairman of that committee is sending that member to the Banking Convention or to the Builders' Convention, or to whatever convention that that person has to be a speaker or has to be a delegate to.

I believe that is proper and appropriate. That may touch on the way we can solve this problem.

DR. ROSENTHAL: Al?

MR. BURSTEIN: However, I think that the problem we've had -- whatever the mechanism for the reimbursement-- The problem we've had with Don's presentation has been that it is phrased in terms of an absolute bar. I think that the trouble we have -- or at least some of us seem to have with that -- is that it deters people from attending functions that they ought to be at as public officials. I think if there are limitations placed on reimbursement, so that the travel is dollar for dollar, and the stay at any out-of-state location is what is reasonably associated with the distance and so on, and that it's not a joyride; all of those things can be part of what is adopted by way of the ultimate code or statute, but that the principle of reimbursement should be one that we accept.

DR. ROSENTHAL: Well, I think this is a very intriguing idea, that the Legislature should take responsibility for paying the way of members to conferences, to conventions, and what have you. The problem is that the Legislature is often too cowardly to do so. How many members went to the NCSL meeting in Nashville? Fourteen members went, and probably most of them paid their way out of their campaign funds because of the budget situation or because it would look bad.

ASSEMBLYMAN DEVERIN: No, because of the press coverage, not because of--

DR. ROSENTHAL: Because of the press coverage. Now, I think that's a real mistake. I think legislators should go to their annual meetings, and I think they should get around, and they learn a heck of a lot by getting around, and there will be abuse. There will be some guy, you know, one out of however many, who doesn't work at it, but I think for the most part it's a very educational experience.

I know for ten years Eagleton hosted conferences in Florida, annual conferences for outstanding legislators. Over the course of ten years, 430 legislators from around the country came, including people who have gone on to be Governor, United States Senator, and whatever. And the conferences were focused on legislative modernization, legislative improvement, and they had a very significant impact on how legislatures developed in the United States. We paid. We paid out of a Carnegie Corporation grant. But it would be really too bad if people couldn't go to those things. I must admit that they worked at them, but they also enjoyed themselves. Maybe they shouldn't have, but they did.

ASSEMBLYMAN HAYTAIAN: Yeah, but we--

DR. ROSENTHAL: I think you ought to prohibit any legislator who travels from enjoying himself or herself.

ASSEMBLYMAN HAYTAIAN: I think there are many potential ways of solving this problem. I think the public is

unimpressed and objects to corporate entities -- or the associations -- giving a direct stipend to a legislator, whether it be in the form of a reimbursement or in the form of a ticket, or whatever.

But I don't know if the public would object to the corporate world and others in associations -- and I don't know how we could do this with the State budget -- being able to put into a fund, so that the legislative chairman of the committee decides who goes -- naturally, there could be abuses of that, also -- but as to who goes to the conventions, or who goes to speaking engagements. I mean, generally the Banking Committee will be looking at members of the banking industry. I mean, the banking industry would be looking at members of the Banking Committee when they invite them, and the leadership. The Banking Committee Chairman may decide that only one member, or two members, bipartisan, would go -- the ranking member of the Committee or the Chairman or the Vice Chairman.

I would think that we would be open to less criticism that way than possibly by the public paying for it through the budget. But the determination shouldn't be made by the corporate entities or the associations, but by the Chairmen of the legislative committees.

DR. ROSENTHAL: Well, currently it would be the same way people go to a NCSL annual meeting. The determinations are made within the Legislature by the--

ASSEMBLYMAN HAYTAIAN: By the Senate President and--

DR. ROSENTHAL: By whomever, but made by authorized officials of the legislative body itself.

ASSEMBLYMAN HAYTAIAN: Right, but it is paid for by public funds.

DR. ROSENTHAL: And it is paid for by public funds.

ASSEMBLYMAN HAYTAIAN: Correct, and there are objections to that. That is where the cowardly attitude is. I just heard that comes into play. Whereas if there is a line

item-- Again, I don't know if we can even do it in the budget. I am not sure. I know it has been done in other budgets, where private funds come into the public entity, and then are line items in the public entity. I am not sure if that can be done.

DR. ROSENTHAL: Michael?

MR. COLE: On the question of reimbursement, we have whole divisions and commissions that are virtually department size, all funded on a reimbursement basis. So, I don't know how anyone can say that there is something necessarily wrong with reimbursement. The Division of Gaming, the Casino Control Commission, dollar for dollar, are reimbursed by charges on the casino industry. I don't have a problem with reimbursement at all. If there is some way that you want to anticipate what kind of reimbursement the Legislature will receive in any given year, I think you can probably put a line item in to be funded by those anticipated receipts from organizations.

So I think, Chuck--

DR. ROSENTHAL: Wait, wait, I don't quite understand that. You think the Legislature should reimburse members for whatever travel they do, or you think the private entity should reimburse legislators directly?

MR. COLE: I don't think there is anything wrong with reimbursement from private entities. It eliminates expense on the public. What Chuck, I think, is talking about is a mechanism to do that, so it is at arm's length, and there is a permanent record within the State system of how that works.

ASSEMBLYMAN HAYTAIAN: Exactly.

MR. COLE: That makes perfectly good sense to me.

ASSEMBLYMAN HAYTAIAN: I don't have to-- In essence, then, it relieves me of the burden of disclosing a reimbursement or a gift, because it is part of the legislative process, and that (indiscernible) of salary, so I am not necessarily-- It does not have to be disclosed.

DR. ROSENTHAL: The idea, then, would be, if a legislator is invited to attend the Bankers Association meeting, there would have to be a formal request that went to the legislative body, whether it would be the committee, the Speaker, or the President of the Senate, and then it would be done through the Legislature. It would be a formal request, and then payment for travel would be made by the Bankers Association to the Legislature, and reimbursement would go through the Legislature to the member.

It would then be part of the member's official duties--

ASSEMBLYMAN HAYTAIAN: That is correct.

DR. ROSENTHAL: --sanctioned by the Legislature, and not done on a--

ASSEMBLYMAN DEVERIN: What happens to groups like the League of Women Voters -- nonprofit groups -- where they don't have any money to be--

DR. ROSENTHAL: But we are talking where there are expenses involved.

ASSEMBLYMAN DEVERIN: Suppose they were invited by some League of Women Voters to a conference?

SENATOR DiFRANCESCO: They never pay. The League wants you to give them money.

ASSEMBLYMAN DEVERIN: Suppose the Catholic Bishops invite you to a conference? They don't--

SENATOR DiFRANCESCO: They've got a ton of money.
(laughter)

DR. ROSENTHAL: I think this involves the payment or reimbursement for expenses. Most often it will be out-of-state. It might be for a night or two in Atlantic City at a convention.

MS. SHEEHAN: Alan, in a lot of those instances, whoever is running it, even the League or the Heart Association, for umpteen many tickets, they get three, four, or five free rooms; for umpteen many air fares, they get one, two,

or three free. In order to get you there to be their speaker, they are going to give you the free ticket or the free room.

