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SYNOPSIS

Reforms annual State revenue estimating and reporting, and executive State budget presentation and revenue certification processes.

CURRENT VERSION OF TEXT

As reported by the Senate Budget and Appropriations Committee on June 8, 2015, with amendments.



(Sponsorship Updated As Of: 12/18/2015)

1 AN ACT reforming annual State revenue estimating and reporting,
2 and executive State budget presentation and revenue certification
3 processes, amending P.L.1944, c.112 and P.L.1979, c.8 and
4 supplementing Title 52 of the Revised Statutes.

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

8
9 1. (New section) a. The State Treasurer, ex officio, and the
10 Legislative Budget and Finance Officer, ex officio, shall, together
11 with a third public member who shall be jointly selected thereby,
12 constitute a New Jersey Revenue Advisory Board that shall provide
13 the Governor and the Legislature with advisory consensus forecasts
14 of State revenues anticipated to be received by the State during:

15 (1) the present and next commencing fiscal year to support
16 annual State appropriations; and

17 (2) the next two ensuing fiscal years thereafter to support annual
18 State appropriations.

19 b. The public member shall be qualified by education, training
20 or experience related to State tax policy and revenue analysis. The
21 public member selected shall not be an individual who is holding
22 elective office. The public member selected shall serve for a term
23 of three years and may be reappointed for successive terms. A
24 vacancy in the public member position of the group shall be filled
25 by the joint selection of the other members. For purposes of board
26 membership, any vacancy in the Office of the State Treasurer shall
27 be filled by the acting State Treasurer as designated by law by the
28 Governor, and any vacancy in the position of Legislative Budget
29 and Finance Office shall be filled by the Executive Director of the
30 Office of Legislative Services.

31 c. The New Jersey Revenue Advisory Board shall organize as
32 soon as practicable, but no later than the 10th day after the selection
33 of its public member. The board chairperson shall be designated
34 from among its ex officio members to serve as chairperson on a
35 rotating basis with the State Treasurer serving during the fiscal year
36 commencing July 1, 2015 and during each fiscal year commencing
37 in odd-numbered years and the Legislative Budget and Finance
38 Officer serving as chairperson during fiscal years commencing in
39 even-numbered years. The chairperson shall appoint a secretary
40 who need not be a member of the board.

41 d. The New Jersey Revenue Advisory Board shall convene one
42 or more public hearings at the place or places it designates during
43 the second quarter of each State fiscal year. The board shall receive
44 public testimony and may invite such other participants who, in the

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SBA committee amendments adopted June 8, 2015.

1 judgment of the board, may provide guidance on the current
2 conditions in, and probable outlook for, the performance of the
3 economy of the State, as well as the effect of such conditions and
4 such performance on State revenues.

5 e. The New Jersey Revenue Advisory Board shall conduct
6 public meetings at the place or places it designates,

7 (1) one of which shall be on or before January 15 of each State
8 fiscal year to adopt the advisory consensus forecasts required
9 pursuant to paragraphs (1) and (2) of subsection a. of this section,
10 and

11 (2) one of which shall be on or before May 15 of each State
12 fiscal year to readopt or revise the advisory consensus forecasts
13 required pursuant to paragraph (1) of subsection a. of this section.

14 The board may meet and hold additional public meetings at the
15 times and in the places as the chairperson deems necessary and
16 appropriate to fulfill the duties of the board including but not
17 limited to providing periodic revisions to previous advisory
18 consensus State revenue forecasts. The board shall be entitled to
19 call to its assistance, and avail itself of the services of, the
20 employees of any State department, board, bureau, commission, or
21 agency as it may require and as may be available for its purposes.

22 f. The members of the New Jersey Revenue Advisory Board
23 shall serve without compensation for their service on the board, but
24 may be reimbursed for travel and other miscellaneous expenses
25 necessary to perform their duties, within the limits of the funds
26 appropriated or otherwise made available to the board for its
27 purposes or as may be reimbursed by the agency in which the
28 members may serve.

29 g. A government record for the purposes of P.L.1995, c.23
30 (C.47:1A-1.1 et al.) shall not include the following: any
31 memorandum, correspondence, notes, report or other
32 communication prepared by, or for the specific use of, a member of
33 the New Jersey Revenue Advisory Board in the course of the
34 board's or board member's consultations, deliberations or official
35 duties as a board member, except that this provision shall not apply
36 to an otherwise publicly accessible report submitted to the New
37 Jersey Revenue Advisory Board or its members, or the advisory
38 consensus State revenue forecasts required by this section to be
39 prepared and adopted by the board.

