

LEGISLATIVE FISCAL ESTIMATE TO
SENATE, No. 1326
STATE OF NEW JERSEY

DATED: July 15, 1996

Senate Bill No. 1326 of 1996 authorizes the Commissioner of Transportation to lease, license or contract for the use, management or operation of departmental property in such manner as to produce revenue for the support of the State. The bill authorizes the commissioner to set fees that yield at least a fair rental value for the use of departmental property. Alternatively, the use of departmental property may be awarded on the basis of competitive public bids if such award is determined to be in the best interest of the State, price and other factors considered. Further, the bill authorizes municipalities in which departmental right-of-way or real property is located to receive 5% of net State revenues provided from the lease, license, or use of departmental property for fibre optic facilities.

The Office of Legislative Services (OLS) notes that this bill is similar to Assembly Bill No. 2898 of 1995. In a previous fiscal note submitted in July 1995 by the Department of Transportation (DOT) for that bill, DOT estimated that it would receive about \$2.17 million annually in revenues but anticipated expenditures of about \$50,000 to hire an additional staff person to manage this new property leasing program. Consequently, that bill projected a \$2.12 million net surplus to the State.

Pending confirmation from the department, OLS would consider that the 1995 estimate by DOT remains a reasonably accurate current estimate. However, OLS cannot readily determine how much of the net State surplus would be allocated to municipalities as a result of fibre optic revenue sharing agreements.

The legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.