We are now saying that a legislator can't do that. That doesn't make any sense.

SENATOR DiFRANCESCO: Yes, we are.

ASSEMBLYMAN HAYTAIAN: No, we are not saying that. We are saying that it be done through the Legislature. That mechanism can work. In order to make it bipartisan, it could be done by the leaders of the respective houses--

SENATOR DiFRANCESCO: What she is saying is that it is not a cost. It is not really-- It doesn't cost anything.

ASSEMBLYMAN HAYTAIAN: It doesn't cost us anything, and it also--

MS. SHEEHAN: Yeah, but it costs if it is viewed as a gift or it is viewed as something the legislator can't do because an outside agency is paying for his bed or for his breakfast.

ASSEMBLYMAN HAYTAIAN: But we are not saying it can't be done. What we are saying is, it can be done, and it can be done through the Legislature, just as it is done, according to Michael, through--

MS. SHEEHAN: On a reimbursement basis.

ASSEMBLYMAN HAYTAIAN: Yeah.

MR. STANTON: Through the approval of the leadership.

ASSEMBLYMAN HAYTAIAN: That is correct.

MR. STANTON: Reimbursement.

ASSEMBLYMAN HAYTAIAN: That's right.

ASSEMBLYMAN DEVERIN: What is the leadership approval, who goes, or how does he get reimbursed for it? Suppose--

DR. ROSENTHAL: Basically, then, someone approves of who goes to where.

ASSEMBLYMAN DEVERIN: Suppose the Bankers want you, and the leadership wants to send me? (laughter)

DR. ROSENTHAL: Basically, then, what you're saying is-- Well, then that makes a difference. The leadership gets to the Bankers and, you know--

SENATOR DiFRANCESCO: They say, "Call Deverin. The hell with that guy." (laughter)

DR. ROSENTHAL: Take Deverin, or you get nobody.

MR. STANTON: But once again, though--

DR. ROSENTHAL: Then they would probably say, "We'll take nobody."

MR. STANTON: Once again, the leadership acting irresponsibly, you would have to break the precedent. I mean, if you set a precedent, or the Speaker of the Assembly who was (indiscernible) in the way he allocated these things-- I mean, that would become null very, very rapidly. That would be no secret at all.

ASSEMBLYMAN HAYTAIAN: Absolutely.

MR. STANTON: That would be within the purview of the press.

ASSEMBLYMAN HAYTAIAN: Absolutely. I think it could be worked out, but make it so that it is easy to work out.

MR. STANTON: Or, also, within the purview of the people who do the inviting. They would assume the responsibility for that.

ASSEMBLYMAN HAYTAIAN: Then that really and truly would relieve the Legislature and the legislators of the burden of disclosure of trips and reimbursements and whatnot, and it would not create a vacuum for--

DR. ROSENTHAL: Let me just throw in a caveat here: Now, this would give the leaders additional power. It would give somebody additional power to determine who goes where. Right now, you know, if you make a deal with the Bankers and you go down there and you talk with them-- It is a really free enterprise system now. The new system would give somebody within the Legislature -- presumably the leadership, or

ultimately the leadership -- the power to say, "This guy goes; this guy doesn't go."

I am not arguing it; I am just pointing this out.

ASSEMBLYMAN HAYTAIAN: In our form of democracy, we have leaders.

DR. ROSENTHAL: Okay.

ASSEMBLYMAN HAYTAIAN: Some of them abuse their power, and others don't. I mean, we understand that.

DR. ROSENTHAL: Okay.

ASSEMBLYMAN HAYTAIAN: Unless we want to go to Eastern Europe, which is now becoming--

SENATOR DiFRANCESCO: No trips to Europe. We don't want any trips to Europe.

ASSEMBLYMAN HAYTAIAN: If we say, "All leaders abuse their power--"

DR. ROSENTHAL: No, I am not saying that.

ASSEMBLYMAN HAYTAIAN: Oh, you're not? Okay, fine.

DR. ROSENTHAL: I'm saying, "Only Minority Leaders abuse their power" (laughter) because they have so little to abuse, and they've got to make the most of it.

MS. SHEEHAN: So, then, we're saying, "No gifts, no honoraria, and reimbursement is permissible through this legislative system"?

DR. ROSENTHAL: Let's hold gifts aside, because that can be a separate question. What we are talking about is-- I think there is agreement that there be no honoraria; that legislators receive no honoraria.

MS. SHEEHAN: We never voted on that, but that--

SENATOR DiFRANCESCO: No honoraria.

DR. ROSENTHAL: What I am getting is a sense here that there be -- that legislators will not receive honoraria, but that direct travel and subsistence expenses from private entities to a legislator for trips related to a member's official duties would be prohibited, except through the

Legislature, whereby the Legislature would pay for such expenses, and the private entity would reimburse the Legislature. Now, that is a little awkward, but that is the idea.

MR. STANTON: It's a little awkward, but that is a pretty slick way of doing it.

SENATOR DiFRANCESCO: But, do you see any difference between that--

MR. STANTON: I like it.

SENATOR DiFRANCESCO: --and the present system, though?

MR. STANTON: Well, there could be.

SENATOR DiFRANCESCO: You do?

MR. STANTON: I mean, for instance--

ASSEMBLYMAN HAYTAIAN: Absolutely.

ASSEMBLYMAN DEVERIN: Well, it's different, but I am not--

MR. STANTON: --how does the area of responsibility-- An association might suggest that they would like to have Senator DiFrancesco or Assemblyman Haytaian go, and maybe the leadership might say-- (three or four members of Commission speaking at once here; indiscernible to transcriber)

ASSEMBLYMAN DEVERIN: It would be a very boring meeting.

ASSEMBLYMAN HAYTAIAN: These are very boring meetings.

MR. STANTON: But that might not be apparent. It might be the fact that the leadership might think differently.

SENATOR DiFRANCESCO: They might want all of the Majority members there.

ASSEMBLYMAN HAYTAIAN: That's right, they might.

MR. STANTON: They might, but that would happen only once or twice, and then it would stop.

ASSEMBLYMAN HAYTAIAN: Yeah, because then the association would stop reimbursing. They would say, "That's it. If you want to play that game, fine, but we are not going to pay for it." That's all. "So, we are not inviting anyone."

MR. STANTON: "If you want to play that game, we are not going to play that game."

DR. ROSENTHAL: Apparently the leadership does not abuse the NCSL game, or sending members to NCSL meetings.

ASSEMBLYMAN HAYTAIAN: Alan, I have been in the Legislature now for eight-and-a-half years, and I have been under both the Majority and the Minority in the Assembly. I don't believe it has been abused on either side of the aisle. I truly do not believe that. I mean, I don't go on trips. The ones that I have gone on have been because I was a member of an association, such as the one that Carmen and I are officers of. But by and large, as far as I know, there were no ethics conflicts there.

