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REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: No

RWH 4/10/08

P.L. 2007, CHAPTER 43, *approved February 21, 2007*
Senate, No. 50

1 **AN ACT** establishing the "New Jersey Tax and Fiscal Policy Study
2 Commission" to study the State and local tax structure and
3 related fiscal issues, supplementing Title 52 of the Revised
4 Statutes.

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

8
9 1. a. There is established a commission in but not of the
10 Department of the Treasury to be known as the "New Jersey Tax
11 and Fiscal Policy Study Commission." The commission shall
12 consist of nine members, of whom five shall be appointed by the
13 Governor, and one shall be appointed by each of the President of
14 the Senate, the Senate Minority Leader, the Speaker of the General
15 Assembly, and the Assembly Minority Leader.

16 b. In appointing the commission members, the appointing
17 authorities shall select academic and business and other
18 professionals who have knowledge and practical experience in tax
19 policy, implementation, practice, administration and regulation and
20 in governmental finance and fiscal management. No member shall
21 be a nominee for, or hold, an elective office, other than on a local
22 board of education, and no member shall be the head of a principle
23 department of State government or hold cabinet-level rank.

24 c. Members of the commission shall serve for a term of four
25 years, except that of the appointments first made to the commission
26 by the Governor, two of the appointments shall serve for a term of
27 two years, and except that the appointments first made by the
28 Senate Minority Leader and the Assembly Minority Leader shall be
29 for a term of two years. The term of each member shall be deemed
30 to commence on July 1 of the calendar year of the appointment and
31 shall expire on June 30 of the second or fourth calendar year
32 thereafter, as the case may be for the first or subsequent
33 appointments, but members shall continue to serve during a
34 succeeding term until the appointment and qualification of a
35 successor. Any vacancy during a term shall be filled in the same
36 manner as the original appointment but only for the balance of the
37 unexpired term. Members shall be eligible for reappointment to
38 successive terms. Any member of the commission may be removed
39 for cause by the Governor. The members shall serve without
40 compensation but shall be reimbursed for necessary expenses
41 incurred in the performance of their duties, subject to the
42 availability of funds therefor.

1 d. The commission shall organize as soon as may be practicable
2 following the appointment of its members, to elect a chairperson,
3 and to select a secretary, who need not be a member of the
4 commission. The commission may formulate and adopt rules of
5 procedure and operation in furtherance of its responsibilities. The
6 commission may divide itself into such subcommittees and task
7 forces, which task forces may include persons other than members
8 of the commission such as academics, government officers or
9 professionals, and may enter into such cooperative arrangements
10 with academic or research institutions, as it deems necessary to
11 accomplish its purposes. Persons serving on task forces other than
12 members of the commission shall serve at the appointment of the
13 chairperson and shall be non-voting participants in the task forces.
14 The commission may meet and hold hearings at such places and
15 times as it shall designate.

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17 2. The commission shall engage in a continuous study of the
18 State and local tax structure and related fiscal issues with regard to
19 the laws relating to the imposition, assessment and collection of
20 State and local taxes, with attention given, but not limited to: the
21 ways in which the tax laws may be revised to ensure greater
22 efficiency and equity in the assessment and collection of taxes; the
23 identification and quantification of provisions that represent
24 revenue policy and provisions that reflect indirect expenditure
25 policy; the relative incidence of tax burdens and the effects of
26 redistributing tax burdens or tax bases; and the methods for
27 providing funds for government services and infrastructure.

28 The commission shall report annually on or before January 1 to
29 the Governor and, pursuant to section 2 of P.L.1991, c.164
30 (C.52:14-19.1), to the Legislature summarizing its activities in the
31 prior year and its planned activities for the current year and shall
32 submit interim reports setting forth the results of its studies and
33 making such recommendations of legal, administrative and
34 organizational changes as the committee determines are appropriate.

