

SPONSORS STATEMENT: (Begins on page 3 of original bill) Yes

Bill and Sponsors Statement identical to S2298

COMMITTEE STATEMENT: **ASSEMBLY:** Yes 5/17/2001(Telecom.)
6/25/2001(Approp.)

SENATE: No

FLOOR AMENDMENT STATEMENTS: No

LEGISLATIVE FISCAL ESTIMATE: Yes

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: Yes

FOLLOWING WERE PRINTED:

To check for circulating copies, contact New Jersey State Government

Publications at the State Library (609) 278-2640 ext.103 or <mailto:refdesk@njstatelib.org>

REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: No

SENATE, No. 2298

STATE OF NEW JERSEY
209th LEGISLATURE

INTRODUCED MARCH 26, 2001

Sponsored by:

Senator MARTHA W. BARK

District 8 (Atlantic, Burlington and Camden)

Senator BERNARD F. KENNY, JR.

District 33 (Hudson)

Co-Sponsored by:

Senator Singer

SYNOPSIS

Increases BPU membership from three to five members.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning the membership of the Board of Public Utilities,
2 and amending R.S.48:2-1 and P.L.1948, c.90.

3
4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6
7 1. R.S.48:2-1 is amended to read as follows:

8 48:2-1. [There is hereby established in the Executive Branch of the
9 State Government a principal department which shall be known as the
10 Department of Public Utilities. The Board of Public Utility
11 Commissioners, hereinafter in this chapter designated as the "board,"
12 created and established by the act entitled "An act concerning public
13 utilities; to create a board of public utility commissioners and to
14 prescribe its duties and powers," approved April 21, 1911
15 (L.1911, c.195, p.374), as amended and supplemented, is continued
16 and is designated the head of such principal department.] a. The
17 Board of Public Utilities, named pursuant to Reorganization Plan No.
18 001-1994, effective on July 4, 1994, and allocated in, but not of, the
19 Department of the Treasury pursuant to that plan, is continued and is
20 designated as the Board of Public Utilities or the "board."

21 b. The board shall consist of [~~three~~] five citizens of this State who
22 shall devote their entire time to the duties of the board and shall not
23 engage in any occupation, profession or other gainful employment.

24 c. Members of the board shall be appointed by the Governor, with
25 the advice and consent of the Senate, for terms of [~~6~~] six years. The
26 terms of office of the members of the board shall continue until their
27 successors are appointed and qualified. No person shall act as a
28 member of the board until [~~his~~] that person's appointment has been
29 confirmed by the Senate. Not more than [~~two~~] three of the members
30 of the board shall be members of the same political party. All
31 vacancies, except through the expiration of term, shall be filled for the
32 unexpired term only.

33 (cf: P.L.1973, c.294, s.1)

34
35 2. Section 2 of P.L.1948, c.90 (C.48:2-1.1) is amended to read as
36 follows:

37 2. The Governor shall designate one of the members of the [~~board~~
38 of public utility commissioners] Board of Public Utilities as president
39 of [~~such~~] the board. Any member of the board so designated shall
40 serve as [~~such~~] the president at the pleasure of the Governor
41 [~~designating him~~] making that designation and until [~~his~~] a successor
42 has been designated. The president of the board shall be its presiding

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

1 officer and the chief administrative officer of the [Department] Board
2 of Public Utilities. The other members of the board shall be eligible
3 to appointment to fill a vacancy in the office of president of the board.
4 (cf: P.L.1948, c.90, s.2)

5
6 3. This act shall take effect immediately.

7
8
9 STATEMENT

10
11 This bill would increase the membership of the Board of Public
12 Utilities ("board") from three to five citizen members, and no more
13 than three of whom are of the same political party. The board has a
14 wide range of responsibilities over complex issues, including the
15 responsibility of ensuring that consumers benefit from the restructuring
16 and deregulation of the electricity, natural gas, and
17 telecommunications industries. Increasing the membership of the
18 board will help ensure that these issues are addressed effectively,
19 thoroughly and efficiently. Increasing the membership will also ensure
20 that quorum requirements are met and that the important business of
21 the board can continue when a single member is absent due to illness
22 or recusation.

SENATE ECONOMIC GROWTH, AGRICULTURE AND
TOURISM COMMITTEE

STATEMENT TO

SENATE, No. 2298

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 24, 2001

The Senate Economic Growth, Agriculture and Tourism Committee reports favorably Senate Bill No. 2298 with committee amendments.