DR. ROSENTHAL: I think this is a very good suggestion, and one that I haven't run across anywhere else. I think it is a very good way of kind of focusing responsibility on the Legislature itself for members' travels and members' activities which are in connection with their office; having a responsible entity, and not having the taxpayers pay.

ASSEMBLYMAN HAYTAIAN: I would like to give you an example: The Speaker will contact me for members of different committees -- recommendations. The present Speaker and the former Speaker, as far as I know, have never changed my recommendation. They have taken the recommendation.

SENATOR ORECHIO: A strong tradition, Chuck.

SENATOR DiFRANCESCO: The Senate President didn't do that with me.

ASSEMBLYMAN HAYTAIAN: Oh, okay. I have not seen it in print, so I will take your good word for it.

MR. STANTON: I presume this would not forbid a legislator from going on his own if he wanted to assume all of the costs?

ASSEMBLYMAN HAYTAIAN: I think it would change the definition of the monument, though. I mean, would this be a monument? I think that statute would have to change.

SENATOR DiFRANCESCO: Well, if it is not today, then it never would be.

ASSEMBLYMAN HAYTAIAN: No, we would have to get into the nitty-gritty of changing that, because I am sure that would cause a problem. (discussion among members)

MR. COLE: No, reimbursement is not--

MR. BURSTEIN: Not as you define it, Mike.

DR. ROSENTHAL: How is this language: "The Legislature should pay the expenses for trips taken by members related to their official duties, and any private reimbursement would be to the Legislature and then to the member"?

MS. SHEEHAN: Say it again.

DR. ROSENTHAL: Legislators would be prohibited--

SENATOR DiFRANCESCO: Pay it through, not "pay."

DR. ROSENTHAL: The Legislature should approve the expenses for trips; should approve the trips taken by members related to their official duties.

MR. COLE: You had it right the first time.

MS. SHEEHAN: No, that's a whole different thing.

DR. ROSENTHAL: The Legislature should approve the expenses.

MR. COLE: Should pay.

MR. STANTON: Should pay the expenses.

MR. COLE: And any reimbursement--

DR. ROSENTHAL: The Legislature should pay the expenses for trips taken by members related to their official duties, and private reimbursement would be to the Legislature, and then to the member.

MR. COLE: No.

DR. ROSENTHAL: Would be to the Legislature.

MR. BURSTEIN: Would be to the Legislature -- period.

DR. ROSENTHAL: Okay, period. Legislators would be prohibited from accepting honoraria.

ASSEMBLYMAN DEVERIN: Suppose they want to give you a plaque. You can take that, right?

DR. ROSENTHAL: Yeah, I think you could--

SENATOR DiFRANCESCO: Well, you have so many plaques now--

DR. ROSENTHAL: I'd say you better take it quickly. Ask them to give it to you quickly before we vote on this. This is only a recommendation; only a recommendation.

ASSEMBLYMAN HAYTAIAN: Wait a minute; wait a minute.

MR. STANTON: I mean, it's not solid gold, or anything, Tom. Platinum?

DR. ROSENTHAL: Do you want to read the roll before they change their minds?

MS. HOCHMAN: Do you want them both in together?

DR. ROSENTHAL: Yes.

MS. HOCHMAN: Chairman Rosenthal?

DR. ROSENTHAL: Yes.

MS. HOCHMAN: Mr. Burstein?

MR. BURSTEIN: Yes.

MS. HOCHMAN: Mr. Cole?

MR. COLE: Yes.

MS. HOCHMAN: Ms. Sheehan?

MS. SHEEHAN: Yes.

MS. HOCHMAN: Mr. Stanton?

MR. STANTON: Yes.

MS. HOCHMAN: Senator Orechio?

SENATOR ORECHIO: Yes.

MS. HOCHMAN: Senator DiFrancesco?

SENATOR DiFRANCESCO: Yes.

MS. HOCHMAN: Assemblyman Deverin?

ASSEMBLYMAN DEVERIN: Yes.

MS. HOCHMAN: Assemblyman Haytaian?

ASSEMBLYMAN HAYTAIAN: Yes.

DR. ROSENTHAL: Gifts--

GREGG EDWARDS (Assembly Minority Staff): Sir, we didn't cover trips for staff. You know, those who--

ASSEMBLYMAN HAYTAIAN: Who aren't going anywhere.

(laughter)

DR. ROSENTHAL: I think we just covered that, Gregg.

MR. EDWARDS: I thought I would try.

DR. ROSENTHAL: How frequently is staff invited to the Bankers or Insurance--

MR. EDWARDS: Not frequently enough. (laughter)

DR. ROSENTHAL: What about gifts? We have discussed gifts, but we have not really decided on them. Senator DiFrancesco has a proposal that would limit gifts.

SENATOR DiFRANCESCO: Now that you have dealt with the travel, I mean, there is no reason to take gifts beyond a certain threshold. I am directing that toward wining and dining, I guess, in the absence of travel.

DR. ROSENTHAL: Now, we decided that such gifts would be reported.

SENATOR DiFRANCESCO: Absolutely.

DR. ROSENTHAL: We decided on them being reported, but we did not decide that they could not be taken above a certain threshold. (Chairman confers with Ms. Hochman off mike)

Marci informs me that legislators are prohibited from taking gifts related to their official duties, other than travel and reimbursement of expenses. Now, does that mean that a legislator cannot take a basket of fruit as a gift from a lobbyist?

MS. HOCHMAN: Well, technically, that would be the case. I mean, currently a member is prohibited from receiving anything of value from a source other than the State for matters related to their official duties.

ASSEMBLYMAN DEVERIN: How about if a manufacturer sends out a sample of his product?

MS. SHEEHAN: But it says, "Other gifts and honoraria are not proscribed, but have to be disclosed."

MR. BURSTEIN: Yeah, but the distinction that is being made is whether or not it has to do with your official duties and, frankly, that kind of a distinction is a very blurry one.

DR. ROSENTHAL: In other words, going to Giants Stadium--

MR. BURSTEIN: Going to a ball game, absolutely.

DR. ROSENTHAL: --is not connected with your official duties?

MS. HOCHMAN: If it is not connected to your duties, it is--

DR. ROSENTHAL: Oh, then there is that loophole.

SENATOR ORECHIO: There is a question I want to ask you: I am invited, but I have my own tickets for the Giants. I am invited to spend an afternoon watching a game in someone's box. Is that a gift?

SENATOR DiFRANCESCO: No, come on, watching in somebody's box?

SENATOR ORECHIO: Getting a Coke and a sandwich-- That's a gift?

SENATOR DiFRANCESCO: Did they give you the tickets?

SENATOR ORECHIO: No, my own tickets.

SENATOR DiFRANCESCO: If they give you tickets, it's a gift.

SENATOR ORECHIO: My own tickets; my own tickets.

MR. BURSTEIN: For a game in December, that's a gift, because if you freeze out there-- (laughter) I have experienced it.

SENATOR DiFRANCESCO: He doesn't drink. He doesn't eat like the rest of us. Believe me, it is not a gift.

