

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[FIRST REPRINT]

SENATE, No. 2

STATE OF NEW JERSEY

DATED: JANUARY 29, 1996

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 2 [1R] of 1996.

Senate Bill No. 2 1R implements the constitutional amendment, recently approved by the voters at the 1995 general election, prohibiting, except in certain cases, the enactment of new laws by the Legislature and promulgation of new administrative rules and regulations promulgated by State agencies that impose unfunded mandates on counties, municipalities or school districts.

As the constitutional amendment requires, the bill also creates a nine-member Council on Local Mandates to review and issue written rulings upon complaints filed with the council by a county, municipality or school district, or by a county executive or directly elected mayor, that a statute or a rule or regulation constitutes an impermissible unfunded State mandate.

FISCAL IMPACT

The bill requires the Legislature to appropriate annually from the General Fund an amount needed by the Council on Local Mandates to carry out its duties. For the remainder of Fiscal Year 1996, the bill appropriates \$350,000 to the council for its needs. It is not known at this time how much funding the council will require annually for its activities.

The council itself must establish plans for its organization and may incur expenses within the limit of funds made available. Although the council cannot employ a permanent executive director, the council may employ permanent clerical and secretarial staff. The council may retain legal counsel on a temporary basis to represent it in certain matters and may contract for the services of professional, technical and operational staff as deemed necessary.

Each council member will receive \$125 reimbursement for each meeting attended, plus reimbursement for expenses incurred in the performance of the member's duties. Each council member also may retain one professional employee for limited terms of one year for each employee.

The council will be required to report annually to the Legislature

and the Governor on the staff the council and the council members have employed, the salaries paid to those staff and other associated costs of operating the council.