This bill, as amended, would increase the membership of the Board of Public Utilities ("board") from three to five citizen members, and no more than three of whom are of the same political party. The board has a wide range of responsibilities over complex issues, including the responsibility of ensuring that consumers benefit from the restructuring and deregulation of the electricity, natural gas, and telecommunications industries. Increasing the membership of the board will help ensure that these issues are addressed effectively, thoroughly and efficiently. Increasing the membership will also ensure that quorum requirements are met and that the important business of the board can continue when a single member is absent due to illness or recusation.

The amendments adopted by the committee establish a phase-in period that provides for two members of the board to constitute a majority until a fourth member is appointed and confirmed at which time three members will constitute a majority. Upon appointment and confirmation of a fifth member, the provisions of R.S.48:2-40, which require a majority vote of the board to adopt an order, shall be applicable.

As amended, Senate Bill, No. 2298, is identical to Assembly Bill, No. 3289(1R).

[First Reprint]

SENATE, No. 2298

STATE OF NEW JERSEY
209th LEGISLATURE

INTRODUCED MARCH 26, 2001

Sponsored by:

Senator MARTHA W. BARK

District 8 (Atlantic, Burlington and Camden)

Senator BERNARD F. KENNY, JR.

District 33 (Hudson)

Co-Sponsored by:

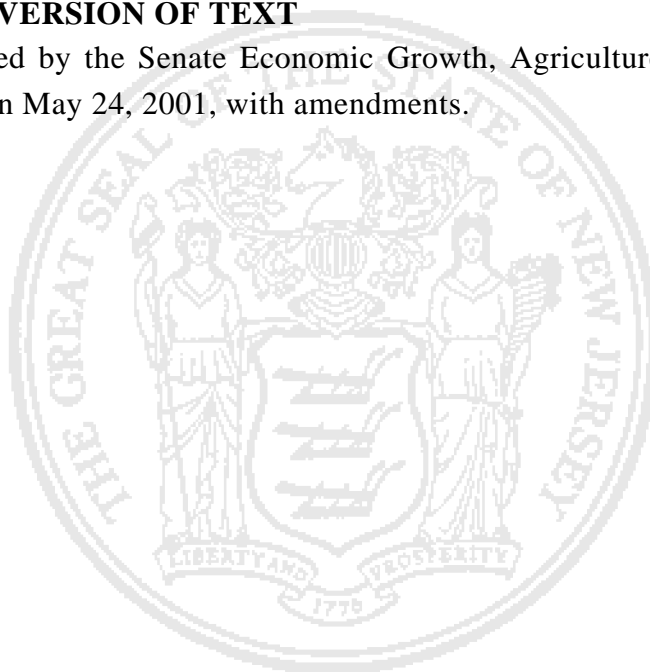
Senator Singer, Assemblymen DiGaetano, Doria and Geist

SYNOPSIS

Increases BPU membership from three to five members.

CURRENT VERSION OF TEXT

As reported by the Senate Economic Growth, Agriculture and Tourism Committee on May 24, 2001, with amendments.



(Sponsorship Updated As Of: 6/29/2001)

1 AN ACT concerning the membership of the Board of Public Utilities,
2 ¹[and]¹ amending R.S.48:2-1 and P.L.1948, c.90 ¹and
3 supplementing chapter 2 of Title 48 of the Revised Statutes¹.

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

7
8 1. R.S.48:2-1 is amended to read as follows:

9 48:2-1. [There is hereby established in the Executive Branch of the
10 State Government a principal department which shall be known as the
11 Department of Public Utilities. The Board of Public Utility
12 Commissioners, hereinafter in this chapter designated as the "board,"
13 created and established by the act entitled "An act concerning public
14 utilities; to create a board of public utility commissioners and to
15 prescribe its duties and powers," approved April 21, 1911
16 (L.1911, c.195, p.374), as amended and supplemented, is continued
17 and is designated the head of such principal department.] a. The
18 Board of Public Utilities, named pursuant to Reorganization Plan No.
19 001-1994, effective on July 4, 1994, and allocated in, but not of, the
20 Department of the Treasury pursuant to that plan, is continued and is
21 designated as the Board of Public Utilities or the "board."

22 b. The board shall consist of [three] five citizens of this State who
23 shall devote their entire time to the duties of the board and shall not
24 engage in any occupation, profession or other gainful employment.

25 c. Members of the board shall be appointed by the Governor, with
26 the advice and consent of the Senate, for terms of [6] six years. The
27 terms of office of the members of the board shall continue until their
28 successors are appointed and qualified. No person shall act as a
29 member of the board until [his] that person's appointment has been
30 confirmed by the Senate. Not more than [two] three of the members
31 of the board shall be members of the same political party. All
32 vacancies, except through the expiration of term, shall be filled for the
33 unexpired term only.