ASSEMBLYMAN DEVERIN: But seriously, I know there are several manufacturers at Christmas who send out samples of their products.

UNIDENTIFIED MEMBER OF COMMISSION: And they're excellent.

ASSEMBLYMAN DEVERIN: Big things?

SENATOR DiFRANCESCO: That is why they have to have a threshold.

ASSEMBLYMAN DEVERIN: Who in the hell uses these things? What do I do with the perfume I get, throw it away?

SENATOR DiFRANCESCO: Give it to your girlfriend.

MR. STANTON: For instance, I have my "I Love New Jersey" tie on today. As I said earlier, I have probably given away a couple of thousand of these over the last five years.

DR. ROSENTHAL: Can you get them back quickly?

MR. STANTON: Anybody who wanted one. Not anymore, I am retired, but I used-- People would say, "Hey, I like that tie," and I would say, "Give me your card." A lot of legislators--

DR. ROSENTHAL: I suspect gifts are not a big problem. Insofar as lobbyists buying meals or entertaining people, that is disclosed; that is disclosed. It is not prohibited, but we are-- That was the recommendation. That is what I mean. That was our recommendation. I am not sure where we would go with gifts.

SENATOR DiFRANCESCO: It's on the table. You can reject it or accept it.

ASSEMBLYMAN HAYTAIAN: I think what we should be looking at is what Marci said. In our official duties as legislators-- I mean, that really is the definition. Am I mistaken here?

MS. HOCHMAN: For example, somebody tells you that they would like to buy you a TV set for the waiting room in your district office. That would be a gift that would be related to your official duties. It is in your district office. The law, as it currently is, would prohibit the receipt of that.

MR. BURSTEIN: If you put the TV set into your drawing room?

SENATOR DiFRANCESCO: Nobody does that.

MS. HOCHMAN: Then it is just a gift.

SENATOR DiFRANCESCO: Somebody gives you Super Bowl tickets?

ASSEMBLYMAN HAYTAIAN: It has to be disclosed.

MS. HOCHMAN: It would have to be disclosed.

DR. ROSENTHAL: If it was a lobbyist, but if I were to give you a gift--

ASSEMBLYMAN HAYTAIAN: Right?

DR. ROSENTHAL: --for your home, I wouldn't have to disclose it, and currently he wouldn't have to disclose it.

ASSEMBLYMAN HAYTAIAN: Oh, all right.

DR. ROSENTHAL: If I were to give Assemblyman Haytaian--

ASSEMBLYMAN HAYTAIAN: Oh, no, yes you would. (four or five members of Commission speaking at once; indiscernible to transcriber)

MS. HOCHMAN: Even if it were a birthday gift over--

MS. SHEEHAN: Yeah, but we are talking about two different things here, right? I mean, with the lobbyist disclosure, we have already said they must disclose. And what Alan is asking now is, on the other end, at the legislative end, what do you have to disclose? Only if it came from a lobbyist, or only a certain amount, or what?

ASSEMBLYMAN HAYTAIAN: No, no, anywhere, Pat.

SENATOR DiFRANCESCO: Gifts over \$200.

UNIDENTIFIED MEMBER OF COMMISSION: In excess of \$200.

DR. ROSENTHAL: Even from fat personal friends?

ASSEMBLYMAN HAYTAIAN: Yeah, personal friends; not family, as I understand it.

DR. ROSENTHAL: Not family, but personal friends.

ASSEMBLYMAN HAYTAIAN: You would have to ask them, "How much was the damned gift?"

DR. ROSENTHAL: And disclose it.

ASSEMBLYMAN HAYTAIAN: And disclose it.

MS. SHEEHAN: So you have to now disclose any gift \$250 or more?

ASSEMBLYMAN HAYTAIAN: And over, yes.

MS. SHEEHAN: From Alan, from me, from the lady down the street.

ASSEMBLYMAN HAYTAIAN: I believe it is over \$250, isn't it?

UNIDENTIFIED MEMBER OF COMMISSION: Yeah, that always confuses me.

ASSEMBLYMAN HAYTAIAN: Is it \$250 and over, or \$250?

MS. HOCHMAN: It's gifts having a value totaling more than \$250 other than devices bequests, intestate State distributions, or principal distributions of trust, or gifts from a spouse or other relative received by the member, spouse, or minor child from named donors.

ASSEMBLYMAN DEVERIN: That's even businessmen.

MR. COLE: But, Marci, if it relates to your official duties, you can't take it.

ASSEMBLYMAN HAYTAIAN: That is correct.

MS. HOCHMAN: Correct.

MR. COLE: So what do you do if a charity -- muscular dystrophy -- says, "Boy, Assemblyman 'X' has done such a great job for us we want to send him a T-shirt"? Does he have to send it back? Is that what happens?

MS. HOCHMAN: Well, I guess the ultimate determination that has to be made by the members of the Joint Committee is whether or not the gift is intended to influence the member or is related to the member's official duties. If it is not, then it is something that they--

MR. COLE: It is not intended to influence because it is only a T-shirt, but it does relate to official duties because he is only getting it because he is a legislator.

MS. HOCHMAN: That's a question.

ASSEMBLYMAN DEVERIN: You know, to get back to that plaque stuff, if someone wants to give you a gift for being an outstanding legislator, you can't take it?

MR. COLE: You can't take the plaque, no, because you don't deserve it.

ASSEMBLYMAN DEVERIN: I know I don't deserve it, but if--

SENATOR ORECHIO: We're talking about recognition, not influence -- recognition. There's a difference.

MS. HOCHMAN: See, I don't even know if you would consider, for example, a plaque as actually something of value. It has a significance to it, a sentiment to it. I mean, if it were a solid gold plaque, that might be another story. But if it was just a wooden plaque with someone's name, dedicated to a legislator who has always been for whatever charitable purpose, it might be determined that that has no real value except for the sentiment that it was supposed to express. That would be up to the Joint Committee.

MS. SHEEHAN: You don't have any dollar limit of values?

MS. HOCHMAN: There is no dollar limit currently, but I think that the Joint Committee, in its past opinions, has made determinations that things which are of diminutive value, such as a plaque, a T-shirt--

MR. COLE: The shovel from a ground breaking, a T-shirt.

MS. HOCHMAN: Correct -- that that is not something of value within the four, you know, corners of the language.

ASSEMBLYMAN HAYTAIAN: Question, Mr. Chairman.

DR. ROSENTHAL: Yes?

ASSEMBLYMAN HAYTAIAN: If legislator "XY" is nominated to be "Legislator of the Year" of association "YZ" and is asked to come to their convention, and he receives a plaque, and he stays overnight because it is more than 150 miles, or 100 miles, how is that disclosed, because there would be lodging overnight, he received a plaque-- (several comments from members of Commission at once here; indiscernible) Can he receive the plaque, or is that in his official duties because he is the outstanding legislator?

SENATOR DiFRANCESCO: It is a free trip, now.

