

52:9H-31

LEGISLATIVE HISTORY CHECKLIST
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"State Revenue Forecasting
Advisory Commission"

NJSA: 52:9H-31

LAWS OF: 1992 CHAPTER: 75

BILL NO: S583

SPONSOR(S) McNamara & others

DATE INTRODUCED: March 16, 1992

COMMITTEE: ASSEMBLY: Appropriations
SENATE: Budget

AMENDED DURING PASSAGE: Yes

DATE OF PASSAGE: ASSEMBLY: June 11, 1992
SENATE: May 21, 1992

DATE OF APPROVAL: July 31, 1992

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: ASSEMBLY: Yes
SENATE: Yes

FISCAL NOTE: Yes

VETO MESSAGE: No

MESSAGE ON SIGNING: No

FOLLOWING WERE PRINTED:

REPORTS: No

HEARINGS: No

KBG:pp

[FIRST REPRINT]

SENATE, No. 583

STATE OF NEW JERSEY

INTRODUCED MARCH 16, 1992

By Senators McNAMARA, CONNORS, SINAGRA,
CORMAN, LITTELL and BUBBA

1 AN ACT creating a permanent advisory commission to provide
2 State revenue forecasts, supplementing Title 52 of the Revised
3 Statutes and making an appropriation.

4

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

7 1. a. There is established ¹[in, but not of, the Department of
8 the Treasury,]¹ a commission to be known as the "State Revenue
9 Forecasting Advisory Commission." The commission shall consist
10 of ¹[13] eight¹ members, of whom four shall be appointed by the
11 Governor, ¹[four] two¹ shall be appointed by the President of the
12 Senate and ¹[four] two¹ shall be appointed by the Speaker of the
13 General Assembly, provided that no more than half of the
14 appointments of each appointing authority shall be of the same
15 political party. ¹[The thirteenth member, who shall serve ex
16 officio, shall be the chairperson of the Joint Appropriations
17 Committee of the New Jersey Legislature or the committee's
18 designated successor.]¹

19 b. In appointing the commission members, the appointing
20 authorities shall select individuals who have knowledge and
21 practical experience in the private sector in the application of
22 economic forecasting, analyzing business trends and cycles, tax
23 accounting, and the preparation and filing of State tax returns.
24 No member ¹[, other than the chairperson of the Joint
25 Appropriations Committee,]¹ shall be a nominee for, or hold, an
26 elective office ¹, other than on a local board of education,¹ or
27 serve in government employment other than public college or
28 university employment during the member's period of service on
29 the commission. ¹[Each member may designate an alternate to
30 represent the member at meetings of the commission. All
31 designees may lawfully vote and otherwise act on behalf of the
32 member for whom they constitute the designee. The designation
33 shall be in writing delivered to the commission and shall continue
34 in effect until revoked or amended in writing delivered to the
35 commission.]¹

36 c. Members of the commission ¹[other than those serving ex
37 officio]¹ shall serve for a term of four years, except that of the
38 ¹[four]¹ appointments first made to the commission by each
39 appointing authority, ¹[two members, who shall not be of the
40 same political party,] half of the appointments¹ shall serve for a
41 term of two years and ¹[two members, who shall not be of the
42 same political party,] half of the appointments¹ shall serve for a

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Senate SBA committee amendments adopted May 18, 1992.

1 term of four years. ¹No more than one half of the appointments
2 of an appointing authority may be of the same political party.¹
3 The term of each member shall be deemed to commence on July
4 1 of the calendar year of the appointment and shall expire on
5 June 30 of the second or fourth calendar year thereafter, as the
6 case may be for the first or subsequent appointments, but
7 members shall continue to serve during a succeeding term until
8 the appointment and qualification of a successor. Any vacancy
9 during a term shall be filled in the same manner as the original
10 appointment but only for the balance of the unexpired term.
11 Members shall be eligible for reappointment to successive terms.
12 Any member of the commission may be removed for cause by the
13 appointing authority. The members shall serve without
14 compensation but shall be reimbursed for necessary expenses
15 incurred in the performance of their duties, subject to the
16 availability of funds therefor.

17 d. The commission shall organize as soon as may be
18 practicable following the appointment of its members, ¹to elect a
19 chairperson from among the members appointed by the President
20 of the Senate and the Speaker of the General Assembly, and¹ to
21 select a secretary, who need not be a member of the
22 commission. The commission may formulate and adopt rules of
23 procedure and operation in furtherance of its responsibilities. The
24 commission may divide itself into such task forces and
25 subcommittees as it deems necessary to accomplish its purposes.
26 The commission may meet and hold hearings at such places and
27 times as it shall designate.

