

52:13B-6 to 52:13B-14

LEGISLATIVE HISTORY CHECKLIST

NJSA 52:13B-6 to 52:13B-14; Repeals (Legislative bills--fiscal notes--
52:13B-1 to 52:13B-5 revise law on preparation)

LAWS 1980 CHAPTER 67

Bill No. S287

Sponsor(s) Dwyer

Date Introduced Pre-filed

Committee: Assembly -----

Senate State Govt., Federal & Interstate Relations & Veterans Affairs

Amended during passage Yes Amendments during passage denoted by asterisks

Date of Passage: Assembly May 1, 1980

Senate Feb. 25, 1980

Date of approval July 14, 1980

Following statements are attached if available:

Sponsor statement Yes Senate amendments adopted 2-21-80 (with statement)--
Committee Statement: Assembly No attached

Senate Yes

Fiscal Note No

Veto Message No

Message on signing Yes

Following were printed:

Reports Yes

Hearings No

974.90 N.J. Legislature. Office of Legislative Services.
F491 Division of Budget and Program Review.
1980d A report on the New Jersey fiscal note process.
August, 1980.

6/2/81

7-14-80

[THIRD OFFICIAL COPY REPRINT]

SENATE, No. 287

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1980 SESSION

By Senator DWYER

AN Act requiring the preparation and furnishing of fiscal notes to legislative bills, supplementing Title 52 of the Revised Statutes and repealing P. L. 1962, c. 27.

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

1 1. Whenever any bill is introduced in either the Senate or Gen-
2 eral Assembly, and that bill receives first reading pursuant to the
3 rules of the House in which it is introduced, the bill shall be im-
4 mediately reviewed by the Legislative Budget Officer in the Office
5 of Legislative Services. If, upon his review, the Legislative Budget
6 Officer determines that the bill will not increase or decrease ex-
7 penditures or increase or decrease revenues of the State or any
8 political subdivision thereof, he shall certify that fact, on a state-
9 ment signed by him and filed in his office. If he determines that
10 the bill may increase or decrease expenditures or increase or de-
11 crease revenues of the State or any political subdivision thereof,
12 he shall immediately forward *a statement to the sponsor and*
13 *the chairman* *all members* *the chairman*
14 *of the committee, if any, to which the bill was referred, or to the*
15 *presiding officer of the House in which the bill originated if no such*
16 *reference was made, that, in his judgment, a fiscal note is required.*
17 *If the sponsor, or the* *a* *or the* *committee*
18 *chairman* *member* *chairman*, *or the pre-*
19 *siding officer request it, the Legislative Budget Officer shall immedi-*
20 *ately forward* a request for a fiscal note to the Director of the
21 Division of Budget and Accounting in the Department of the
22 Treasury.

1 2. a. It shall be the duty of the director, upon receipt of a re-
2 quest for a fiscal note, to forward the request within 5 *business*

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

3 days to the State department, commission or agency which would
4 be authorized or required to carry out the purposes of the bill or,
5 if the bill would affect the expenditures or revenues of any political
6 subdivision of the State, to the State department, commission or
7 agency having the most adequate information pertaining thereto.

8 b. Within 20 *business* days after receiving a request for a fiscal
9 note from the director, the State department, commission or agency
10 shall prepare and return to him a fiscal note containing the most
11 accurate estimate possible, in dollars, concerning the amount by
12 which expenditures or revenues will be increased or decreased for
13 the State or any of its political subdivisions. The fiscal note shall
14 contain information relating to as many fiscal years as can reason-
15 ably be foreseen.

16 c. Within 5 *business* days after receiving a fiscal note from a
17 State department, commission or agency, the director shall return
18 the fiscal note to the Legislative Budget Officer. The director shall
19 include with the fiscal note a statement (1) concurring with the
20 fiscal note, (2) suggesting alternative dollar amounts, or (3) indi-
21 cating any other information which he deems relevant.

1 3. When he receives a fiscal note from the director, the Legisla-
2 tive Budget Officer shall, within 10 *business* days, append thereto
3 a statement (1) concurring with the fiscal note, (2) suggesting
4 alternative dollar amounts, or (3) indicating any other information
5 which he deems relevant.