MS. HOCHMAN: Okay. The opinions of the Joint Committee in the past have sort of looked at something that has a diminutive value as not being proscribed. Specific exceptions are for travel, subsistence, and fees for speeches and published works. All things related to your official duties are exceptions to the general gift proscription.

ASSEMBLYMAN HAYTAIAN: Okay. The only time that--

SENATOR DiFRANCESCO: The only directive is that you will not be able to go unless you pay for it yourself, or the Legislature pays.

ASSEMBLYMAN HAYTAIAN: --the Joint Committee comes into it is when there is a complaint filed, correct? I mean, well, I am not looking for complaints being filed. I want to know how we have to disclose so that, quite frankly, a complaint isn't filed. How is it listed? It is not listed because it is an exception, is what you're saying.

MS. HOCHMAN: No. There is a difference between something that is a prohibition and something that has to be reported.

ASSEMBLYMAN HAYTAIAN: Okay.

ASSEMBLYMAN DEVERIN: You would have to report the hotel room, but it is not against the law to take the plaque.

MS. HOCHMAN: You would have to-- If you accepted hotel accommodations and subsistence expenses--

ASSEMBLYMAN DEVERIN: Or if you receive a plaque--

MS. HOCHMAN: If they exceeded the threshold, then you have to report them. The distinction is somewhat confusing in the way the law and the code are currently drafted. If there is an absolute prohibition on accepting certain gifts -- and gifts have been broadly defined thus far as including the prepaid travel and subsistence as distinguished from reimbursements--

SENATOR DiFRANCESCO: We don't agree with that, but we have already discussed it. It is a reimbursement that goes on your-- Or, it is a gift. As long as you report it, you're okay. If you report it as a gift or a reimbursement, you're safe.

ASSEMBLYMAN DEVERIN: Al, that's why we can't--

SENATOR DiFRANCESCO: Well, wait a minute, once you take the recommendation that you can't take the trip -- I don't care if you are the greatest legislator in the world -- without the Legislature paying for the trip or you paying for it yourself.

ASSEMBLYMAN HAYTAIAN: That is correct.

SENATOR DiFRANCESCO: That is going to be the distinction.

ASSEMBLYMAN HAYTAIAN: That is correct.

SENATOR ORECHIO: In the same scenario with overnight accommodations, usually groups get one free room for every 25, or something like that. Suppose that room is earmarked for a legislator and the organization doesn't pay for it. Is that a gift? Of course, it has value, I guess, but by the same token, the organization hasn't paid for that room.

DR. ROSENTHAL: Under the proposal we're making, it wouldn't be a gift, because the transaction would be done through the Legislature.

MS. HOCHMAN: Nobody would have to--

DR. ROSENTHAL: The transaction would be done through the Legislature.

ASSEMBLYMAN DEVERIN: You know, I can anticipate an awful lot of-- If tomorrow-- If that recommendation were part of the law now, and Donny DiFrancesco was voted by the "XYZ" company as the outstanding Senator in the State--

SENATOR DiFRANCESCO: There could be a lot of that.

ASSEMBLYMAN DEVERIN: --Lynch would say, "Like hell he is. I think Lesniak is, and I am sending Lesniak down to get that plaque." (laughter) And he is probably right.

ASSEMBLYMAN HAYTAIAN: Except that the "XYZ" association will say: "We are not going to pay for it, so we don't care who you send down." That's all. That takes care of it.

MR. STANTON: That's right.

ASSEMBLYMAN HAYTAIAN: I think there is some leverage there.

DR. ROSENTHAL: Any suggestions about gifts? I think your motion, or suggestion, is to ban gifts, or to ban--

ASSEMBLYMAN DEVERIN: No, you're not-- You said with a threshold of \$250.

DR. ROSENTHAL: It seems to me that there--

MR. STANTON: No, with a threshold--

ASSEMBLYMAN DEVERIN: An aggregate threshold of \$250.

SENATOR DiFRANCESCO: No, no.

MR. BURSTEIN: From what source?

DR. ROSENTHAL: Don't look at me.

MS. HOCHMAN: I'm just trying to write it.

DR. ROSENTHAL: Even gifts unrelated to your legislative duties?

ASSEMBLYMAN DEVERIN: Does that include meals, too?

SENATOR DiFRANCESCO: No, no, no. I'm talking about gifts from special interests primarily; people who deal with the Legislature, or however you want to say that. Obviously,

if my close friend wants to take me on a trip, wants to give me a substantial gift, I am reporting that. I don't think there is any problem with that -- my next-door neighbor.

DR. ROSENTHAL: But those gifts are already prohibited, right?

MS. SHEEHAN: Maybe your next-door neighbor is a lobbyist. What about that?

SENATOR DiFRANCESCO: That changes the picture. The idea is that--

MS. SHEEHAN: Suppose your neighbor, or your best friend who lives next-door--

SENATOR DiFRANCESCO: What if you, after every legislative session, took me out to dinner all the entire year? That would aggregate, perhaps, a couple of thousand dollars, let's say. That should be prohibited.

MS. HOCHMAN: Unrelated to your official duties?

DR. ROSENTHAL: No, related.

SENATOR DiFRANCESCO: If she is a legislative agent, if she is a lobbyist, however you want to define it. That kind of activity should not be--

MS. SHEEHAN: No argument with you.

SENATOR DiFRANCESCO: That's all I am talking about, for the most part.

MS. SHEEHAN: But when you say gifts from anybody, I think you have to think of the situation where it is--

SENATOR DiFRANCESCO: Gifts from anybody have to be reported today.

MS. SHEEHAN: Right.

SENATOR DiFRANCESCO: Okay, so we have dealt with the reporting of it.

MS. SHEEHAN: I thought you were going to put it in a threshold?

SENATOR DiFRANCESCO: Now, you know, the question is, should--

MS. SHEEHAN: I mean, you said--

SENATOR DiFRANCESCO: Is it necessary to wine and dine legislators?

MS. SHEEHAN: No, but you said "special interests." I don't understand how you can discriminate between Pat Sheehan the lobbyist and Pat Sheehan your neighbor.

SENATOR DiFRANCESCO: We do it with ELEC now.

MS. SHEEHAN: If it is \$2000 worth of meals, it is \$2000 worth of meals.

SENATOR DiFRANCESCO: We do it with ELEC now. If you are a special interest, you must report it if you are entertaining him.

MS. SHEEHAN: Yeah, but you're saying to do away with it.

SENATOR DiFRANCESCO: Absolutely; absolutely.

ASSEMBLYMAN HAYTAIAN: As long as you, Pat Sheehan, have a red badge, you are a lobbyist -- an official lobbyist--

MS. SHEEHAN: But what about if his mother-in-law takes him to dinner?

DR. ROSENTHAL: That's okay.

MS. SHEEHAN: Are you saying--

SENATOR DiFRANCESCO: No, that's okay.

ASSEMBLYMAN HAYTAIAN: She is not a special interest-- She is not a lobbyist.