34 (cf: P.L.1973, c.294, s.1)

35
36 2. Section 2 of P.L.1948, c.90 (C.48:2-1.1) is amended to read as
37 follows:

38 2. The Governor shall designate one of the members of the [board
39 of public utility commissioners] Board of Public Utilities as president
40 of [such] the board. Any member of the board so designated shall
41 serve as [such] the president at the pleasure of the Governor

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and 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 SEG committee amendments adopted May 24, 2001.

1 [designating him] making that designation and until [his] a successor
2 has been designated. The president of the board shall be its presiding
3 officer and the chief administrative officer of the [Department] Board
4 of Public Utilities. The other members of the board shall be eligible
5 to appointment to fill a vacancy in the office of president of the board.
6 (cf: P.L.1948, c.90, s.2)

7
8 ¹3. (New section) Notwithstanding the provisions of R.S.48:2-40
9 to the contrary, two members of the board shall constitute a majority
10 of the board until such time as a fourth member of the board is
11 appointed by the Governor and confirmed by the Senate, at which time
12 three members of the board shall constitute a majority of the board.
13 Upon the appointment and confirmation of a fifth member of the
14 board, the provisions of R.S.48:2-40 shall be applicable.¹

15
16 ¹[3.] 4.¹ This act shall take effect immediately.

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE, No. 2298

STATE OF NEW JERSEY

209th LEGISLATURE

DATED: JUNE 14, 2001

SUMMARY

Synopsis: Increases BPU membership from three to five members.

Type of Impact: Increases operating costs of BPU. Costs to be offset by increase in assessments on regulated utilities. No General Fund impact.

Agencies Affected: Board of Public Utilities (BPU)

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Cost	\$589,000	\$612,560	\$637,062
State Revenue	\$589,000	\$612,560	\$637,062

- ! The Office of Legislative Services (OLS) estimates that implementation of this bill will have no impact on the State's General Fund.
- ! Two additional commissioners are expected to increase BPU's operating expenses by approximately \$589,000 in the first year. This increase will be offset by Board assessments on regulated utilities.

BILL DESCRIPTION

Senate Bill No. 2298 (1R) of 2001 would increase the membership of the Board of Public Utilities from three to five citizen members.

The bill establishes a phase-in period that provides for two members of the board to constitute a majority until a fourth member is appointed and confirmed at which time three members will constitute a majority. Upon appointment and confirmation of a fifth member, the provisions of R.S.48:2-40 shall be applicable.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The Office of Legislative Services notes that increasing the membership of the Board of Public Utilities by two members will result in increased operating expenses for the Board; these costs include direct (salaries, materials and supplies) and indirect (fringe benefits) expenses of the additional members and their staff. Overhead expenses are expected to be minimal, as excess office space is currently available. The addition of two members to the Board will impact the activity and costs of the various divisions of the BPU, which is expected to be absorbed by the current organization.

Each commissioner will receive a salary, currently \$105,000 per year, and is authorized to hire sufficient support staff pursuant to R.S.48:2-2, such as executive staff assistants, secretaries, and confidential assistants. Each commissioner is expected to require at least two support staff. Based on current staffing and salary levels, the OLS estimates a combined cost of approximately \$294,500 per commissioner, for a total of over \$589,000 in the first year. Costs will increase in future years from cost of living step increases.

The Board has statutory authority to assess fees on regulated industries to support its operating expenses, pursuant to P.L.1972, c.36 (C.48:2-59). Therefore, the bill will not impact the General Fund.

Section: *Central Management Unit*

Analyst: *Mark Trease*
Assistant Fiscal Analyst

Approved: *Alan R. Kooney*
Legislative Budget and Finance Officer

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.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 2298

STATE OF NEW JERSEY

DATED: MAY 31, 2001

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 2298 (1R).

This bill would increase the membership of the Board of Public Utilities ("board") from three to five members, no more than three of whom are to be of the same political party. The board has a wide range of responsibilities over complex issues, including responsibility for ensuring that consumers benefit from the restructuring and deregulation of the electricity, natural gas, and telecommunications industries. Increasing its membership will better enable the board to address these issues effectively, thoroughly and efficiently, and help to ensure that quorum requirements are met and that the business of the board can continue when a member is absent due to illness or recusal.

FISCAL IMPACT:

The Office of Legislative Services (OLS) notes that increasing the membership of the Board of Public Utilities by two members will result in increased operating expenses for the Board; these costs include direct (salaries, materials and supplies) and indirect (fringe benefits) expenses of the additional members and their staff. Overhead expenses are expected to be minimal, as excess office space is currently available. The addition of two members to the Board will impact the activity and the costs of the various divisions of the BPU, which is expected to be absorbed by the current organization.

