

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY, No. 832

STATE OF NEW JERSEY 213th LEGISLATURE

DATED: JUNE 26, 2008

SUMMARY

- Synopsis:** Expands scope of New Jersey Regulatory Flexibility Act dealing with economic impact of rules on small businesses.
- Type of Impact:** Minimal.
- Agencies Affected:** New Jersey Commerce Commission; various State agencies.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Cost	Minimal	Minimal	Minimal

- The Office of Legislative Services (OLS) estimates that this legislation will have no fiscal impact on State agencies because each entity can comply with the provisions of this legislation with available resources.
- The OLS estimates that this legislation could have a minimal fiscal impact on the Judiciary. The new appeals process could have a minimal fiscal impact; however, it is unclear to what extent small businesses will choose to file an appeal or have the resources to participate in such an appeals process.
- This bill makes changes to the “New Jersey Regulatory Flexibility Act” in order to expand the scope of this law with regard to small businesses, defined as businesses that employ fewer than 100 full-time employees or having gross annual sales of less than \$6 million.
- The bill requires an agency to use, when developing rules, the consolidation or simplification of a compliance or reporting requirement for small businesses as an approach to minimize the rule’s impact on small businesses, so long as the public health, safety, or general public welfare is not endangered.

- The bill requires an agency to consider, when re-adopting rules (generally done every five years), a series of factors, as part of the regulatory flexibility analysis to ensure that the rule continues to have a minimal impact on small businesses. In all other cases, the agency must complete this analysis and file its findings for the record with the Office of Administrative Law and the New Jersey Commerce Commission.
- The bill establishes a process by which a small business that is adversely affected economically or aggrieved by final rule-making action may file a petition with the agency objecting to all or a part of a rule subject to regulatory flexibility analysis and seek judicial review of a determination on the petition to the Appellate Division of the Superior Court.

BILL DESCRIPTION

Assembly Bill No. 832 (1R) of 2008 makes changes to the “New Jersey Regulatory Flexibility Act” in order to expand the scope of the law with regard to small businesses, defined as businesses that employ fewer than 100 full-time employees or having gross annual sales of less than \$6 million.

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FISCAL ANALYSIS

EXECUTIVE BRANCH

The Judiciary provided an analysis of A-832 which stated that although it is unable to precisely determine the fiscal impact of this legislation, it is anticipated that any fiscal impact would be nominal.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that this legislation will have no fiscal impact on State agencies because each entity can comply with the provisions of this legislation with available resources.

The OLS concurs with the Judiciary in its estimate that it does not anticipate any significant fiscal impact from this legislation. The appeals process, although new, could have a minimal

fiscal impact; however, it is unclear to what extent small businesses will choose to file an appeal or have the resources to participate in such an appeals process.

Section: Commerce, Labor and Industry

*Analyst: Robin Ford
Assistant Fiscal Analyst*

*Approved: David J. Rosen
Legislative Budget and Finance Officer*

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-1 et seq.).