

[First Reprint]
ASSEMBLY, No. 1936

STATE OF NEW JERSEY

INTRODUCED MAY 6, 1996

By Assemblyman ROMANO

1 AN ACT concerning the New Jersey Commission on Capital Budgeting
2 and Planning and amending P.L.1975, c.208.

3

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

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7 1. Section 1 of P.L.1975, c.208 (C.52:9S-1) is amended to read as
8 follows:

9 1. As used in this act, the following words and terms shall have the
10 following meanings, unless the context shall indicate another or
11 different meaning or intent:

12 a. "Capital project" means any undertaking which is to be financed
13 or funded or is proposed to be financed or funded by the issuance of
14 bonds, notes or other evidences of indebtedness of the State or any
15 public authority thereof; or any undertaking which is to be financed
16 or funded or is requested to be financed or funded by an appropriation
17 in the annual budget, where the expenditure therefor is, by statute, or
18 under standards as they may be prescribed from time to time by the
19 Department of the Treasury, a capital expenditure.

20 b. "Commission" means the New Jersey Commission on Capital
21 Budgeting and Planning created by section 2 of this act;

22 c. "Plan" means the State Capital Improvement Plan provided for
23 by subsection a. of section 3. of this act.

24 d. "State agency" means an executive or administrative
25 department, office, public authority or other instrumentality of State
26 Government.

27 e. "Bonds" means bonds, notes, capital leases, lease purchases,
28 installment obligations, or other debt obligations.

29 f. "Debt and debt service" means the amount of outstanding
30 principal and interest payments due on bonds, or estimated to become

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly AAP committee amendments adopted June 17, 1996.

1 due on bonds, as appropriate.

2 (cf: P.L.1975, c.208, s.1)

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4 2. Section 3 of P.L.1975, c.208 (C.52:9S-3) is amended to read as
5 follows:

6 3. a. The commission shall each year prepare a State Capital
7 Improvement Plan containing its proposals for State spending for
8 capital projects, which shall be consistent with the goals and
9 provisions of the State Development and Redevelopment Plan adopted
10 by the State Planning Commission and shall be prepared after
11 consultation with the New Jersey Council of Economic Advisors,
12 created pursuant to P.L.1993, c.149 (C.52:9H-34 et seq.). Copies of
13 the plan shall be submitted to the Governor and the Legislature no
14 later than December 1 of each year. The plan shall provide:

15 (1) A detailed list of all capital projects of the State which the
16 commission recommends be undertaken or continued by any State
17 agency in the next three fiscal years, together with information as to
18 the effect of such capital projects on future operating expenses of the
19 State, and with recommendations as to the priority of such capital
20 projects and the means of funding them;

21 (2) The forecasts of the commission as to the requirements for
22 capital projects of State agencies for the four fiscal years next
23 following such three fiscal years and for such additional periods, if
24 any, as may be necessary or desirable for adequate presentation of
25 particular capital projects, and a schedule for the planning and
26 implementation or construction of such capital projects;

27 (3) A schedule for the next fiscal year of recommended
28 appropriations of bond funds from issues of bonds previously
29 authorized;

30 (4) A review of capital projects which have recently been
31 implemented or completed or are in process of implementation or
32 completion;

33 (5) Recommendations as to the maintenance of physical properties
34 and equipment of State agencies;

35 (6) Recommendations which the commission deems appropriate as
36 to the use of properties reported in subsection c. of this section;

37 (7) A report on the State's overall debt and the overall debt of local
38 entities and school districts within the State as reported, pursuant to
39 section 4 of P.L. , c. (pending before the Legislature as Assembly
40 Bill No. of 1996). This report shall include information on the
41 outstanding [general obligation] debt and debt service costs for the
42 prior fiscal year, the current fiscal year, and the estimated amount for
43 the subsequent five fiscal years [. In addition, the report shall provide
44 similar information on capital leases and installment obligations] ;

45 (8) An assessment of the [State's] ability of the State, local entities
46 and school districts to increase [its] their overall debt and a

1 recommendation on the amount of any such increase. In developing
2 this assessment and recommendation, the commission shall consider
3 those criteria used by municipal securities rating services in rating
4 governmental obligations; and

5 (9) Such other information as the commission deems relevant to
6 the foregoing matters.

7 b. Each State agency shall no later than August 15 of each year
8 provide the commission with:

9 (1) A detailed list of capital projects which each State agency seeks
10 to undertake or continue for its purposes in the next three fiscal years,
11 together with information as to the effect of such capital projects on
12 future operating expenses of the State, and with such relevant
13 supporting data as the commission requests;

14 (2) Forecasts as to the requirements for capital projects of such
15 agency for the four fiscal years next following such three fiscal years
16 and for such additional periods, if any, as may be necessary or
17 desirable for adequate presentation of particular capital projects, and
18 a schedule for the planning and implementation or construction of such
19 capital projects;

20 (3) A schedule for the next fiscal year of requested appropriations
21 of bond funds from issues of bonds previously authorized;

22 (4) A report on capital projects which have recently been
23 implemented or completed or are in process of implementation or
24 completion;

25 (5) A report as to the maintenance of its physical properties and
26 capital equipment;

27 (6) Such other information as the commission may request.

28 c. Each State agency shall, when requested, provide the
29 commission with supplemental information in addition to that to be
30 available to the commission under the computerized record keeping of
31 the Department of the Treasury, Bureau of Real Property
32 Management, concerning any real property owned or leased by the
33 agency including its current or future availability for other State uses.

34 d. A copy of the plan shall also be forwarded to the Division of
35 Budget and Accounting each year upon its completion, and the portion
36 of the plan relating to the first fiscal year thereof shall, to the extent it
37 treats of capital appropriations in the annual budget, constitute the
38 recommendations of the commission with respect to such capital
39 appropriations in the budget for the next fiscal year.

40 (cf: P.L.1995, c.398, s.2)

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42 ¹3. Section 7 of P.L.1975, c.208 (C.52:9S-7) is amended to read
43 as follows:

44 7. The commission may employ and fix the compensation of an
45 executive director who shall be its secretary and principal executive
46 officer. The commission shall be staffed by the Division of Budget

1 and Accounting of the Department of the Treasury and the component
2 of the Department of the Treasury with expertise in matters of public
3 finance. There is hereby created within [said division]the Division of
4 Budget and Accounting a bureau of capital planning for this purpose.
5 The commission may also employ such other stenographic, clerical
6 and expert assistance, and incur such traveling and other miscellaneous
7 expenses as it may deem necessary in order to perform its duties and
8 as may be within the limits of funds appropriated or otherwise made
9 available to it.¹

10 (cf: P.L.1975, c.208, s.7)

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12 ¹[3.] 4.¹ This act shall take effect immediately.

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17 Expands powers and duties of Commission on Capital Budgeting and
18 Planning.