

LEGISLATIVE FISCAL ESTIMATE TO

SENATE, No. 1962

STATE OF NEW JERSEY

DATED: JULY 16, 1997

Bill Summary:

Senate Bill No. 1962 of 1996 reduces application fees for a certificate of need in two areas:

- C The add-on percentage for projects with a cost of \$10 million or more would be the same as for projects with a cost of between \$1 and \$10 million, that is, 0.05% of the total project cost, with a maximum fee of \$100,000, rather than 1.0% of total project cost, as the law currently provides..
- C Expedited reviews would cost \$1,250 or 25% of any higher minimum fee which may be established in the future (currently the fee is \$5,000).

Agency Comments:

The Department of Health and Senior Services (DHSS) and the Office of Management and Budget have not provided any fiscal information on the legislation.

Office of Legislative Services Comments:

For each project with a cost of \$10 million or more, DHSS would lose up to \$90,000 in revenues, depending on the cost of the project. For each expedited review project, DHSS would lose \$3,750 in revenues.

As the number of projects with a cost of \$10 million or more and the number of expedited review projects that will be undertaken in any fiscal year is not known, the actual revenue loss to DHSS cannot be determined. However, for every 10 projects with a cost of \$10 million that now pay \$10,000 in application fees instead of \$100,000 under this bill, DHSS would lose \$900,000 in application fees. Similarly, for every 100 expedited review projects that would pay \$1,250, instead of \$5,000 under this bill, DHSS would lose \$375,000 in revenues.

This 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.