

# SENATE, No. 3563

## STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED MARCH 18, 2021

**Sponsored by:**

**Senator TROY SINGLETON**

**District 7 (Burlington)**

### **SYNOPSIS**

Updates monthly and annual reporting requirements for various State funds, revenues, and expenditures.

### **CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT reforming State revenue and expenditure reporting and  
2 disclosure requirements, amending P.L.1944, c.112 and  
3 supplementing Title 52 of the Revised Statutes.

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

7  
8 1. Section 37 of article 3 of P.L.1944, c.112 (C.52:27B-46) is  
9 amended to read as follows:

10 a. The Director of the Division of Budget and Accounting shall  
11 prepare, within 60 days following December 31 and 90 days  
12 following the last day in which annual appropriations are available  
13 for expenditure during each fiscal year, a complete report showing:

14 **【a.】** (1) Balance sheet of all assets and liabilities for all State  
15 funds.

16 **【b.】** (2) Statement of 【General State Fund】 accrued revenues as  
17 compared with anticipated revenues of the General State Fund,  
18 Property Tax Relief Fund, Casino Revenue Fund, and other  
19 budgeted State funds.

20 **【c.】** (3) Summary report of the General State Fund, Property Tax  
21 Relief Fund, Casino Revenue Fund, and other budgeted State funds  
22 showing the condition of the appropriations, which shall reflect the  
23 original appropriation, supplemental appropriations, appropriated  
24 revenue, reappropriations, transfers to and from, allotments from  
25 the emergency fund and expenditures made against such  
26 appropriations.

27 **【d. Such】** (4) Statement of miscellaneous revenues itemized by  
28 department, major sources of budgeted federal aid itemized by  
29 department, itemized information on income to the General State  
30 Fund and other budgeted State revenues from major dedicated and  
31 trust funds, sales and use tax collections by industry sector codes,  
32 and such other information as 【he】 the director may deem  
33 necessary and proper.

34 b. **【Such statement】** The report, certified by the director, shall  
35 be transmitted forthwith to the Governor, and shall be and remain a  
36 public document on file in the office of the director, subject to  
37 inspection by any citizen of the State, who shall have the right to  
38 make or obtain copies thereof under such reasonable regulations as  
39 the director may prescribe. Copies of **【said statement】** the report  
40 shall be transmitted at the same time to the President of the Senate,  
41 the Speaker of the General Assembly, the **【chairman】** chairs of the  
42 respective **【appropriation】** budget and appropriations committees,  
43 the State Treasurer **【and】**, the State Auditor, and the Legislative  
44 Budget and Finance Officer. **【In addition the director shall prepare**

**EXPLANATION** – Matter enclosed in bold-faced brackets **【thus】** in the above bill is  
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 a summarized monthly report of the General State Fund no later  
2 than 30 days following the end of each month which shall reflect  
3 the accrued revenues as compared with anticipated revenues,  
4 itemized by revenue source for major taxes, by department for  
5 miscellaneous revenues, by department for major sources of Federal  
6 aid budgeted and with information on income to the General State  
7 Fund from the major dedicated and trust funds. The report shall  
8 reflect the condition of the appropriations and other such data which  
9 the director shall determine.】

10 (cf: P.L.1977, c.158, s.1)

11  
12 2. (New section) a. The Director of the Division of Budget and  
13 Accounting shall prepare and make public, not later than the 10th  
14 day following the end of each month, a report on the financial  
15 condition of the State.

16 b. The report required by subsection a. of this section shall  
17 contain the following:

18 (1) a detailed, itemized monthly report of revenues accrued to  
19 the General State Fund, Property Tax Relief Fund, and Casino  
20 Revenue Fund. The report shall reflect accrued revenues for the  
21 month compared with anticipated revenues for that month, based on  
22 the revenue certification by the Governor, pursuant to Article VIII,  
23 Section II, Paragraph 2, of the State Constitution or estimates  
24 provided pursuant to section 11 of P.L.1944, c.112 (C.52:27B-20)  
25 or any revision thereof, and actual revenues for that same month in  
26 the prior fiscal year itemized by:

27 (i) revenue source for major taxes, including collections of  
28 accrued revenue by separate components of each major tax,  
29 including, but not limited to, withholdings, direct payments, and  
30 estimated payments by taxpayers of gross income tax, sales and use  
31 tax collections by industry sector codes, tax refund payments  
32 reimbursed, and those payments pending reimbursement. The  
33 report shall differentiate by collection method, such as by regular  
34 periodic taxpayer returns or through regular taxpayer compliance  
35 programs and other special efforts,

36 (ii) department for miscellaneous revenues,

37 (iii) department for major sources of federal aid budgeted, and

38 (iv) income source to the General State Fund and other budgeted  
39 revenues from the major dedicated and trust funds.

