

SENATE, No. 959

STATE OF NEW JERSEY

INTRODUCED MARCH 18, 1996

By Senator INVERSO

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

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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. 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  
31 due on bonds, as appropriate.

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

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

**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.**

1 follows:

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

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

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

23 (3) A schedule for the next fiscal year of recommended  
24 appropriations of bond funds from issues of bonds previously  
25 authorized;

26 (4) A review of capital projects which have recently been  
27 implemented or completed or are in process of implementation or  
28 completion;

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

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

33 (7) A report on the [State's] overall debt within the State, based on  
34 the data received, pursuant to section 4 of P.L. , c. (pending before  
35 the Legislature as Senate Bill, No. 960 of 1996) and subsection a. of  
36 section 16 of P.L. , c. (pending before the Legislature as Senate  
37 Bill, No. 961 of 1996). This report shall include information on the  
38 outstanding [general obligation] debt and debt service costs for the  
39 prior fiscal year, the current fiscal year, and the estimated amount for  
40 the subsequent five fiscal years [ . In addition, the report shall provide  
41 similar information on capital leases and installment obligations] ;

42 (8) An assessment of the [State's] ability of the State, local entities  
43 and school districts to increase [its] their overall debt and a  
44 recommendation on the amount of any such increase. In developing  
45 this assessment and recommendation, the commission shall consider  
46 those criteria used by municipal securities rating services in rating

1 governmental obligations; and

2 (9) Such other information as the commission deems relevant to  
3 the foregoing matters.

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

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

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

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

19 (4) A report on capital projects which have recently been  
20 implemented or completed or are in process of implementation or  
21 completion;

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

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

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

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

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

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39 3. This act shall take effect immediately.

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#### STATEMENT

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44 This bill amends the law which created the New Jersey Commission  
45 on Capital Budgeting and Planning. It expands the commission's  
46 duties to require that the State Capital Improvement Plan provide a

1 report on the overall debt within the State, to include: 1) that of the  
2 Executive Branch, including all executive and administrative  
3 departments, agencies, public authorities, or other instrumentalities of  
4 State government, and State colleges and universities, which are  
5 authorized to issue bonds, based on aggregate data received from the  
6 State Treasurer; and 2) that of local entities and school districts, also  
7 based on data received from the State Treasurer. This report shall  
8 include information on the outstanding debt and debt service costs for  
9 the prior fiscal year, the current fiscal year, and the estimated amount  
10 for the subsequent five fiscal years.

11 The bill also expands the commission's duties to require that the  
12 State Capital Improvement Plan provide an assessment of the ability  
13 of the State, local entities and school districts to increase their overall  
14 debt and a recommendation on the amount of any such increase.

15 Enactment of these changes would require the commission to  
16 consider all debt, including such non-capital debt as incurred by State  
17 authorities, because the total level of debt or debt service may have an  
18 impact on future capital financing.

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23 Expands powers and duties of Commission on Capital Budgeting and  
24 Planning.