

SENATE, No. 1695

STATE OF NEW JERSEY

INTRODUCED NOVEMBER 18, 1996

By Senators LaROSSA, McNAMARA and Inverso

1 **AN ACT** concerning the assessment of certain charges by State
2 agencies and supplementing Title 52 of the Revised Statutes.

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

7 1. As used in this act, "State agency" means any department,
8 division, board, bureau, commission, council, authority, office or other
9 instrumentality in the Executive branch of State government funded by
10 the annual Appropriations Act.

11 2. Notwithstanding any law, rule or regulation to the contrary, if
12 a State agency provides services to or performs functions for another
13 State agency or agency project, the State agency providing the
14 services or performing the functions shall not assess or collect any
15 funds from the user State agency or project nor apply any charge for
16 the provision of the services or the performance of the functions.
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19 3. The provisions of this act shall not prohibit the Director of the
20 Division of Budget and Accounting from transferring or crediting to
21 any central data processing center any appropriation made to any State
22 agency which has been appropriated or allocated to the State agency
23 for its share of the costs of the data processing center, including the
24 replacement of data processing equipment and the purchasing of
25 additional data processing equipment.

27 4. This act shall take effect immediately.

STATEMENT

This bill stipulates that if a State agency provides services to or performs functions for another State agency or agency project, the State agency providing the services or performing the functions shall not assess or collect any funds from the user State agency or project nor apply any charge for the provision of the services or the performance of the functions. This legislation is necessary because

1 certain State agencies have been assessing other State agencies
2 charges in connection with the provision of services or the
3 performance of functions. For example, the Division of Building and
4 Construction in the Department of the Treasury assesses other State
5 agencies charges for the management of building and construction
6 projects. The division is then reimbursed by the agency it is assisting
7 even though both the division and the user agency are State agencies.
8 This reimbursement practice can only approximate actual costs, may
9 lead to over billing and thereby add to the total cost of projects, and
10 complicates the appropriations process by requiring reimbursements
11 between State agencies.

12 The provisions of this act shall not prohibit the Director of the
13 Division of Budget and Accounting from transferring or crediting to
14 any central data processing center any appropriation made to any State
15 agency which has been appropriated or allocated to the State agency
16 for its share of the costs of the data processing center, including the
17 replacement of data processing equipment and the purchasing of
18 additional data processing equipment.

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23 Provides that a State agency cannot assess another State agency a
24 charge for providing services or performing functions.