35 The commission shall also make any appropriate studies, subject
36 to the limitations of the commission's resources, that are requested
37 by the Governor, the President of the Senate, or the Speaker of the
38 General Assembly, notifying each of those officers of any request
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41 3. a. The commission shall be entitled to appoint an executive
42 director and a staff and to call to its assistance and avail itself of the
43 services of employees of any State, county or municipal
44 department, board, bureau, commission or agency or authority as it
45 may require and as may be available to it for its purposes, and to
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47 services, and employ and stenographic and clerical assistants, and
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49 necessary, in order to perform its duties, and as may be within the

1 limits of funds appropriated or otherwise made available to it for its
2 purposes.

3 b The commission may make use of existing studies, surveys,
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5 authority and such materials in the possession of any county,
6 municipality or political subdivision of the State, other than the
7 records and files of the Director of the Division of Taxation that are
8 confidential under R.S.54:50-8, but may direct the Director of the
9 Division of Taxation to prepare for publication statistics so
10 classified as to prevent the identification of a particular report and
11 the items thereof. Each State agency, authority, county,
12 municipality and political subdivision of the State shall make any
13 information or materials available to the commission as it may
14 require to perform its responsibilities under this act.

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16 4. This act shall take effect immediately.

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STATEMENT

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21 This bill establishes the "New Jersey Tax and Fiscal Policy
22 Study Commission" to study the State and local tax structure and
23 related fiscal issues.

24 This permanent commission, in but not of the Department of
25 Treasury, will engage in ongoing study of the tax structure and
26 fiscal policies of the State to assure that policymakers, academics,
27 and the public are provided with information and analyses of the
28 State's policies and their implications, ultimately improving the
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33 President of the Senate, the Senate Minority Leader, the Speaker of
34 the General Assembly, and the Assembly Minority Leader. The
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20 This bill implements one of the recommendations of the Joint
21 Legislative Committee on Constitutional Reform and Citizens
22 Property Tax Constitutional Convention set forth in its final report.

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27 Establishes the "New Jersey Tax and Fiscal Policy Study
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SENATE, No. 50

STATE OF NEW JERSEY 212th LEGISLATURE

INTRODUCED DECEMBER 4, 2006

Sponsored by:

Senator FRED H. MADDEN, JR.

District 4 (Camden and Gloucester)

Assemblyman JOHN J. BURZICHELLI

District 3 (Salem, Cumberland and Gloucester)

Assemblyman LOUIS M. MANZO

District 31 (Hudson)

Assemblyman LOUIS D. GREENWALD

District 6 (Camden)

Assemblywoman BONNIE WATSON COLEMAN

District 15 (Mercer)

Assemblywoman VALERIE VAINIERI HUTTLE

District 37 (Bergen)

Assemblywoman PAMELA R. LAMPITT

District 6 (Camden)

Assemblyman DAVID R. MAYER

District 4 (Camden and Gloucester)

Assemblywoman NILSA CRUZ-PEREZ

District 5 (Camden and Gloucester)

Assemblyman GORDON M. JOHNSON

District 37 (Bergen)

Co-Sponsored by:

Assemblyman Schaer and Assemblywoman Greenstein

SYNOPSIS

Establishes the "New Jersey Tax and Fiscal Policy Study Commission" to study the State and local tax structure and related fiscal issues.

CURRENT VERSION OF TEXT

As introduced.

(Sponsorship Updated As Of: 1/9/2007)

S50 MADDEN

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16 This bill implements one of the recommendations of the Joint
17 Legislative Committee on Constitutional Reform and Citizens
18 Property Tax Constitutional Convention set forth in its final report.

LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 50
STATE OF NEW JERSEY
212th LEGISLATURE

DATED: JANUARY 4, 2007

SUMMARY

Synopsis: Establishes the "New Jersey Tax and Fiscal Policy Study Commission" to study the State and local tax structure and related fiscal issues.

Type of Impact: A Permanent Expenditure Increase to the State General Fund.

Agencies Affected: Department of the Treasury.