MS. SHEEHAN: Then I don't understand your proposal. I thought you said, "No gifts over a certain--"

DR. ROSENTHAL: No, in connection with your official duties, I guess. If a lobbyist takes you to dinner, it is presumably in connection with your official duties.

SENATOR DiFRANCESCO: Right.

DR. ROSENTHAL: So, you would prohibit legislators from--

SENATOR DiFRANCESCO: We know that he wouldn't take us if I wasn't in the Legislature.

DR. ROSENTHAL: Legislators-- There would be a threshold. A lobbyist can take you to dinner for under \$25, or something like that.

SENATOR DiFRANCESCO: It could be an aggregate threshold, yeah, whatever that may be.

DR. ROSENTHAL: An aggregate threshold--

SENATOR DiFRANCESCO: Didn't we deal with this in another proposal? We had an individual threshold and an aggregate threshold.

DR. ROSENTHAL: For what a lobbyist spends and reports. In other words, if a lobbyist spends over \$250 a quarter, that lobbyist reports it.

MS. SHEEHAN: Right.

DR. ROSENTHAL: And if a lobbyist spends over \$25 on an occasion, the lobbyist reports it. If the lobbyist spends less, it goes unreported.

MS. SHEEHAN: That's all done. What we are talking about now are gifts to the Legislature. My question to Donny was: I thought his proposal included all gifts, from his mother-in-law and his neighbor and everyone.

SENATOR DiFRANCESCO: No, I was really dealing with people who I--

MS. SHEEHAN: Well, how do you say that?

SENATOR DiFRANCESCO: What we are talking about is cutting down on the influence on the Legislature. Those are the people who deal with the Legislature, and those are the kinds of prohibitions I am talking about.

DR. ROSENTHAL: Al?

MR. BURSTEIN: Next question: If you are going to tie it into the performance of official duties -- in other words, the bar exists in that regard -- how do you define official duties, and how do you deal with the matter of tickets to a ball game or things of that sort which are totally dissociated, as we know, for the most part, from specific legislation?

SENATOR DiFRANCESCO: We know that they wouldn't be calling me if I weren't in the Legislature to offer me Super Bowl tickets or tickets to a football game or something.

MR. BURSTEIN: Okay, but what you are then saying is, the performance of official duties as the broadest possible interpretation.

SENATOR DiFRANCESCO: Absolutely.

MR. BURSTEIN: So that anybody-- Anybody who has any kind of connection with the influencing of legislation would be prohibited, and that would include lobbyists or nonlobbyists.

SENATOR DiFRANCESCO: The prohibition is on me.

MR. BURSTEIN: But it is a double prohibition: you from accepting, and the other from offering.

SENATOR DiFRANCESCO: And it has to be anybody because suppose that, you know, this individual is within a particular group of people, but is not a registered lobbyist. I'll use the word "developer." Suppose there is a builder who wants to call me and get me tickets that have a face value of \$150, or something like that? I would have to say, "No."

MR. BURSTEIN: No, how do you define that kind of--

SENATOR DiFRANCESCO: I don't know. That is what we pay these high-priced people for.

MR. BURSTEIN: It's easy enough to say "registered lobbyist," but when you go beyond that, how do you define it?

ASSEMBLYMAN DEVERIN: You know, when Mrs. Deverin was alive, every Friday night for 14 years we used to go out to dinner with her cousin. I would pay one week; he would pay one week. At the end of the year he spent \$1000 on me.

SENATOR DiFRANCESCO: Would you have been taken out to dinner if you were not an Assemblyman?

ASSEMBLYMAN DEVERIN: Sure. Of course they would.

SENATOR DiFRANCESCO: Well, then that is not what I am talking about.

ASSEMBLYMAN DEVERIN: Come to think about it, maybe they wouldn't, I don't know. (laughter)

SENATOR DiFRANCESCO: You don't know, though.

DR. ROSENTHAL: You know, I think the concept is clear.

MR. BURSTEIN: The concept is clear, but how do you implement it with regard to the nonregistered lobbyist; a nonregistered person who is intending to influence legislation?

DR. ROSENTHAL: It is up to the legislator to make the judgment as to whether or not that person is a friend or that person has an interest in the legislator because of his official duties.

MR. BURSTEIN: That is pretty subjective.

DR. ROSENTHAL: It seems to me that it would be virtually -- well, not impossible, but it would be overwhelming to try to have some threshold, you know, listing aggregate expenditures. You would be keeping books like crazy. It seems to me that if you are going to go this route, you have a prohibition.

ASSEMBLYMAN HAYTAIAN: That's right.

DR. ROSENTHAL: A flat out prohibition. And it is the responsibility of the legislator not to have anything bought for him.

SENATOR DiFRANCESCO: Alan, don't several states do this now?

DR. ROSENTHAL: Yeah, there are some prohibitions. Wisconsin does. The interesting thing is, a legislator may go to a general reception, you know, given by the real estate people, and there will be constituents at that reception from the district. Well, that legislator in Wisconsin will reimburse the people for the food or drink that the legislator has at the reception.

SENATOR DiFRANCESCO: Some of our people would lose a lot of weight. That would be good. They wouldn't eat.

ASSEMBLYMAN HAYTAIAN: Not only that, but some of our people would stay home at night, so that we wouldn't have to--

MR. COLE: Do we need to go that far?

SENATOR DiFRANCESCO: No, I think we could deal with that in terms of how we--

MR. COLE: It seems to me you have to have a de minimus exception; otherwise it is just a plaque.

SENATOR DiFRANCESCO: I wouldn't want that to happen. If there is a general meeting-- If the Medical Society invites you to a dinner with their general membership once a year, I don't see a problem with that. I mean, the meals are usually lousy anyway.

MR. COLE: I would also suggest that maybe you would want to have some kind of escape. You could accept the gift with the prior approval of the Joint Committee, if it is a gift that has some sentimental value, but nonetheless has some monetary value.

DR. ROSENTHAL: Do you mean the plaque? Do you have to get the approval of the Committee every time you get a plaque?

MR. COLE: No, no, I think you ought to have a de minimus exception.

MR. STANTON: I think so, too.

MR. COLE: I also think you ought to have an escape in there if there is a peculiar instance where the government of Taiwan wants to give you a--

MR. BURSTEIN: A precious jewel?

MR. COLE: No, not a precious jewel--

MR. BURSTEIN: Oh. (laughter)

MR. COLE: --but something that has value which you, for one reason or another, may want to accept with the prior approval of the Committee.

SENATOR DiFRANCESCO: Why don't we work on this -- have staff work on this -- and bring it up again?

MR. BURSTEIN: Yeah, that is a good idea. Slick Marci might be able to do something.

DR. ROSENTHAL: Well, I basically think that there are provisions now -- the disclosure provisions, the lobbying disclosure, the individual disclosure-- I just don't think it is a-- We made recommendations on travel and the elimination of honoraria. I just don't see this as being necessary. I mean, I would like to punish as many legislators as I could, but this is going too far. I don't think, you know, that you get large gifts. If you do, you've got to declare them. Then it is for the (indiscernible) to see. I just don't think it is necessary.