40

41 2. Section 11 of article 3 of P.L.1944, c.112 (C.52:27B-20) is
42 amended to read as follows:

43 11. The Governor shall examine and consider all requests for
44 appropriations, together with the findings and recommendations of
45 the Director of the Division of Budget and Accounting, and shall
46 formulate the Governor's budget recommendations, which shall be
47 presented as a budget message by the Governor during an
48 appearance before a joint session of the Legislature which shall be

1 convened at 12 noon on a date on or before the fourth Tuesday in
2 February in each year.

3 The budget message shall include the proposed complete
4 financial program of the State Government for the next ensuing
5 fiscal year, and shall set forth in columnar form detailed as to each
6 source of anticipated revenue and the purposes to which the
7 recommended appropriations and permissions to spend shall apply
8 for each spending agency in substantially the following form:

9 A. Revenues for the General Fund, other budgeted State
10 revenues, all other dedicated funds, Federal aid funds, and trust
11 funds:

12 (1) An estimate of all balances to be on hand on the first of July
13 next ensuing which are to be available for appropriations, supported
14 by the calculations used in arriving at the estimated figures;

15 (2) An estimate of the anticipated revenues from all sources
16 applicable to the next ensuing budget period, together with the
17 actual amount earned from each source during the last completed
18 fiscal year, and the estimate of revenues expected to be earned from
19 each source for the current fiscal year.

20 (3) An explanation of any variance of the estimates with respect
21 to current and next ensuing fiscal year for item (2) above compared
22 to the advisory consensus forecasts of State revenues prepared by
23 the New Jersey Revenue Advisory Board pursuant to section 1 of
24 P.L. , c. (C.) (pending before the Legislature as this bill).

25 B. (Deleted by amendment, P.L.2003, c.275).

26 C. Appropriations. The total of the appropriations
27 recommended for the ensuing fiscal year in substantially the
28 following form:

29 Detailed Budget:

30 (1) An itemized statement of the amounts of all [appropriation]
31 appropriations [requests] and [requests for permission]
32 permissions to spend recommended by the Governor from the
33 General State Fund, other budgeted State revenues, other dedicated
34 funds and Federal aid and trust funds;

35 (2) **[An itemized statement of the amounts recommended by the**
36 **Governor with respect to item (1) above;**

37 **(3)] An itemized statement of all amounts appropriated and**
38 **permissions granted for the current fiscal year with respect to item**
39 **["1"] (1) above;**

40 **[(4)] (3) An itemized statement of all amounts appropriated and**
41 **permissions granted for the last preceding fiscal year with respect to**
42 **item (1) above detailed as to annual and supplemental**
43 **appropriations, transfers of appropriations, State Emergency Fund**
44 **allotments, and permission to spend, as the case may be, and**
45 **showing also total expenditures, reserves, lapses and unencumbered**
46 **balances;**

1 **[(5)]** (4) In addition, such other statistical information as may
2 more fully show comparisons and costs of the several departments,
3 (cf: P.L.2003, c. 275, s.1)

4
5 3. (New section) The Governor shall, together with the
6 Governor's budget recommendations, which shall be presented as a
7 budget message by the Governor pursuant to section 11 of article 3
8 of P.L.1944, c.112 (C.52:27B-20), present:

9 a. For the ensuing fiscal year a comparison of recommended
10 appropriations amounts to statutory amounts, in an appendix
11 included in the published detailed Governor's budget
12 recommendations described in section 11 of article 3 of P.L.1944,
13 c.112 (C.52:27B-20), set forth in column form as a convenient
14 comparison of current services basis budget amounts for State
15 pension system employer contributions, State Aid for education,
16 Municipal Aid; and programs of direct taxpayer property tax relief,
17 with the differences, if any, of these amounts required for these
18 programs if the State were to fund all of its statutory obligations at
19 the current or normal service levels for these programs.