Each commissioner will receive a salary, currently \$105,000 per year, and is expected to require at least two support staff. Based on current staffing and salary levels, the OLS estimates a combined cost of approximately \$294,500 per commissioner, for a total of over \$589,000 in the first year. Costs will increase in future years from cost of living increases.

The Board has statutory authority to assess fees on regulated industries to support its operating expenses. Therefore, the bill will not impact the General Fund.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 2298

STATE OF NEW JERSEY

DATED: JUNE 25, 2001

The Assembly Appropriations Committee reports favorably Senate Bill No. 2298 (1R).

Senate Bill No. 2298 (1R) increases the membership of the Board of Public Utilities ("board") from three to five members, no more than three of whom are to be of the same political party. The board has a wide range of responsibilities over complex issues, including responsibility for ensuring that consumers benefit from the restructuring and deregulation of the electricity, natural gas, and telecommunications industries. Increasing its membership will better enable the board to address these issues effectively, thoroughly and efficiently, and help to ensure that quorum requirements are met and that the business of the board can continue when a member is absent due to illness or recusal.

The bill as reported is identical Assembly Bill No. 3289 (1R) as also reported by the committee.

FISCAL IMPACT:

The Office of Legislative Services (OLS) notes that increasing the membership of the Board of Public Utilities by two members will result in increased operating expenses for the Board; these costs include direct (salaries, materials and supplies) and indirect (fringe benefits) expenses of the additional members and their staff. Overhead expenses are expected to be minimal, as excess office space is currently available. The addition of two members to the Board will impact the activity and the costs of the various divisions of the BPU, which is expected to be absorbed by the current organization.

Each commissioner will receive a salary, currently \$105,000 per year, and is expected to require at least two support staff. Based on current staffing and salary levels, the OLS estimates a combined cost of approximately \$294,500 per commissioner, for a total of over \$589,000 in the first year. Costs will increase in future years from cost of living increases.

The Board has statutory authority to assess fees on regulated industries to support its operating expenses. Therefore, the bill will not impact the General Fund.

ASSEMBLY, No. 3289

STATE OF NEW JERSEY 209th LEGISLATURE

INTRODUCED MARCH 8, 2001

Sponsored by:

Assemblyman PAUL DIGAETANO

District 36 (Bergen, Essex and Passaic)

Assemblyman JOSEPH V. DORIA, JR.

District 31 (Hudson)

SYNOPSIS

Increases BPU membership from three to five members.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning the membership of the Board of Public Utilities,
2 and amending R.S.48:2-1 and P.L.1948, c.90.

3
4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6
7 1. R.S.48:2-1 is amended to read as follows:

8 48:2-1. [There is hereby established in the Executive Branch of the
9 State Government a principal department which shall be known as the
10 Department of Public Utilities. The Board of Public Utility
11 Commissioners, hereinafter in this chapter designated as the "board,"
12 created and established by the act entitled "An act concerning public
13 utilities; to create a board of public utility commissioners and to
14 prescribe its duties and powers," approved April 21, 1911 (L.1911, c.
15 195, p. 374), as amended and supplemented, is continued and is
16 designated the head of such principal department.] a. The Board of
17 Public Utilities, named pursuant to Reorganization Plan No. 001-1994,
18 effective on July 4, 1994, and allocated in, but not of, the Department
19 of the Treasury pursuant to that plan, is continued and is designated
20 as the Board of Public Utilities or the "board."

21 b. The board shall consist of [three] five citizens of this State who
22 shall devote their entire time to the duties of the board and shall not
23 engage in any occupation, profession or other gainful employment.

24 c. Members of the board shall be appointed by the Governor, with
25 the advice and consent of the Senate, for terms of [6] six years. The
26 terms of office of the members of the board shall continue until their
27 successors are appointed and qualified. No person shall act as a
28 member of the board until [his] that person's appointment has been
29 confirmed by the Senate. Not more than [two] three of the members
30 of the board shall be members of the same political party. All
31 vacancies, except through the expiration of term, shall be filled for the
32 unexpired term only.

33 (cf: P.L.1973, c. 294, s. 1)

34
35 2. Section 2 of P.L.1948, c.90 (C.48:2-1.1) is amended to read as
36 follows:

37 2. The Governor shall designate one of the members of the [board
38 of public utility commissioners] Board of Public Utilities as president
39 of [such] the board. Any member of the board so designated shall
40 serve as [such] the president at the pleasure of the Governor
41 [designating him] making that designation and until [his] a successor
42 has been designated. The president of the board shall be its presiding

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 officer and the chief administrative officer of the [Department] Board
2 of Public Utilities. The other members of the board shall be eligible
3 to appointment to fill a vacancy in the office of president of the board.
4 (cf: P.L.1948, c.90, s.2)

5

6 3. This act shall take effect immediately.

