

ASSEMBLY, No. 1025

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblyman DiGAETANO

1 AN ACT providing for regulatory impact notes for certain proposed
2 legislation.

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

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7 1. The Legislative Budget and Finance Officer shall review each
8 bill and resolution upon introduction in the Senate or General
9 Assembly and certify if the bill or resolution would establish a new
10 State program or expand an existing State program, or establish or
11 expand a program of a county, municipality, school district or other
12 unit of local government, or be likely to have adverse effects on
13 competition, employment, investment, product innovation,
14 productivity, or cost and price structures in the private sector, or have
15 an annual impact on the State's business economy of more than
16 \$5,000,000. The Legislative Budget and Finance Officer shall file a
17 notice of the certification with the prime sponsor of the bill or
18 resolution, the chairman of the committee to which it is referred, and
19 the Secretary or Clerk of the House for entry into the records of the
20 House.

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22 2. If the bill or resolution is certified by the Legislative Budget and
23 Finance Officer, then the prime sponsor of the bill or resolution, any
24 member of the committee to which it is referred, or the presiding
25 officer, Majority Leader or Minority Leader of the House in which it
26 resides may direct, through the Legislative Budget and Finance
27 Officer, that a regulatory impact note be prepared on the bill or
28 resolution by the head of the department, agency, authority or other
29 entity specifically charged with the responsibility for administering its
30 provisions. The head of the entity is authorized to obtain essential
31 information from other State agencies in preparing the note.

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33 3. A regulatory impact note shall address the nature of the
34 regulations that may be imposed; their likely economic impact; the
35 potential adverse impact on competition, employment, investment,

1 product innovation, productivity, or cost and price structures; the
2 means for enforcing the regulations; the parties to be affected by the
3 regulations; the penalties for failure of affected parties to comply with
4 the regulations; the incremental administrative costs to be incurred by
5 the administering entity.

6 The note shall specifically contain the following information or
7 respond to the following questions:

8 a. the identification and quantification of parties affected by the
9 regulations;

10 b. the likely economic impact on a regulated party;

11 c. the quantification of the number of forms, impact statements,
12 surveys and other paperwork imposed by the regulations;

13 d. whether regulated parties will be required to maintain records
14 on-site for State use;

15 e. whether regulated parties will be required to obtain licenses,
16 certifications or permits and at what fee;

17 f. which agency will administer any licenses, certifications or
18 permits;

19 g. whether regulated parties will be required to appear before the
20 administering agency to obtain a license, certification or permit;

21 h. whether regulated parties will be required to disclose
22 information on materials or processes, including trade secrets;

23 i. whether regulated parties will be required to report certain
24 accidents and, if so, with what specificity;

25 j. whether regulated parties will be required to adhere to either
26 design or performance standards;

27 k. whether regulated parties will be required to retain attorneys,
28 accountants, engineers or other experts in order to comply with the
29 regulations;

30 l. which agency will be the lead agency to promulgate regulations;

31 m. whether any other agencies will be involved in promulgating or
32 enforcing regulations;

33 n. an estimate of the potential adverse impact on competition,
34 employment, investment, product innovation and productivity;

35 o. an estimate of the potential impact on wholesale and retail costs
36 or prices;

37 p. whether the administering agency will require an increase in staff
38 or budget to administer the program within the statutory time limits;

39 q. the agency, office or administrator who will enforce the
40 regulations;

41 r. whether the enforcing entity will perform on-site inspections;

42 s. the penalties for the failure of regulated parties to comply with
43 the regulations;

44 t. if fines are imposed for failure to comply with regulations, where
45 the collected funds will go;

46 u. the manner in which regulated parties will be informed of their

1 responsibility to comply with new regulations; and
2 v. whether new regulations duplicate or contradict any existing
3 regulations whether of the same or another agency.

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5 4. The head of the administering entity shall deliver the note within
6 45 days of receipt of the request to the Legislative Budget and Finance
7 Officer, who shall make the note available to the members of the
8 House and the public.

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10 5. No bill for which a certification has been made by the Legislative
11 Budget and Finance Officer shall be advanced to third reading in its
12 House of origin unless:

13 a. a regulatory impact note shall have been made available to the
14 members of the House and the public at least 10 days prior to
15 advancement; or

16 b. the committee to which the bill was referred shall have
17 determined, by majority vote of its authorized membership, that the bill
18 would not have the effect as certified by the Legislative Budget and
19 Finance Officer and that the need for a regulatory impact note does
20 not therefore apply.

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22 6. This act shall take effect 90 days after enactment.

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25 STATEMENT

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27 This bill requires that a regulatory impact note be prepared for any
28 bill that would establish a new State program, expand an existing one,
29 or might have an adverse effect on private sector activities such as
30 competition, employment, investment, product innovation or
31 productivity, or cost and price structures. A bill could not be placed
32 before a House for a vote unless the note was prepared or unless a
33 committee had determined that the bill would not create or expand a
34 program or have any of these adverse effects. This bill is based on a
35 recommendation offered by the Study Commission on Regulatory
36 Efficiency.

37 This act would take effect 90 days after enactment.

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42 Provides for regulatory impact notes for proposed legislation.