Office of Legislative Services Estimate

Fiscal Impact	<u>Fiscal Year 2007</u>	<u>Fiscal Year 2008</u>	<u>Fiscal Year 2009</u>
State Cost	Indeterminate - See Comments Below		

- The Office of Legislative Services (OLS) cannot assess the annual cost of the New Jersey Tax and Fiscal Policy Study Commission, since the bill does not explicitly stipulate the commission's staffing level and plan of operation. A hypothetical example of eight employees, however, yields an estimated annual budgetary outlay of about \$800,000 to \$900,000.

BILL DESCRIPTION

Senate Bill No. 50 of 2006 establishes the permanent "New Jersey Tax and Fiscal Policy Study Commission" in but not of the Department of Treasury to continuously study the State's tax structure and fiscal policies. Composed of nine appointed members serving without compensation, the commission may employ an executive director and staff, and contract for legal, professional, and consulting services.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS cannot assess the annual cost of the New Jersey Tax and Fiscal Policy Study Commission, since the bill does not explicitly stipulate the commission's staffing level and plan of operation. A hypothetical example of eight employees, however, yields an estimated annual budgetary outlay of about \$800,000 to \$900,000.

This hypothetical New Jersey Tax and Fiscal Policy Study Commission comprises eight employees: an executive director, a deputy director, four professional, and two clerical employees. Assuming that the executive director and the deputy director make a combined \$175,000, that the average professional salary is \$55,000, that the clerical employees earn \$30,000 each, and that fringe benefits and federal employer taxes (FICA and Medicare) constitute 34.75 percent of an employee's base salary (the rate for State employees in fiscal year 2007), the commission would have an annual personnel expenditure of \$613,000. Assuming further that outlays for materials and supplies, contracted services, maintenance, and capital improvements comprise 25 percent of the commission's total expenses, the commission will need an annual appropriation of about \$820,000, or \$103,000 per employee.

The OLS identifies two commissions that might resemble the future New Jersey Tax and Fiscal Policy Study Commission in that they are permanent commissions with ongoing administrative duties. The State Planning Commission had about 30 employees in fiscal year 2005 and spent about \$2.2 million, excluding fringe benefits and federal employer taxes. The Commission on Higher Education, on the other hand, had 18 employees in fiscal year 2005 and expenses of \$1.6 million, excluding fringe benefits and federal employer taxes. Distributing the commissions' total cost over their staffs yields a per employee expense of about \$80,000, excluding fringe benefits and employer taxes. This amount approaches the \$103,000 per employee for the hypothetical New Jersey Tax and Fiscal Policy Study Commission if the \$80,000 is adjusted for the cost of the fringe benefits and employer taxes. An employee earning the State employee average of \$55,000 will generate a \$19,000 fringe benefit and employer tax liability, which would bring per employee cost at the two existing commissions to \$99,000.

Section: Revenue, Finance and Appropriations

*Analyst: Thomas Koenig
Associate Fiscal Analyst*

*Approved: David J. Rosen
Legislative Budget and Finance Officer*

This fiscal estimate has been prepared pursuant to P.L. 1980, c.67.

ASSEMBLY, No. 6

STATE OF NEW JERSEY

212th LEGISLATURE

INTRODUCED DECEMBER 7, 2006

Sponsored by:

Assemblyman JOHN J. BURZICHELLI

District 3 (Salem, Cumberland and Gloucester)

Assemblyman LOUIS M. MANZO

District 31 (Hudson)

Assemblyman LOUIS D. GREENWALD

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A6 BURZICHELLI, MANZO

1 professionals, and the bill allows the commission to may enter into
2 cooperative arrangements with academic or research institutions as
3 it deems necessary to accomplish its purposes.