7

8

9

STATEMENT

10

11 This bill would increase the membership of the Board of Public
12 Utilities ("board") from three to five citizen members, and no more
13 than three of whom are of the same political party. The board has a
14 wide range of responsibilities over complex issues, including the
15 responsibility of ensuring that consumers benefit from the restructuring
16 and deregulation of the electricity, natural gas, and
17 telecommunications industries. Increasing the membership of the
18 board will help ensure that these issues are addressed effectively,
19 thoroughly and efficiently. Increasing the membership will also ensure
20 that quorum requirements are met and that the important business of
21 the board can continue when a single member is absent due to illness
22 or recusation.

ASSEMBLY TELECOMMUNICATIONS AND UTILITIES
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3289

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 17, 2001

The Assembly Telecommunications and Utilities Committee reports favorably and with committee amendments Assembly Bill No. 3289.

As amended, this bill would increase the membership of the Board of Public Utilities ("board") from three to five citizen members, and no more than three of whom are of the same political party. The board has a wide range of responsibilities over complex issues, including the responsibility of ensuring that consumers benefit from the restructuring and deregulation of the electricity, natural gas, and telecommunications industries. Increasing the membership of the board will help ensure that these issues are addressed effectively, thoroughly and efficiently. Increasing the membership will also ensure that quorum requirements are met and that the important business of the board can continue when a single member is absent due to illness or recusal.

The amendments adopted by the committee establish a phase-in period that provides for two members of the board to constitute a majority until a fourth member is appointed and confirmed at which time three members will constitute a majority. Upon appointment and confirmation of a fifth member, the provisions of R.S.48:2-40 shall be applicable.

[First Reprint]

ASSEMBLY, No. 3289

STATE OF NEW JERSEY
209th LEGISLATURE

INTRODUCED MARCH 8, 2001

Sponsored by:

Assemblyman PAUL DIGAETANO

District 36 (Bergen, Essex and Passaic)

Assemblyman JOSEPH V. DORIA, JR.

District 31 (Hudson)

Co-Sponsored by:

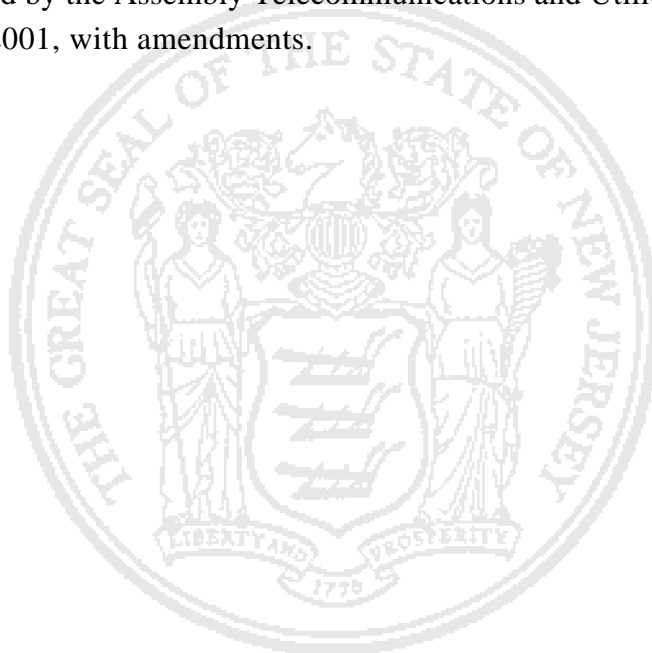
Assemblyman Geist

SYNOPSIS

Increases BPU membership from three to five members.

CURRENT VERSION OF TEXT

As reported by the Assembly Telecommunications and Utilities Committee on May 17, 2001, with amendments.



(Sponsorship Updated As Of: 6/29/2001)

1 AN ACT concerning the membership of the Board of Public Utilities,
 2 ¹[and]¹ amending R.S.48:2-1 and P.L.1948, c.90 ¹and
 3 supplementing chapter 2 of Title 48 of the Revised Statutes¹.

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

7
 8 1. R.S.48:2-1 is amended to read as follows:

9 48:2-1. [There is hereby established in the Executive Branch of the
 10 State Government a principal department which shall be known as the
 11 Department of Public Utilities. The Board of Public Utility
 12 Commissioners, hereinafter in this chapter designated as the "board,"
 13 created and established by the act entitled "An act concerning public
 14 utilities; to create a board of public utility commissioners and to
 15 prescribe its duties and powers," approved April 21, 1911 (L.1911,
 16 c.195, p.374), as amended and supplemented, is continued and is
 17 designated the head of such principal department.] a. The Board of
 18 Public Utilities, named pursuant to Reorganization Plan No. 001-1994,
 19 effective on July 4, 1994, and allocated in, but not of, the Department
 20 of the Treasury pursuant to that plan, is continued and is designated
 21 as the Board of Public Utilities or the "board."