1 4. If the Legislative Budget Officer has not received a fiscal note
2 from the director after 30 *business* days, he shall cause a legisla-
3 tive fiscal estimate to be produced by the Division of Budget and
4 Program Review in the Office of Legislative Services. The legis-
5 lative fiscal estimate shall contain the same information as would
6 be included in a fiscal note. In addition, it shall contain the following
7 statement: "This legislative fiscal estimate has been produced by
8 the Office of Legislative Services due to the failure of the Executive
9 Branch to respond to our request for a fiscal note." The legislative
10 fiscal estimate shall be transmitted to the Legislative Budget Officer
11 within 10 *business* days.

1 5. When the Legislative Budget Officer has a complete fiscal note
2 or legislative fiscal estimate, he shall mail a copy of the fiscal note
3 or legislative fiscal estimate to the introducer whose name first
4 appears on the bill with a notice that the introducer may object
5 to the fiscal note or legislative fiscal estimate within 10 *business*
6 days after receiving it.

1 6. If, after 10 *business* days, the Legislative Budget Officer has
2 received no objections from the introducer, he shall cause the fiscal
3 note or legislative fiscal estimate to be printed. If, however, the
4 introducer objects to the fiscal note or legislative fiscal estimate, the
5 Legislative Budget Officer shall promptly review it and make any
6 changes therein which he might deem as reasonable, in the interest
7 of accuracy and objectivity. Any fiscal note or legislative fiscal esti-
8 mate with which a sponsor does not concur after being reviewed by
9 the Legislative Budget Officer shall contain the following statement:
10 "The sponsor does not concur with the information presented
11 herein."

1 7. When a fiscal note or legislative fiscal estimate is in final
2 form, the Legislative Budget Officer shall forward a copy to the
3 chairman of the committee to which the bill has been referred. If
4 the bill has not been referred to committee, it shall be forwarded
5 to the Clerk of the General Assembly or the Secretary of the Senate,
6 as appropriate.

1 8. Whenever the Legislative Budget Officer has reason to believe
2 that a fiscal note on any bill will be required more quickly than
3 provided for in this act, he shall submit to the director an emer-
4 gency request for fiscal information, which the director shall cause
5 to be completed as quickly as possible, but in no case later than 10
6 *business* days. This emergency request shall be in addition to a
7 request for a fiscal note and shall represent the director's best
8 judgment as to the fiscal implications of pending legislation.

1 9. a. In any case in which the Legislative Budget Officer has
2 certified, pursuant to this act, that a bill contains no fiscal impli-
3 cations, the introducer of the bill, the chairman of the committee
4 to which the bill was referred, or the presiding officer of the House,
5 may direct the Legislative Budget Officer to request a fiscal note,
6 if, in the opinion of any of them, one is warranted.

7 b. In any case in which a bill is amended and those amendments
8 affect the fiscal implications of the bill, the committee chairman or
9 presiding officer shall direct the Legislative Budget Officer to re-
10 quest a fiscal note.

1 10. P. L. 1962, c. 27 (C. 52:13B-1 et seq.) is repealed.

1 11. This act shall take effect immediately and shall be applicable
2 to bills introduced 90 days after enactment and thereafter.

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STATEMENT

This bill repeals the existing law and replaces it with a procedure which makes a number of substantive changes in the process through which fiscal notes are produced. As opposed to the current hit-or-miss nature of the system, this bill would:

(1) Require the Legislative Budget Officer to request a fiscal note or certify that there are no fiscal implications to every pending bill;

(2) Establish strict time limits within which the Executive Branch must respond to the request for a fiscal note;

(3) Provide for a "legislative fiscal estimate" to be made if the executive fails to produce the fiscal note; and

(4) Establish a system for emergency fiscal information on bills which are likely to move quickly.

5287(1980)

SENATE AMENDMENTS TO
SENATE, No. 287
[OFFICIAL COPY REPRINT]

STATE OF NEW JERSEY

ADOPTED FEBRUARY 21, 1980

Amend page 1, section 1, lines 12-13, omit "the chairman", insert "all members".

Amend page 1, section 1, line 16, after "sponsor," omit "or the", insert "a"; omit "chairman", insert "member".

STATEMENT

These amendments permit any member of committee to which a bill has been referred to request a fiscal note on it.