40 (2) a detailed, itemized report of expenditures from the General  
41 State Fund, Property Tax Relief Fund, Casino Revenue Fund, other  
42 budgeted State revenues, other dedicated funds, federal funds, and  
43 trust funds. The report shall reflect actual expenditures as  
44 compared with anticipated and estimated expenditures for each  
45 spending agency in the categories of Direct State Services, Grants-  
46 in-Aid, and State Aid for the prior month and shall include the total  
47 amount expended by each spending agency during the fiscal year.  
48 The report shall account for any changes in spending agency

1 expenditures that differ from the annual appropriations act and all  
2 supplements to the annual appropriations act. The report prepared  
3 pursuant to this subsection shall be published and made public with  
4 the report prepared by the director pursuant to subsection a. of this  
5 section.

6 (3) an analysis of the State's cash flow including a summary of:

7 (i) all cash receipts received by the General State Fund, Property  
8 Tax Relief Fund, Casino Revenue Fund, and all other dedicated  
9 funds, and trust funds, from all governmental and non-governmental  
10 sources, including, but not limited to, interfund transfers and short-  
11 term notes issued by the State for cash flow management purposes,  
12 during the prior month, and an estimate of the cash receipts to be  
13 received during the two months next following the prior month;

14 (ii) all outlays from the General State Fund, Property Tax Relief  
15 Fund, Casino Revenue Fund, and all other dedicated funds, and  
16 trust funds, for each spending agency, stated separately for the  
17 categories of Direct State Services, Grants-in-Aid, and State Aid,  
18 including, but not limited to, intergovernmental transfers, debt  
19 service, capital expenditures, and amounts credited to the Surplus  
20 Revenue Fund, and an estimate of outlays during the two months  
21 next following the prior month; and

22 (iii) the estimated undesignated fund balance in the General State  
23 Fund.

24 c. Copies of the monthly reports prepared pursuant to this  
25 section shall be transmitted at the same time to the President of the  
26 Senate, the Speaker of the General Assembly, the chairs of the  
27 respective appropriation and budget committees, the State  
28 Treasurer, the State Auditor, and the Legislative Budget and  
29 Finance Officer, and shall be posted on the Department of the  
30 Treasury's Internet website.

31  
32 3. This act shall take effect immediately.  
33  
34

### 35 STATEMENT

36  
37 This bill improves the disclosure requirements for monthly and  
38 annual reporting of State financial information by updating the  
39 State's monthly revenue, expenditure, and cash flow reporting  
40 requirements. This bill also requires the Director of the Division of  
41 Budget and Accounting (now also known as the Office of  
42 Management and Budget) to issue a monthly report of expenditures  
43 by each spending agency, such as a State department or board, and a  
44 monthly analysis of the State's cash flow.

45 The bill enhances the current practice of monthly financial  
46 reporting to include the condition and income of all major State  
47 funds, including prompt disclosure of the State's accrued revenues  
48 as compared with anticipated revenues, itemized by revenue source

1 for major taxes. Detailed monthly reporting will include collections  
2 of accrued revenues by separate components of each major tax,  
3 including, but not limited to, withholdings, direct payments, and  
4 estimated payments by taxpayers of gross income tax, by collection  
5 methods such as by regular periodic taxpayer returns and through  
6 taxpayer compliance programs and other special efforts, and tax  
7 refund payments and refund applications pending.

8 Annual revenue reporting will also include a statement of  
9 miscellaneous revenues itemized by department, major sources of  
10 budgeted federal aid itemized by department, itemized information  
11 on income sources to the General State Fund and other budgeted  
12 State revenues from major and dedicated trust funds, and sales and  
13 use tax collections by industry sector codes. The bill also expands  
14 the reporting requirement to include the Casino Revenue Fund and  
15 the Property Tax Relief Fund.

16 The bill also introduces a monthly expenditure reporting  
17 component to the State's financial disclosure requirements. The  
18 detailed expenditure summary will provide an accounting of  
19 expenditures by spending agencies in the main categories of State  
20 appropriations: Direct State Services, Grants-in-Aid, and State Aid.  
21 The report will include information on actual expenditures, as  
22 compared to anticipated and estimated expenditures for each State  
23 spending agency, and the total amount expended during the fiscal  
24 year. The report will also account for any changes in expenditures  
25 that differ from the annual appropriations act.

26 This bill requires the preparation of a monthly cash flow  
27 analysis. The cash flow report will provide a more comprehensive  
28 view of the State's financial position than is provided in the current  
29 monthly revenue report. The cash flow analysis will include  
30 information on receipts from all sources, including interfund  
31 transfers and short-term borrowing, and outlays, including  
32 intergovernmental transfers, capital expenditures, and debt service.

33 The bill requires the monthly revenue, expenditure, and cash  
34 flow reports to be completed no later than the 10th day following  
35 the end of each month. The bill requires the monthly reports be  
36 transmitted to the President of the Senate, the Speaker of the  
37 General Assembly, the chairs of the respective appropriation and  
38 budget committees, the State Treasurer, the State Auditor, and the  
39 Legislative Budget and Finance Officer and posted online on the  
40 official website of the Department of the Treasury.