22 b. The board shall consist of [three] five citizens of this State who
 23 shall devote their entire time to the duties of the board and shall not
 24 engage in any occupation, profession or other gainful employment.

25 c. Members of the board shall be appointed by the Governor, with
 26 the advice and consent of the Senate, for terms of [6] six years. The
 27 terms of office of the members of the board shall continue until their
 28 successors are appointed and qualified. No person shall act as a
 29 member of the board until [his] that person's appointment has been
 30 confirmed by the Senate. Not more than [two] three of the members
 31 of the board shall be members of the same political party. All
 32 vacancies, except through the expiration of term, shall be filled for the
 33 unexpired term only.

34 (cf: P.L.1973, c.294, s.1)

35
 36 2. Section 2 of P.L.1948, c.90 (C.48:2-1.1) is amended to read as
 37 follows:

38 2. The Governor shall designate one of the members of the [board
 39 of public utility commissioners] Board of Public Utilities as president
 40 of [such] the board. Any member of the board so designated shall
 41 serve as [such] the president at the pleasure of the Governor

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 Assembly ATU committee amendments adopted May 17, 2001.

1 [designating him] making that designation and until [his] a successor
2 has been designated. The president of the board shall be its presiding
3 officer and the chief administrative officer of the [Department] Board
4 of Public Utilities. The other members of the board shall be eligible
5 to appointment to fill a vacancy in the office of president of the board.
6 (cf: P.L.1948, c.90, s.2)

7
8 ¹3. (New section) Notwithstanding the provisions of R.S.48:2-40
9 to the contrary, two members of the board shall constitute a majority
10 of the board until such time as a fourth member of the board is
11 appointed by the Governor and confirmed by the Senate, at which time
12 three members of the board shall constitute a majority of the board.
13 Upon the appointment and confirmation of a fifth member of the
14 board, the provisions of R.S.48:2-40 shall be applicable.¹

15

16 ¹[3.] 4.¹ This act shall take effect immediately.

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY, No. 3289

STATE OF NEW JERSEY

209th LEGISLATURE

DATED: JUNE 15, 2001

SUMMARY

Synopsis: Increases BPU membership from three to five members.

Type of Impact: Increases operating costs of BPU. Costs to be offset by increase in assessments on regulated utilities. No General Fund impact.

Agencies Affected: Board of Public Utilities (BPU)

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Cost	\$589,000	\$612,560	\$637,062
State Revenue	\$589,000	\$612,560	\$637,062

- ! The Office of Legislative Services (OLS) estimates that implementation of this bill will have no impact on the State's General Fund.
- ! Two additional commissioners are expected to increase BPU's operating expenses by approximately \$589,000 in the first year. This increase will be offset by Board assessments on regulated utilities.

BILL DESCRIPTION

Assembly Bill No. 3289 (1R) of 2001 would increase the membership of the Board of Public Utilities from three to five citizen members.

The bill establishes a phase-in period that provides for two members of the board to constitute a majority until a fourth member is appointed and confirmed at which time three members will constitute a majority. Upon appointment and confirmation of a fifth member, the provisions of R.S.48:2-40 shall be applicable.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The Office of Legislative Services notes that increasing the membership of the Board of Public Utilities by two members will result in increased operating expenses for the Board; these costs include direct (salaries, materials and supplies) and indirect (fringe benefits) expenses of the additional members and their staff. Overhead expenses are expected to be minimal, as excess office space is currently available. The addition of two members to the Board will impact the activity and costs of the various divisions of the BPU, which is expected to be absorbed by the current organization.

Each commissioner will receive a salary, currently \$105,000 per year, and is authorized to hire sufficient support staff pursuant to R.S.48:2-2, such as executive staff assistants, secretaries, and confidential assistants. Each commissioner is expected to require at least two support staff. Based on current staffing and salary levels, the OLS estimates a combined cost of approximately \$294,500 per commissioner, for a total of over \$589,000 in the first year. Costs will increase in future years from cost of living step increases.

The Board has statutory authority to assess fees on regulated industries to support its operating expenses, pursuant to P.L.1972, c.36 (C.48:2-59). Therefore, the bill will not impact the General Fund.

Section: *Central Management Unit*

Analyst: *Mark Trease*
Assistant Fiscal Analyst

Approved: *Alan R. Kooney*
Legislative Budget and Finance Officer

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.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 3289

STATE OF NEW JERSEY

DATED: JUNE 25, 2001

The Assembly Appropriations Committee reports favorably Assembly Bill No. 3289 (1R).