20 b. For each of the next two fiscal years following the ensuing
21 fiscal year, an itemized statement of the amounts projected by the
22 Governor with respect to item (1) of subsection C. of section 11 of
23 article 3 of P.L.1944, c.112 (C.52:27B-20), adjusted for current
24 services basis budgeting for program specific inflation, previously
25 enacted program expansions and eliminations, and caseload or
26 population changes accompanied by specific statements of
27 underlying assumptions and methods used to calculate all current
28 services basis amounts.

29 c. For each of the second and third fiscal years after the current
30 fiscal year, projections of anticipated revenues from all sources
31 applicable to those budget periods.

32
33 4. Section 15 of P.L.1979, c.8 (C.52:11-68) is amended to read
34 as follows:

35 15. It shall be the duty of the Legislative Budget and Finance
36 Officer to:

37 a. At the request of the Legislature or any member thereof,
38 collect and assemble factual information relating to the fiscal affairs
39 of the State;

40 b. At the request of the Legislature or any member thereof,
41 examine requests for appropriations and receive and investigate the
42 truth, fairness and correctness of all claims against the State for
43 payment of which appropriations are to be requested;

44 c. Report to the Legislature through the **Joint Appropriations**
45 **Committee** budget and appropriations committees, or in such other
46 manner as shall be directed by the Legislature, upon the foregoing
47 and as to any other matter which may be of assistance to **said**

1 committee] the budget and appropriations committees or the
2 Legislature in forming an independent judgment in the
3 determination of any fiscal matters before it and [attend upon]
4 assist the [Joint Appropriations Committee] budget and
5 appropriations committees during [its sittings and] any budget or
6 revenue hearings thereof and perform such services for [it as it] the
7 committees as they shall direct;

8 d. Provide the Legislature with expenditure information and,
9 upon request, performance analyses of programs and transactions.
10 (cf: P.L.1985, c.162, s.12)

11

12 5. (New section) The Director of the Division of Budget and
13 Accounting in the Department of the Treasury, in consultation with
14 the Legislative Budget and Finance Officer and the Office of
15 Information Technology, shall design, develop, and maintain a
16 single, public searchable Internet database, that contains and
17 displays information on the amounts of all appropriations and
18 permissions to spend recommended by the Governor for the current
19 and next ensuing fiscal year, that will allow users to customize and
20 display for budget program classification, consisting of an operating
21 program function of closely related activities with an identifiable
22 objective or goal, that may be within one or across more than one
23 spending agency or unit, summaries of related appropriations that
24 may appear at different locations within the Governor's budget
25 message.

26

27 6. (New section) After submission of the Governor's budget
28 message to the Legislature pursuant to section 11 of article 3 of
29 P.L.1944, c.112 (C.52:27B-20), the State Treasurer shall, after the
30 second public meeting of the New Jersey Revenue Advisory Board
31 required by subsection e. of section 1 of P.L. , c. (C.)
32 (pending before the Legislature as this bill) and before May 31
33 annually, appear before the Legislature's budget and appropriations
34 committees with a report of any revisions to the estimates of the
35 amount of revenue collected and anticipated to be collected by the
36 State to support appropriations for the current fiscal year and to
37 support appropriations for the ensuing fiscal year as had been
38 provided in the Governor's budget message. If the State Treasurer
39 reports to the committees any downward revisions to the these
40 estimates compared to the estimates presented in the Governor's
41 budget recommendations made pursuant to section 11 of article 3 of
42 P.L.1944, c.112 (C.52:27B-20), the State Treasurer shall report
43 therewith any changes in appropriations recommended for the
44 current and next ensuing fiscal year.

45

46 7. (New section) a. Each annual appropriations bill which has
47 passed the Legislature shall include a display in the preamble of the
48 bill the various items of State revenue anticipated to be collected by

1 the State to support appropriations for that fiscal year that the
2 Legislature has determined shall be available to support those
3 appropriations, and which shall be thereby deemed recommended
4 by the Legislature. The Governor shall not certify the total amount
5 of revenue on hand and anticipated which will be available to meet
6 all appropriations for that fiscal year pursuant to the Governor's
7 responsibility under Article VIII, Section II, paragraph 2 of the New
8 Jersey Constitution prior to the passage by the Legislature of an
9 annual appropriations bill.

