

48:2-60

LEGISLATIVE HISTORY CHECKLIST

NJSA: 48:2-60

(Board of Public
Utilities--assessment
for regulatory
assessments--increase
maximum)

LAWS OF: 1989

CHAPTER: 281

Bill No: S3943

Sponsor(s): Weiss

Date Introduced: November 30, 1989

Committee: Assembly: -----

Senate: Revenue, Finance & Appropriations

Amended during passage: Yes **Amendments during passage
denoted by asterisks.**

Date of Passage: Assembly: January 4, 1990

Senate: December 11, 1989

Date of Approval: January 11, 1990

Following statements are attached if available:

Sponsor statement: Yes

Committee Statement: Assembly: No

Senate: Yes

Fiscal Note: No

Veto Message: No

Message on signing: No

Following were printed:

Reports: No

Hearings: No

P.L.1989, CHAPTER 281, approved January 11, 1990
1989 Senate No. 3943 (First Reprint)

1 AN ACT concerning the Board of Public Utilities, amending
2 P.L.1968, c.173.

3

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

6 1. Section 2 of P.L.1968, c.173 (C.48:2-60) is amended to read
7 as follows:

8 2. The assessment shall be equal to a percentage of the gross
9 operating revenue of the public utilities [and public movers] under
10 the jurisdiction of the board derived from intrastate operations
11 during the preceding calendar year at a rate to be determined
12 annually by the board on or before June 30 in the following
13 manner:

14 The total amount appropriated to the [Department] Board of
15 Public Utilities by law for its general purposes for its next fiscal
16 year shall be divided by the total amount of the gross operating
17 revenues of all public utilities [and public movers] under the
18 jurisdiction of the board derived from intrastate operations
19 during the preceding calendar year. The quotient resulting shall
20 constitute the percentage rate of the assessment for the calendar
21 year in which such computation is made. The total amount so
22 assessed to any particular public utility [or public mover] shall
23 not exceed [1/6] 1/4 of 1% of the gross operating revenue subject
24 to assessment hereunder of that utility [or public mover] derived
25 from its intrastate operation during the preceding calendar year,
26 except that the minimum assessment for any public utility [or
27 public mover] shall be [\$50.00] \$500.00.

28 (cf: P.L.1975, c.37, s.1)

29 2. This act shall take effect immediately and ¹shall first¹
30 apply to assessments ¹[for the fiscal year 1990] required to be
31 determined by the Board of Public Utilities on or before June 30,
32 1990¹.

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 SRF committee amendments adopted November 30, 1989.

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PUBLIC UTILITIES
State Government

**Increases maximum assessment allowed to Board of Public
Utilities for regulatory expenses.**

SENATE, No. 3943

STATE OF NEW JERSEY

INTRODUCED NOVEMBER 30, 1989

By Senator WEISS

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30 assessments for the fiscal year 1990.

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STATEMENT

This bill provides for an increase in the separate assessment made by the Board of Public Utilities to cover its costs of regulation. Under current law, an assessment not to exceed 1/6 of 1% of the gross revenues from intrastate operations of utilities regulated by the board is made annually. The bill increases the maximum amount of the assessment to 1/4 of 1% of gross revenues from intrastate operations, to reflect the higher cost of regulation, and increases the minimum assessment from \$50 to \$500. Additionally, since public movers are no longer regulated by the board, this bill deletes references to movers from the law.

PUBLIC UTILITIES
State Government

Increases maximum assessment allowed to Board of Public Utilities for regulatory expenses.

**SENATE REVENUE, FINANCE AND
APPROPRIATIONS COMMITTEE**

STATEMENT TO

SENATE, No. 3943

with Senate committee amendments

STATE OF NEW JERSEY

DATED: NOVEMBER 30, 1989

The Senate Revenue, Finance and Appropriations Committee favorably reports Senate Bill No. 3943 with committee amendments.

Senate Bill No. 3943, as amended, allows for an increase in the amount of the maximum assessments that are made annually by the Board of Public Utilities (BPU) against all public utilities under its jurisdiction to cover the board's costs of public utility regulation. The assessments are determined by the BPU as a percentage of the gross operating revenues of each public utility derived from interstate operations during the prior calendar year. That percentage rate is calculated annually by dividing the total amount appropriated to the BPU for its general purposes by the total amount of the gross operating revenues of all public utilities from interstate operations. However, under current law, the annual assessment against a regulated public utility may not exceed 1/6 of 1% of the utility's gross revenues from intrastate operations. This bill increases the maximum assessment level to 1/4 of 1% of gross revenues to allow the BPU to recover from the public utilities the higher costs of public utility regulation. The bill also increases the minimum assessment from \$50 to \$500. Additionally, since public movers are no longer regulated by the board, this bill deletes references to movers from the law.

COMMITTEE AMENDMENTS:

The Committee amended the effective date of the bill to clarify that the first assessment for which the increased maximum assessment level will apply is the assessment to be determined on or before June 30, 1990. These assessments are determined annually on or before June 30.

FISCAL IMPACT:

The Board of Public Utilities is authorized, under P.L.1988, c.173 (C.48:2-59 et seq.), to assess its costs of regulation against the utilities it regulates, subject to a maximum assessment percentage.

The actual assessment amounts are dependent upon appropriations made or allocated to the BPU through the State budget process and the utilities' intrastate gross operating revenues. It is estimated that in fiscal year 1990 the 1/6 of 1% assessment ceiling has resulted in a General Fund "subsidization" of the BPU's operations of about \$600,000 (compared to an overall BPU budget of approximately \$18.9 million). The increase in the maximum assessment to 1/4 of 1% for fiscal year 1991 does not allow the BPU to automatically assess this higher amount against the utilities, but it will allow for sufficient leeway in levying increased assessments so that the BPU may recover its actual costs in the near future, barring any unanticipated expansion of its regulatory mission.