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SENATE STATE GOVERNMENT, FEDERAL AND
INTERSTATE RELATIONS AND VETERANS AFFAIRS
COMMITTEE

STATEMENT TO
SENATE, No. 287
with Senate committee amendments

STATE OF NEW JERSEY

DATED: JANUARY 29, 1980

The purpose of this bill is to increase the efficiency and effectiveness of the procedures for acquiring fiscal notes on pending legislation.

Under this bill, the Legislative Budget Officer would review every bill at the time of its introduction. As originally drafted, the bill required the Legislative Budget Officer, if he determined that any introduced bill "may increase or decrease expenditures or increase or decrease revenues of the State or any political subdivision thereof," to request immediately a fiscal note through the Director of the Division of Budget and Accounting.

Since this procedure would mean that a fiscal note would be required for every bill with fiscal impact, whether or not the bill had any likelihood of committee consideration or floor action, the committee, with the sponsor's approval, amended the bill to provide that after reviewing each introduced bill, the Legislative Budget Officer would notify the sponsor and the chairman of the committee to which the bill is referred, or the presiding officer of the house of origin in the case of "no reference" bill, that a fiscal note is required. It then becomes the responsibility of these legislators to request a fiscal note through the Legislative Budget Officer prior to further legislative action.

A provision of the bill authorizes the sponsor, the committee chairman, or the presiding officer of either House to direct the Legislative Budget Officer to request a fiscal note even if the budget officer does not believe that one is necessary.

The bill creates a system for acquiring fiscal information on an emergency basis for fast moving bills.

The bill, as amended, establishes a schedule for the processing of fiscal notes which would make it possible for a committee to have a fiscal note on a newly-introduced bill in its possession in 60 business days. For emergency bills, the schedule is 10 business days.

Since Senate Bill No. 287 mandates that the Legislative Budget Officer review every bill at the time of introduction, it is possible that some increase in the staff of the Division of Budget and Program Review may be required.

COMMITTEE AMENDMENTS

As noted above, the committee amended the bill so that, while the Legislative Budget Officer has the responsibility for reviewing every bill to determine if it may have fiscal impact, the actual request for the fiscal note is made by the sponsor, the committee chairman or the presiding officer of the House. This will reduce paperwork by limiting the preparation of fiscal notes to those bills which are likely to move in the legislative process.

In addition, at the suggestion of the sponsor, the committee amended the bill to designate the days allotted for the completion of each phase of the fiscal note process as business days. The committee also amended a typographical error.

FOR IMMEDIATE RELEASE

FOR FURTHER INFORMATION

JULY 15, 1980

PAT SWEENEY

Governor Brendan Byrne today signed the following bill and Senate Joint Resolution:

S-287, sponsored by Senator Bernard J. Dwyer (D-Middlesex), which amends the process by which legislative fiscal notes are prepared.

Under the new bill the legislative officer will review each bill after its introduction and if state revenues or expenditures are affected, certify to the presiding officer and appropriate committee chairman in the house of the bill's origin that a fiscal note is necessary.

If the presiding officer or committee chairman then requests a note, the Legislative Budget Officer shall forward the request to the Director of the Division of Budget and Accounting.

The Director, in turn, is required to forward the request within five business days to the appropriate executive agency which then has 20 business days to make its response.

The Director then has five business days to review the agency response and return the note to the legislative Budget Officer, who must make his own review within ten business days and forward it to the sponsor.

If the sponsor has no objections within ten business days, the note will be printed; if there are objections, they will be written into the note. If the appropriate executive agency and the Director of the Division of Budget and Accounting make no response within 30 days to the legislative Budget Office, the Division of Budget and Program Review in the office of Legislative Services shall prepare a note.

In a situation where a speedier response is necessary, the legislative Budget Office may shorten the executive agency and the Director of Budget and Accounting's response to ten days.

Under the old practice the appropriate legislative committee requested the notes and there were no deadlines.

SJR-15, sponsored by Bernard J. Dwyer (D-Middlesex), which endorses the location of a Space Telescope Science Institute in Princeton, in order to encourage the Federal Government to establish its East Coast Space Telescope Science Institute in New Jersey.

The Resolution also pledges the state to create graduate and post-graduate fellowships for students engaged in research at the Space Telescope Science Institute in the event it is located in New Jersey.

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