Assembly Bill No. 3289 (1R) increases the membership of the Board of Public Utilities ("board") from three to five members, no more than three of whom are to be of the same political party. The board has a wide range of responsibilities over complex issues, including responsibility for ensuring that consumers benefit from the restructuring and deregulation of the electricity, natural gas, and telecommunications industries. Increasing its membership will better enable the board to address these issues effectively, thoroughly and efficiently, and help to ensure that quorum requirements are met and that the business of the board can continue when a member is absent due to illness or recusal.

The bill as reported is identical Senate Bill No. 2298 (1R) as also reported by the committee.

FISCAL IMPACT:

The Office of Legislative Services (OLS) notes that increasing the membership of the Board of Public Utilities by two members will result in increased operating expenses for the Board; these costs include direct (salaries, materials and supplies) and indirect (fringe benefits) expenses of the additional members and their staff. Overhead expenses are expected to be minimal, as excess office space is currently available. The addition of two members to the Board will impact the activity and the costs of the various divisions of the BPU, which is expected to be absorbed by the current organization.

Each commissioner will receive a salary, currently \$105,000 per year, and is expected to require at least two support staff. Based on current staffing and salary levels, the OLS estimates a combined cost of approximately \$294,500 per commissioner, for a total of over \$589,000 in the first year. Costs will increase in future years from cost of living increases.

The Board has statutory authority to assess fees on regulated industries to support its operating expenses. Therefore, the bill will not impact the General Fund.

P.L. 2001, CHAPTER 132, *approved June 29, 2001*
Senate, No. 2298 (*First Reprint*)

1 AN ACT concerning the membership of the Board of Public Utilities,
2 ¹[and]¹ amending R.S.48:2-1 and P.L.1948, c.90 ¹and
3 supplementing chapter 2 of Title 48 of the Revised Statutes¹.
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:
7

8 1. R.S.48:2-1 is amended to read as follows:

9 48:2-1. [There is hereby established in the Executive Branch of the
10 State Government a principal department which shall be known as the
11 Department of Public Utilities. The Board of Public Utility
12 Commissioners, hereinafter in this chapter designated as the "board,"
13 created and established by the act entitled "An act concerning public
14 utilities; to create a board of public utility commissioners and to
15 prescribe its duties and powers," approved April 21, 1911
16 (L.1911, c.195, p.374), as amended and supplemented, is continued
17 and is designated the head of such principal department.] a. The
18 Board of Public Utilities, named pursuant to Reorganization Plan No.
19 001-1994, effective on July 4, 1994, and allocated in, but not of, the
20 Department of the Treasury pursuant to that plan, is continued and is
21 designated as the Board of Public Utilities or the "board."

22 b. The board shall consist of [~~three~~] five citizens of this State who
23 shall devote their entire time to the duties of the board and shall not
24 engage in any occupation, profession or other gainful employment.

25 c. Members of the board shall be appointed by the Governor, with
26 the advice and consent of the Senate, for terms of [~~6~~] six years. The
27 terms of office of the members of the board shall continue until their
28 successors are appointed and qualified. No person shall act as a
29 member of the board until [~~his~~] that person's appointment has been
30 confirmed by the Senate. Not more than [~~two~~] three of the members
31 of the board shall be members of the same political party. All
32 vacancies, except through the expiration of term, shall be filled for the
33 unexpired term only.

34 (cf: P.L.1973, c.294, s.1)
35

36 2. Section 2 of P.L.1948, c.90 (C.48:2-1.1) is amended to read as
37 follows:

38 2. The Governor shall designate one of the members of the [~~board~~
39 of public utility commissioners] Board of Public Utilities as president

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and 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 SEG committee amendments adopted May 24, 2001.

1 of [such] the board. Any member of the board so designated shall
2 serve as [such] the president at the pleasure of the Governor
3 [designating him] making that designation and until [his] a successor
4 has been designated. The president of the board shall be its presiding
5 officer and the chief administrative officer of the [Department] Board
6 of Public Utilities. The other members of the board shall be eligible
7 to appointment to fill a vacancy in the office of president of the board.
8 (cf: P.L.1948, c.90, s.2)

9
10 ¹3. (New section) Notwithstanding the provisions of R.S.48:2-40
11 to the contrary, two members of the board shall constitute a majority
12 of the board until such time as a fourth member of the board is
13 appointed by the Governor and confirmed by the Senate, at which time
14 three members of the board shall constitute a majority of the board.
15 Upon the appointment and confirmation of a fifth member of the
16 board, the provisions of R.S.48:2-40 shall be applicable.¹

17
18 ¹[3.] 4.¹ This act shall take effect immediately.