ASSEMBLYMAN DEVERIN: You know, if you are having dinner with somebody, and the waiter comes over and puts down a drink and says, "This drink is on Chip" -- whatever the hell his name is, are you going to say, "Oh my God, I've got to write this down somewhere"?

DR. ROSENTHAL: Well, you can't. You just don't take it. You can't keep records everyday.

MR. STANTON: Dump it on the floor. I'm making a pun.

MR. COLE: I agree that you can go to all extremes. I think we are pretty well covered with thresholds and everything else.

DR. ROSENTHAL: How do the other members feel?

MR. STANTON: I mean to say, no gifts. That gets to be a nightmare. If you go through somebody's plant-- Colgate's is closed now, but they used to have visitors. When you left, they would give you three tubes of toothpaste and a can of Ajax, or something, as you walked out the door.

ASSEMBLYMAN HAYTAIAN: Alan, the question is: If the general public were invited to Colgate and the general public received whatever, and a legislator went and received whatever, there would be no problem. But I think what Donny is saying -- and I think it is valid -- is that Colgate, J&J, or these other

firms would not be inviting us if we weren't legislators. I mean, who the hell is Chuck Haytaian, much less than who the hell is Garabed Haytaian? Why the hell would they invite him, if he weren't a legislator? I agree with Donny. I think we should abolish it.

SENATOR DiFRANCESCO: Period.

ASSEMBLYMAN HAYTAIAN: I mean, my brother is John Haytaian. Why don't they invite him?

UNIDENTIFIED MEMBER OF COMMISSION: They wouldn't do that; he is not a legislator.

MR. STANTON: What if you signed a letter with a United Jersey pen that cost them about 80 cents, which they had bought 27 gross of every day of the year? Is that a gift, for crying out loud?

SENATOR DiFRANCESCO: No, but we have to have a threshold because of the events. (remainder of comment lost to transcriber due to several people speaking at once)

ASSEMBLYMAN HAYTAIAN: Tommy mentioned that there was some problem with that.

SENATOR ORECHIO: Well, in the course of a year, we are probably invited to maybe a dozen cocktail parties at Seton Hall, Rutgers, liquor dealers, and so forth. Are we supposed to now determine how much the per person cost was and list it?

Secondly, a month ago I had two lobbyists come in from South Jersey. They came into my town so I said, "I'll take you to lunch," and I took them to lunch. Am I supposed to keep track of that, so that the next time they take me lunch I can see how it balances?

ASSEMBLYMAN HAYTAIAN: No, you pay for it; then there is no problem.

SENATOR DiFRANCESCO: You pay every time. With your money-- He's got his own restaurant.

ASSEMBLYMAN HAYTAIAN: I have had some people come up to Hackensack and I paid for the coffee, so that I don't have

to report; so that I don't have a problem. Now, that doesn't mean that I am always going to do it, but once we--

SENATOR DiFRANCESCO: I confess, I don't usually do that.

ASSEMBLYMAN HAYTAIAN: I do; I have. And I can bring the people forward I paid it for.

MS. SHEEHAN: I don't know. I think that when you are talking about ties and plaques, hammers, and first aid kits-- I mean, there isn't a convention held in New Jersey by any of the nonprofits, the Heart, Cancer, educational institutions, Rutgers, the legislators in their conferences, that they don't ask for a little sample. We are putting together a goody bag of New Jersey things. The Chamber of Commerce -- everybody does that.

I mean, I can't see that that has anything to do with anything. To limit them-- The Department of Agriculture used to do it with apples and peaches and blueberries -- New Jersey products.

ASSEMBLYMAN HAYTAIAN: I can remember two instances-- (several people speaking at once; indiscernible)

SENATOR DiFRANCESCO: Twenty-five dollars.

ASSEMBLYMAN DEVERIN: You just said \$250. What the hell happened to that?

SENATOR DiFRANCESCO: The aggregate is just a bookkeeping problem.

DR. ROSENTHAL: You can take \$25 gifts, so a lobbyist can--

ASSEMBLYMAN DEVERIN: Is that with the sales tax, or without?

DR. ROSENTHAL: Any gift worth less than-- And that includes a meal?

SENATOR DiFRANCESCO: Yes.

DR. ROSENTHAL: So basically, you could go out to three meals with a lobbyist in a day, as long as no meal was

over \$25. Three meals the next day. You could eat every day with the same lobbyist, having three meals, as long as they were not over \$25.

MR. STANTON: I hope you are in love. (laughter)

DR. ROSENTHAL: I'm saying without an aggregate, it doesn't make sense; and with an aggregate, it is a bookkeeping monstrosity.

ASSEMBLYMAN HAYTAIAN: Alan?

DR. ROSENTHAL: Yes, sir?

ASSEMBLYMAN HAYTAIAN: I have had two--

DR. ROSENTHAL: Why do I trust you guys more than you trust yourselves? I must be very naive.

ASSEMBLYMAN HAYTAIAN: --reporters. One was a radio announcer, a media type, and another one was a reporter for a newspaper. We had lunch, I offered to buy, and they refused. Why can't we refuse? I think that truly is what we are talking about.

SENATOR DiFRANCESCO: They refuse because they have to.

ASSEMBLYMAN HAYTAIAN: I'm not sure. I don't know if they have to. It is probably their code of ethics. If I were to buy them that lunch, there could be a question on their reporting.

UNIDENTIFIED MEMBER OF COMMISSION: Do you mean The Trentonian?

ASSEMBLYMAN HAYTAIAN: No, no, no.

DR. ROSENTHAL: Some newspapers require it; that a reporter can't take any free meals or expenses.

ASSEMBLYMAN HAYTAIAN: So, why can't we have that policy?

SENATOR DiFRANCESCO: I don't know. The feeling I get is that it is not necessary because of the disclosure requirements that we have already discussed. Is that the gist of what--

DR. ROSENTHAL: I don't know. I think there is just a division of opinion here.

MR. BURSTEIN: There is a model that might be useful here, and that is with the judiciary. The judiciary is prohibited from accepting anything of value over and above their compensation by the Constitution, I think, if I am not mistaken, but wholly aside from the Constitution or otherwise, there exists-- There is a set of guidelines that governs the judiciary, and there is an advisory commission -- I happen to sit on it, so I know something about the way in which they operate -- to which problems come by judges who have been invited by an organization, or whatever, to address them, or to accept some kind of an honorary encomium by way of a plaque or scroll or what have you for service wholly dissociated from their judicial function.

But nonetheless, this body acts upon those things. Now, when you are dealing with ongoing problems -- that is to say these occur every couple of weeks, or months, or what have you -- that kind of structure, it seems to me could easily be incorporated into the legislative Ethics Commission, so that it does not require that the full Commission meet each time something comes up, but rather if there is a bar, and there are exceptions that we deem ought to be made, this kind of governing body might be the mechanism by which it could be done.