28 2. The commission shall engage in a continuous study of State
29 tax and revenue collections and related economic conditions with
30 particular attention to the periodic monitoring of revenue
31 collections under the State's tax system and the forecasting of
32 revenues anticipated to be received by the State during the
33 present and next commencing fiscal year. The commission shall,
34 at least quarterly, make revenue forecasts which shall be
35 provided by way of written reports, to the Governor to assist him
36 in the preparation of his annual budget message and in his
37 certification of revenues available to support appropriations, and
38 to the members of the ¹[Joint Appropriations] Senate Budget and
39 Appropriations Committee and the Assembly Appropriations¹
40 Committee, or ¹[its successor] their successors¹, to assist them
41 during their appropriations hearings and deliberations. The
42 commission shall make such further interim reports to the
43 Governor and the ¹[committee] committees¹ as it shall deem
44 advisable, or as shall be requested by the Governor or by ¹[the]
45 either¹ committee. All official forecasts and reports of the
46 commission shall be made available for public dissemination
47 following their submission to the Governor or the ¹[committee, or
48 both] committees¹. The commission shall consider the expert
49 opinions of its members in formulating its revenue forecasts in
50 addition to the use of traditional quantitative techniques and
51 econometric forecasting and statistical models.

52 3. a. The commission shall be entitled to call to its assistance
53 and avail itself of the services of employees of any State, county
54 or municipal department, board, bureau, commission or agency as

1 it may require and as may be available to it for its purposes, and
2 to employ counsel and stenographic and clerical assistants and
3 incur traveling and other miscellaneous expenses as it may deem
4 necessary, in order to perform its duties, and as may be within
5 the limits of funds appropriated or otherwise made available to it
6 for its purposes.

7 b. The State Treasurer shall report to the commission not later
8 than 10 days following the end of each month on the amount of
9 State revenues collected during that month for deposit in the
10 General Treasury.

11 c. The commission may make use of existing studies, surveys,
12 data and other materials in the possession of any State agency ¹,
13 other than the records and files of the Director of the Division of
14 Taxation that are confidential under R.S.54:50-8¹, ¹[or] and¹
15 such materials in the possession of¹ any county, municipality or
16 political subdivision of the State. Each State agency, county,
17 municipality and political subdivision of the State shall make any
18 information or materials available to the commission as it may
19 require to perform its responsibilities under this act.

20 4. There is appropriated \$50,000 from the General Fund to the
21 State Revenue Forecasting Advisory Commission to carry out the
22 purposes of this act.

23 5. This act shall take effect immediately.

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28 Establishes the "State Revenue Forecasting Advisory
29 Commission;" appropriates \$50,000.

1 data and other materials in the possession of any State agency, or
2 any county, municipality or political subdivision of the State.
3 Each State agency, county, municipality and political subdivision
4 of the State shall make any information or materials available to
5 the commission as it may require to perform its responsibilities
6 under this act.

7 4. There is appropriated \$50,000 from the General Fund to the
8 State Revenue Forecasting Advisory Commission to carry out the
9 purposes of this act.

10 5. This act shall take effect immediately.

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STATEMENT

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15 This bill establishes the "State Revenue Forecasting Advisory
16 Commission" as a 13 member permanent commission to engage in
17 a continuous study of State tax and revenue collections and to
18 provide advisory State revenue forecasts to assist the Governor
19 and the Legislature in the estimation of State tax revenues for
20 State budget purposes. The commission membership comprises
21 the chairperson of the Legislature's Joint Appropriations
22 Committee and 12 public members appointed by the Governor,
23 the President of the Senate, and the Speaker of the General
24 Assembly in a bipartisan manner. The public members are to be
25 selected based upon their knowledge and practical experience in
26 the private sector in the application of economic forecasting,
27 analyzing business trends and cycles, tax accounting, and the
28 preparation and filing of State tax returns. The appointment of
29 private sector tax and economics experts to this advisory
30 commission will contribute a certain grass-roots, business
31 expertise to the often difficult task of identifying developing
32 economic trends and business factors that can impact in
33 unanticipated ways upon State tax and revenue collections and
34 projections.

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39 Establishes the "State Revenue Forecasting Advisory
40 Commission;" appropriates \$50,000.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[FIRST REPRINT]

SENATE, No. 583

STATE OF NEW JERSEY

DATED: JUNE 8, 1992

The Assembly Appropriations Committee reports favorably Senate Bill No. 583 (1R).