10 b. ¹【The Governor shall include with the certification of revenue
11 for the annual appropriations bill a contingency plan describing
12 specific action to be undertaken by the Governor or the Legislature
13 to address a potential revenue shortfall for the fiscal year equal to
14 3% of the total appropriations approved for that fiscal year plus the
15 amount by which the certified revenues exceed the final advisory
16 consensus forecast of New Jersey Revenue Advisory Board for that
17 fiscal year except to the extent that the difference reflects a policy
18 change made subsequent to the board's final advisory consensus
19 forecast.

20 c. ¹ Each Governor, within a 30 day period before the last day
21 of that Governor's tenure in office, shall certify the total amount of
22 revenue on hand and anticipated which will be available to meet all
23 appropriations for the current fiscal year and recommend to the
24 Legislature a contingency plan describing specific action to be
25 undertaken by the next Governor or the Legislature to address a
26 potential revenue shortfall for the fiscal year if such a potential
27 revenue shortfall is indicated in the certification of revenue required
28 pursuant to this subsection.

29
30 8. Section 37 of article 3 of P.L.1944, c.112 (C.52:27B-46) is
31 amended to read as follows:

32 37. The Director of the Division of Budget and Accounting shall
33 prepare, within 60 days following December 31 and 90 days
34 following the last day in which annual appropriations are available
35 for expenditure during each fiscal year, a complete report showing:

36 a. Balance sheet of all assets and liabilities for all State funds.
37 b. Statement of **【General State Fund】** accrued revenues as
38 compared with anticipated revenues of the General State Fund, the
39 Property Tax Relief Fund, the Casino Revenue Fund, and other
40 budgeted State funds.

41 c. Summary report of the General State Fund, the Property Tax
42 Relief Fund, the Casino Revenue Fund, and other budgeted State
43 funds showing the condition of the appropriations, which shall
44 reflect the original appropriation, supplemental appropriations,
45 appropriated revenue, reappropriations, transfers to and from,
46 allotments from the emergency fund and expenditures made against
47 such appropriations.

1 d. **[Such]** Statement of miscellaneous revenues itemized by
2 department, major sources of budgeted federal aid itemized by
3 department, itemized information on income to the General State
4 Fund and other budgeted State revenues from major dedicated and
5 trust funds, sales and use tax collections by industry sector codes,
6 and such other information as **[he]** the director may deem
7 necessary and proper.

8 Such **[statement]** report, certified by the director, shall be
9 transmitted forthwith to the Governor, and shall be and remain a
10 public document on file in the office of the director, subject to
11 inspection by any citizen of the State, who shall have the right to
12 make or obtain copies thereof under such reasonable regulations as
13 the director may prescribe. Copies of **[said statement]** the report
14 shall be transmitted at the same time to the President of the Senate,
15 the Speaker of the General Assembly, the chairman of the
16 respective appropriation committees, the State Treasurer and the
17 State Auditor.

18 In addition the director shall prepare, publish and make public a
19 summarized monthly report of the General State Fund, the Property
20 Tax Relief Fund, and the Casino Revenue Fund no later than **[30**
21 **days]** the 10th working day following the end of each month which
22 shall reflect the accrued revenues as compared with anticipated
23 revenues for the prior month, itemized by revenue source for major
24 taxes, **[by department for miscellaneous revenues, by department**
25 **for major sources of Federal aid budgeted and with information on**
26 **income to the General State Fund from the major dedicated and**
27 **trust funds.]** including collections of such accrued revenue by
28 separate components of each such major tax, including but not
29 limited to withholding and estimated payments by taxpayers of
30 gross income tax, by collection methods such as by regular periodic
31 taxpayer returns and through taxpayer compliance programs and
32 other special efforts, and tax refund payments made therefrom and
33 refund applications pending thereunder. The monthly report shall
34 reflect the condition of the appropriations, any revisions to the most
35 recent projection or certification of anticipated revenue and other
36 such data **[which]** as the director shall determine.

37 Copies of the monthly reports shall be transmitted at the same
38 time to the President of the Senate, the Speaker of the General
39 Assembly, the chairs of the respective appropriation and budget
40 committees, the State Treasurer, the Legislative Budget and Finance
41 Officer and posted on the official website of the Division of Budget
42 and Accounting in the Department of the Treasury and remain
43 posted for the duration of the next three State fiscal years.

44 (cf: P.L.1977, c.158, s.1)

45
46 9. This act shall take effect immediately.