

ASSEMBLY, No. 4090

STATE OF NEW JERSEY 220th LEGISLATURE

INTRODUCED MAY 26, 2022

Sponsored by:

Assemblyman ROY FREIMAN

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

Assemblywoman ELIANA PINTOR MARIN

District 29 (Essex)

Assemblyman ROBERT J. KARABINCHAK

District 18 (Middlesex)

Co-Sponsored by:

**Assemblyman Thomson, Assemblywoman McKnight, Assemblymen
Space, Wirths, Rooney, Assemblywomen Swain, Park, Murphy and Lopez**

SYNOPSIS

Requires State Auditor to annually publish user-friendly report summarizing and analyzing contents of State's Annual Financial Report.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 10/27/2022)

1 AN ACT concerning the reporting of the State's financial condition
2 and supplementing P.L.1944, c.112 (C.52:27B-1 et seq.)

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

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7 1. a. On or before the publication of the New Jersey Annual
8 Comprehensive Financial Report pursuant to section 37 of article 3
9 of P.L.1944, c.112 (C.52:27B-46), the Office of the State Auditor
10 shall annually publish a user-friendly, plain language report that
11 summarizes and analyzes the contents of the New Jersey Annual
12 Comprehensive Financial Report. At a minimum, the report shall
13 include:

14 (1) a summary of the State's financial condition compared to
15 other states in the Mid-Atlantic and Northeastern regions of the
16 United States, which summary shall include statistical comparisons
17 based on the population and gross domestic product of each state;

18 (2) a summary of the State's total long-term financial liabilities,
19 including, but not limited to, State pension system employer
20 contributions, employer contributions for State employees' health
21 benefits, and payments for principal and interest due on capital
22 projects financed via general obligation bonds and appropriations-
23 backed contract bonds issued by independent authorities of the
24 State, which analysis shall compare the State's long-term liabilities
25 to those of other states in the Mid-Atlantic and Northeastern regions
26 of the United States;

27 (3) a summary of the State's revenue collections, which
28 summary shall compare the State's actual revenue collections
29 during the preceding fiscal years to the projected revenue
30 collections for each year;

31 (4) an accounting of any structural imbalance in the State
32 budget, including any long-term differences between the State's
33 anticipated revenue collections and the State's statutory obligations
34 to fully fund State aid for education, State municipal aid, State
35 pension liabilities, and any other statutorily mandated expenditures;

36 (5) a summary of the State's unrestricted cash reserves,
37 including the amounts deposited pursuant to the "Surplus Revenue
38 Fund," established pursuant to P.L.1990, c.44 (C.52:9H-14 et seq.),
39 which summary shall compare the State's unrestricted cash reserves
40 to those of other states in the Mid-Atlantic and Northeastern regions
41 of the United States; and

42 (6) an analysis of the potential impact of an economic recession
43 on the State's revenue and spending obligations.

44 b. The report required pursuant to this section may be prepared
45 by an independent auditor selected by the Office of the State
46 Auditor in accordance with applicable laws regarding selection of
47 auditing services.

1 c. The report prepared pursuant to this section shall be
2 transmitted to the Governor and the Legislature pursuant to section
3 2 of P.L.1991, c.164 (C.52:14-19.1). The Legislature, Department
4 of the Treasury, and Office of the State Auditor shall make the
5 report publicly accessible on their Internet websites within five days
6 of transmittal.

7 d. After submission of the Governor's budget message to the
8 Legislature pursuant to section 11 of article 3 of P.L.1944, c.112
9 (C.52:27B-20) the State Auditor shall, on or before May 31
10 annually, appear before the Legislature's budget committees to
11 present the information contained within the most recent report
12 required pursuant to this section.

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14 2. This act shall take effect immediately.

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STATEMENT

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19 This bill requires the Office of the State Auditor to annually
20 publish a user-friendly, plain language report that summarizes and
21 analyzes the contents of the New Jersey Annual Comprehensive
22 Financial Report.

23 At a minimum, the bill requires the State Auditor's report to
24 include: (1) a summary of the State's financial condition compared
25 to neighboring states; (2) a summary of the State's total long-term
26 liabilities compared to those of neighboring states; (3) a summary
27 of the accuracy of the State's revenue projections; (4) an accounting
28 of any structural imbalance in the State budget; (5) a summary of
29 the State's unrestricted cash reserves compared to those of
30 neighboring states; and (6) an analysis of the potential impacts of an
31 economic recession on the State's revenues and spending
32 obligations.

33 Under the bill, the Auditor is required issue the report on or
34 before the date of publication of the New Jersey Annual
35 Comprehensive Financial Report. Thereafter, the Legislature,
36 Department of the Treasury, and Office of the State Auditor would
37 be required to post the report on their official Internet websites.
38 The bill also requires the State Auditor to testify before the
39 Legislature's budget and appropriations committees, on or before
40 May 31 each year, to present the information contained in the
41 report.