Senate Bill No. 583 (1R) establishes the "State Revenue Forecasting Advisory Commission" as a permanent eight member commission which shall engage in continuous study of State tax and revenue collections and provide advisory revenue forecasts to assist the Governor and the Legislature in estimating tax revenues for State budget purposes. The commission's eight public members shall be selected in a bipartisan manner based upon their knowledge and practical experience in the private sector as specified in the bill. The appointment of private sector tax and economics experts is intended to provide a certain grass-roots, business expertise to the complicated task of identifying economic trends and conditions that can impact in various ways upon State tax and revenue collections and projections.

The commission shall provide quarterly revenue forecasts in written form to specified offices of state government. The bill also permits the commission to avail itself of certain staffing and support services as may be required to complete its mission. In addition, the bill requires that the State Treasurer report to the commission within 10 days of the end of each month on the receipt of State revenues during that month for deposit in the General Treasury.

Senate Bill No. 583 (1R) is identical to Assembly Bill No. 546 as amended.

FISCAL IMPACT:

The bill makes an appropriation of \$50,000 from the General Fund to support the functions of the commission.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 583

with Senate committee amendments

STATE OF NEW JERSEY

DATED: MAY 18, 1992

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 583, with committee amendments.

Senate Bill No. 583, as amended, establishes the "State Revenue Forecasting Advisory Commission" as a permanent eight member commission which shall engage in continuous study of State tax and revenue collections and provide advisory revenue forecasts to assist the Governor and the Legislature in estimating tax revenues for State budget purposes. The commission's eight public members shall be selected in a bipartisan manner based upon their knowledge and practical experience in the private sector as specified in the bill. The appointment of private sector tax and economics experts is intended to provide a certain grass-roots, business expertise to the complicated task of identifying economic trends and conditions that can impact in various ways upon State tax and revenue collections and projections.

The commission shall provide quarterly revenue forecasts in written form to specified offices of state government. The bill also permits the commission to avail itself of certain staffing and support services as may be required to complete its mission. In addition, the bill requires that the State Treasurer report to the commission within 10 days of the end of each month on the receipt of State revenues during that month for deposit in the General Treasury.

COMMITTEE AMENDMENTS:

The committee amendments (1) decrease the total membership of the commission from 13 to eight, with four appointed by the Governor and two each by the President of the Senate and the Speaker of the General Assembly, (2) provide that the members shall select their chairperson from among the Legislative appointees, (3) permit members of Boards of Education to be appointees, and (4) protect the confidentiality of tax returns.

FISCAL IMPACT:

This bill was not certified as needing a fiscal note. However, the bill makes an appropriation of \$50,000 from the General Fund to support the functions of the commission.

LEGISLATIVE FISCAL ESTIMATE TO

[FIRST REPRINT]

SENATE, No. 583

STATE OF NEW JERSEY

DATED: June 18, 1992

Senate Bill No. 583 (1R) establishes the "State Revenue Forecasting Advisory Commission," eight-member bipartisan permanent commission to advise the Governor and Legislature on State tax and revenue collections and related economic conditions. The commission is directed to provide the Governor and the legislative appropriations committees with State revenue forecasts, in the form of written reports, at least quarterly.

Four of the eight members of the advisory commission will be appointed by the Governor, with two each appointed by the President of the Senate and the Speaker of the General Assembly. The commissioners are to serve without compensation, but shall be reimbursed for necessary expenses incurred in performing their duties, subject to the availability of funds. The commission is empowered to employ legal counsel and stenographic and clerical assistants, and to incur expenses, again subject to the availability of funds. The commission is also entitled to the assistance of any State or local government employees who are made available by their employing agencies.

The bill includes an appropriation of \$50,000 to the State Revenue Forecasting Advisory Commission from the General Fund.

The Office of Legislative Services (OLS) notes that the appropriation in the bill is the effective cap on the State cost associated with the commission, at least in the first year, since the commission's ability to employ staff and incur administrative expenses is limited by both the language in the bill and the availability of funding. The most likely expenditures required of the commission will be for professional services (e.g., consultants and computer forecasting and modeling services), printing and distribution of its reports and perhaps for secretarial assistance. It is reasonable to assume that most or all of the \$50,000 appropriation will be obligated for such services. Beyond that, the commission would have to rely on the assistance of the Office of Management and Budget, the Division of Taxation, the OLS and perhaps college and university resources.

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.