

ASSEMBLY, No. 420

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblyman KELLY

1 AN ACT requiring that all fees collected by State agencies be
2 deposited to the General Fund as undesignated revenue,
3 supplementing Title 52 of the Revised Statutes.

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

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8 1. Notwithstanding any law to the contrary, fees which include but
9 are not limited to fees for licenses, permits or other approvals, charges
10 for services, penalties, fines, assessments, and miscellaneous charges
11 collected by a department or agency of the State pursuant to statute
12 or regulation shall be deposited to the General Fund as undesignated
13 revenue.

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15 2. The Governor's budget message shall, in addition to the
16 information required to be set forth pursuant to section 11 of
17 P.L.1944, c.112 (C.52:27B-20), and pursuant to the "Environmental
18 Fee Accountability Act of 1991," P.L.1991, c.426 (C.52:27B-20.1
19 et seq.), set forth as anticipated revenue all fees, charges for services,
20 penalties, fines, assessments and miscellaneous charges anticipated to
21 be collected by a department or agency of the State during the budget
22 period. Any appropriation recommended for a department or agency
23 responsible for charging fees and enforcing penalties, fines and
24 assessments for the next ensuing fiscal year shall be set forth as a
25 proposed line item appropriation.

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27 3. This act shall take effect immediately but section 1 shall remain
28 inoperative until the fiscal year next commencing after enactment.

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STATEMENT

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33 This bill requires that all fees which include license fees, charges for
34 services, penalties, fines, assessments and miscellaneous charges
35 collected by State departments and agencies be deposited in the

1 General Fund. There are over 1,000 various fees that are collected.
2 This legislation is intended to change the practice of allowing agencies
3 control over the spending as well as the collection of fee revenues and
4 requires instead that collected fee revenues be deposited in the General
5 Fund subject to the Legislature's power over appropriations. In
6 current practice, fee revenues may be classified as "appropriated
7 funds" and treated as "off-budget" or "below the line" revenues that do
8 not restrict the amount of funds being appropriated. Such practices
9 are not easily controlled by the normal budget process, but the deposit
10 of these fees as undesignated revenue in the General Fund will allow
11 for better oversight of the use of these funds for the operational
12 expenses of the fee collecting agencies. Currently, some agencies
13 could raise as much funds from penalties as "appropriated revenue" as
14 they need and avoid legislative oversight of their operations.

15 The bill also requires these changes to be reflected in the
16 Governor's proposed budget recommendations made to the Legislature
17 for each fiscal year.

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22 Requires all fees collected by State agencies be deposited to the
23 General Fund as undesignated revenue; identical procedure to occur
24 in the Governor's recommended budget.