19
20
21 _____
22
23 Increases BPU membership from three to five members.

CHAPTER 132

AN ACT concerning the membership of the Board of Public Utilities, amending R.S.48:2-1 and P.L.1948, c.90 and supplementing chapter 2 of Title 48 of the Revised Statutes.

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

1. R.S.48:2-1 is amended to read as follows:

Board of Public Utilities continued; membership; terms.

48:2-1. a. The Board of Public Utilities, named pursuant to Reorganization Plan No. 001-1994, effective on July 4, 1994, and allocated in, but not of, the Department of the Treasury pursuant to that plan, is continued and is designated as the Board of Public Utilities or the "board."

b. The board shall consist of five citizens of this State who shall devote their entire time to the duties of the board and shall not engage in any occupation, profession or other gainful employment.

c. Members of the board shall be appointed by the Governor, with the advice and consent of the Senate, for terms of six years. The terms of office of the members of the board shall continue until their successors are appointed and qualified. No person shall act as a member of the board until that person's appointment has been confirmed by the Senate. Not more than three of the members of the board shall be members of the same political party. All vacancies, except through the expiration of term, shall be filled for the unexpired term only.

2. Section 2 of P.L.1948, c.90 (C.48:2-1.1) is amended to read as follows:

C.48:2-1.1 Designation of president of board.

2. The Governor shall designate one of the members of the Board of Public Utilities as president of the board. Any member of the board so designated shall serve as the president at the pleasure of the Governor making that designation and until a successor has been designated. The president of the board shall be its presiding officer and the chief administrative officer of the Board of Public Utilities. The other members of the board shall be eligible to appointment to fill a vacancy in the office of president of the board.

3. Notwithstanding the provisions of R.S.48:2-40 to the contrary, two members of the board shall constitute a majority of the board until such time as a fourth member of the board is appointed by the Governor and confirmed by the Senate, at which time three members of the board shall constitute a majority of the board. Upon the appointment and confirmation of a fifth member of the board, the provisions of R.S.48:2-40 shall be applicable.

4. This act shall take effect immediately.

Approved June 29, 2001.

PO BOX 004
TRENTON, NJ 08625

Office of the Governor
NEWS RELEASE

CONTACT: Rae Hutton
609-777-2600

RELEASE: June 29 , 2001

Acting Governor Donald T. DiFrancesco signed the following legislation today:

S-2450, sponsored by Senators Peter Inverso (R-Mercer/Middlesex) and John Matheussen(R-Camden/Gloucester) and Assemblymembers Nicholas Asselta (R-Cape May/Atlantic/Cumberland) and Joseph Azzolina (R-Middlesex/Monmouth), increases the retirement benefits under the Teachers' Pension and Annuity Fund (TPAF) and The Public Employees' Retirement System (PERS) for service, deferred and early retirement by changing the formula from 1/70 to 1/64 to final compensation for each year of Class A service and from 1/60 to 1/55 of final compensation for each year of Class B service.

The bill also increases the retirement benefit for TPAF and PERS veteran members with 35 or more years of service and reduces the age qualification from 60 to 55.

The bill also provides for a reduction in TPAF member contributions.

S-2465, sponsored by Assemblyman Joseph Malone (R-Burlington/Monmouth/Ocean) and Senator Walter Kavanaugh (R-Morris/Somerset), requires providers of goods and services to the State and its agencies or to casino licensees, and any subcontractor under those State and casino contracts, to register their businesses with the Division of Revenue.

S-1581, sponsored by Senators Gerald Cardinale (R-Bergen) and Richard Codey (R-Essex) and Assemblymen Kip Bateman (R-Morris/Somerset) and Joseph Doria (D-Hudson), allows an existing health service corporation, or any health corporation formed in the future, to convert from a non-profit health service to a for-profit domestic stock health insurer. As a condition of this conversion, the corporation is required to establish a charitable foundation and contribute to it the fair market value of the health service corporation at the time of the conversion to satisfy the charitable obligations of the converting corporation to the people of the State of New Jersey.

S-2298, sponsored by Senators Martha Bark (R-Atlantic/Burlington/Camden) and Bernard Kenny (D-Hudson) and Assemblymembers Paul DiGaetano (R-Bergen/Essex/Passaic) and Joseph Doria (D-Hudson), increases the membership of the Board of Public Utilities (BPU) from three to five members, no more than three of whom are to be of the same political party.

A-3045, sponsored by Senator Anthony Bucco (R-Morris) and Assemblyman Guy Gregg (R-Sussex/Hunterdon/Morris), closes a gap in the administration of the taxes imposed on the owners of limited partnerships and limited liability companies.