4 The commission is authorized to employ an executive director
5 and staff, employ counsel and contract for professional and
6 consulting services, and incur other expenses within the limits of
7 funds for its purposes. The commission may and to call to its
8 assistance and avail itself of the services of employees of any State,
9 county or municipal department, board, bureau, commission or
10 agency or authority as it may require and as may be available, and
11 to make use of existing studies, surveys, data and other materials in
12 the possession of any State agency or authority and such materials
13 in the possession of any county, municipality or political
14 subdivision of the State.

15 This bill implements one of the recommendations of the Joint
16 Legislative Committee on Constitutional Reform and Citizens
17 Property Tax Constitutional Convention set forth in its final report.

LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY, No. 6
STATE OF NEW JERSEY
212th LEGISLATURE

DATED: JANUARY 4, 2007

SUMMARY

Synopsis: Establishes the "New Jersey Tax and Fiscal Policy Study Commission" to study the State and local tax structure and related fiscal issues.

Type of Impact: A Permanent Expenditure Increase to the State General Fund.

Agencies Affected: Department of the Treasury.

Office of Legislative Services Estimate

Fiscal Impact	<u>Fiscal Year 2007</u>	<u>Fiscal Year 2008</u>	<u>Fiscal Year 2009</u>
State Cost	Indeterminate - See Comments Below		

- The Office of Legislative Services (OLS) cannot assess the annual cost of the New Jersey Tax and Fiscal Policy Study Commission, since the bill does not explicitly stipulate the commission's staffing level and plan of operation. A hypothetical example of eight employees, however, yields an estimated annual budgetary outlay of about \$800,000 to \$900,000.

BILL DESCRIPTION

Assembly Bill No. 6 of 2006 establishes the permanent "New Jersey Tax and Fiscal Policy Study Commission" in but not of the Department of Treasury to continuously study the State's tax structure and fiscal policies. Composed of nine appointed members serving without compensation, the commission may employ an executive director and staff, and contract for legal, professional, and consulting services.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS cannot assess the annual cost of the New Jersey Tax and Fiscal Policy Study Commission, since the bill does not explicitly stipulate the commission's staffing level and plan of operation. A hypothetical example of eight employees, however, yields an estimated annual budgetary outlay of about \$800,000 to \$900,000.

This hypothetical New Jersey Tax and Fiscal Policy Study Commission comprises eight employees: an executive director, a deputy director, four professional, and two clerical employees. Assuming that the executive director and the deputy director make a combined \$175,000, that the average professional salary is \$55,000, that the clerical employees earn \$30,000 each, and that fringe benefits and federal employer taxes (FICA and Medicare) constitute 34.75 percent of an employee's base salary (the rate for State employees in fiscal year 2007), the commission would have an annual personnel expenditure of \$613,000. Assuming further that outlays for materials and supplies, contracted services, maintenance, and capital improvements comprise 25 percent of the commission's total expenses, the commission will need an annual appropriation of about \$820,000, or \$103,000 per employee.

The OLS identifies two commissions that might resemble the future New Jersey Tax and Fiscal Policy Study Commission in that they are permanent commissions with ongoing administrative duties. The State Planning Commission had about 30 employees in fiscal year 2005 and spent about \$2.2 million, excluding fringe benefits and federal employer taxes. The Commission on Higher Education, on the other hand, had 18 employees in fiscal year 2005 and expenses of \$1.6 million, excluding fringe benefits and federal employer taxes. Distributing the commissions' total cost over their staffs yields a per employee expense of about \$80,000, excluding fringe benefits and employer taxes. This amount approaches the \$103,000 per employee for the hypothetical New Jersey Tax and Fiscal Policy Study Commission if the \$80,000 is adjusted for the cost of the fringe benefits and employer taxes. An employee earning the State employee average of \$55,000 will generate a \$19,000 fringe benefit and employer tax liability, which would bring per employee cost at the two existing commissions to \$99,000.

Section: Revenue, Finance and Appropriations
Analyst: Thomas Koenig
Associate Fiscal Analyst
Approved: David J. Rosen
Legislative Budget and Finance Officer

This fiscal estimate has been prepared pursuant to P.L. 1980, c.67.