DR. ROSENTHAL: What do people feel about, let's say, the prohibition of gifts, with some exceptions? I mean, gifts--

ASSEMBLYMAN HAYTAIAN: Do we have to get specific today? I think that the resolution should be that gifts--

DR. ROSENTHAL: I don't think we can. It is basically the prohibition of gifts.

ASSEMBLYMAN HAYTAIAN: Prohibited. The exceptions will have a threshold, and leave it up to the Legislature--

DR. ROSENTHAL: And plaques and so forth.

SENATOR DiFRANCESCO: Well, let me take what I have heard today and try to put it in the form of a motion for the next time.

DR. ROSENTHAL: Or, we can do it now.

SENATOR DiFRANCESCO: Well, we can't do it now because people have raised a lot of potential exceptions.

MR. COLE: I think you could do it. You could do it, say, prohibiting gifts, except as may be allowed by the Joint Committee.

SENATOR DiFRANCESCO: That's pretty strong. It's fine with me, but it is pretty strong.

MS. SHEEHAN: Could I just ask, does that mean that every gift--

DR. ROSENTHAL: In connection with their official duties.

MS. SHEEHAN: Well, see, that is where I really have a problem. I mean, I think that if you make an exception with some rational threshold and bar no gifts, fine. But if you say, "Except in connection with their official duties," you are back to it being meaningless, because any gift of substance that has been a scandal of the past, has supposedly not been in connection with their official duties. So we are just going around in a circle.

DR. ROSENTHAL: Well, I think that a meal or a gift from a lobbyist would be in connection with their official duties, and there may be others. But it would delimit gifts from friends, from relatives. But essentially the sense of it would be to prohibit gifts in connection with their official duties, except when the Joint Committee decides otherwise.

ASSEMBLYMAN HAYTAIAN: But I think the present statute -- Marci, help us here-- If the present statute says that gifts are prohibited if they have anything to do with our official duties-- If so, prohibit them, so that we don't have to state that.

MS. HOCHMAN: Okay. That is true. All gifts related to a member's official duties--

ASSEMBLYMAN HAYTAIAN: Are prohibited.

MS. HOCHMAN: --are prohibited.

ASSEMBLYMAN HAYTAIAN: Period.

MS. HOCHMAN: The exception, however, currently, is the travel and subsistence--

ASSEMBLYMAN HAYTAIAN: Which we have taken care now because the Legislature is going to handle that through the associations reimbursing. Go ahead.

MS. HOCHMAN: Okay, but we have included in that category also the dinner at Lorenzo's, the drinks after a legislative session. Now, we have defined that as "subsistence."

SENATOR DiFRANCESCO: A subsistence requirement with the Senate President, yeah. (laughter)

DR. ROSENTHAL: It seems to me that the sense of the motion is to prohibit such gifts; the Lorenzo type gifts. But that would be the motion then. Why don't we vote on that motion? The motion would be to prohibit gifts to legislators that are made in connection with their official duties, unless exceptions are made by the Joint Committee on Ethical Standards.

MS. SHEEHAN: No threshold?

MR. STANTON: No threshold?

ASSEMBLYMAN DEVERIN: Suppose the Senator and I go to lunch together.

DR. ROSENTHAL: A Senator and you?

ASSEMBLYMAN DEVERIN: My Senator. Not him, he wouldn't take me to lunch.

SENATOR DiFRANCESCO: Well, he buys.

ASSEMBLYMAN DEVERIN: Yeah, but what do you do? He can't buy anymore.

DR. ROSENTHAL: No, you buy and he buys, because he may-- (laughter)

SENATOR DiFRANCESCO: The Senator's got the money, though.

DR. ROSENTHAL: Well, that seems to be--

MS. SHEEHAN: Without a threshold?

DR. ROSENTHAL: Without a threshold. I mean, I am not making the motion. I am just sort of formulating the motion. It seems that Senator DiFrancesco--

MR. STANTON: I'm not buying it. I think you have to have some de minimus in there, or you create a possible situation that they are allowable, or do you call them trinkets that are allowable?

MR. COLE: I guess, Tom, that in a sense, the Joint Committee would look at the two plaque cases, and say, "Plaques are not covered," and that would then become precedential thereafter, and after about six months you would have a wanted list of those trinkets. I think that is the sense.

MR. STANTON: Well, maybe if that is the sense, I--

DR. ROSENTHAL: Senator DiFrancesco, is that the sense of your motion -- to prohibit doubts -- or do you want to recoin--

SENATOR DiFRANCESCO: What?

DR. ROSENTHAL: I mean, I am going to vote against it anyway, but I just want to make--

SENATOR DiFRANCESCO: I think I should perhaps be more specific and take some time in dealing with this.

DR. ROSENTHAL: All right.

MR. STANTON: I think that is a good idea.

DR. ROSENTHAL: We will then meet next week--

ASSEMBLYMAN HAYTAIAN: Is this the only thing that is going to cause us to meet next week?

DR. ROSENTHAL: Well, no, I think we have a couple of other issues, such as post legislative employment that I think we ought to take up.

SENATOR DiFRANCESCO: Can we dispose of State contracts easily?

DR. ROSENTHAL: State contracts next week.

SENATOR DiFRANCESCO: Oh, next week. Okay.

DR. ROSENTHAL: Yeah, I'm saying that we have a number of items to take up next week, or else we will be here for another--

MR. STANTON: Next week it's at 1:00, right?

DR. ROSENTHAL: Next week it's at 1:00.

MS. SHEEHAN: But we agreed on 1:30 for the 26th?

DR. ROSENTHAL: Yeah, 1:30 for the 26th. Senator DiFrancesco, you will have a proposal for us?

UNIDENTIFIED MEMBER OF COMMISSION: Marci, are you going to work overtime on this? (no response)

SENATOR DiFRANCESCO: Is that it? Are we finished?

ASSEMBLYMAN HAYTAIAN: Are we happy?

DR. ROSENTHAL: Before you leave, can we have biographical sketches from each member? I guess you have them on the legislators, don't you?

SENATOR DiFRANCESCO: Yes.

DR. ROSENTHAL: For the report. Send Frank (referring to Commission Aide) a biographical sketch; a brief sketch, except for maybe mine. Limit it to one or two pages.

MR. BURSTEIN: What is this post employment thing you just threw out?

DR. ROSENTHAL: Should we discuss limiting post employment of legislators or staff as to lobbying?

MR. BURSTEIN: Like casino--

DR. ROSENTHAL: I am not saying, should there be post employment of inventions on legislators, as legislative-- (everyone on Commission speaking at once; indiscernible) I mean, we've got about two or three things. We don't have a lot of stuff, but we weren't going to finish--

MR. BURSTEIN: Well, I haven't seen anything in the material.

DR. ROSENTHAL: I think people have been kind of petering out. (remainder indiscernible to transcriber)

(MEETING CONCLUDED AT 3:40 p.m.)

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196



