

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY, No. 5097
STATE OF NEW JERSEY
220th LEGISLATURE

DATED: MAY 19, 2023

SUMMARY

- Synopsis:** Establishes tourism attraction trail sign program and historic site and historic district sign program in Division of Travel and Tourism.
- Type of Impact:** State expenditure and revenue increases.
- Agencies Affected:** Division of Travel and Tourism in the Department of State; Department of Transportation; Department of the Treasury.

Office of Legislative Services Estimate

Fiscal Impact	<u>FY 2024 and Annually Thereafter</u>
State Cost Increase	\$3.1 million to \$6.2 million
State Revenue Increase	\$300,000 to \$600,000

- The Office of Legislative Services (OLS) estimates that this bill will result in expenditure increases for the Division of Travel and Tourism in the Department of State and revenue increases for a Sign Programs Fund administered by the Department of the Treasury to be used to pay for these expenditures.
- The bill requires the Division of Travel and Tourism in the Department of State to pay for all program costs and authorizes the division to solicit and accept grants, donations, gifts, bequests, or other financing to defray all costs, including administrative and capital expenses.
- The Department of the Treasury will administer a Sign Programs Fund to accept monies for each program and, when appropriated, remit funding to the Division of Travel and Tourism in the Department of the State to pay program costs.
- The OLS does not have the information to determine exactly how much these programs will cost nor how much external financing the division’s fundraising will yield. The OLS notes however, that administrative expenses for a similar program operated by the Department of Transportation cost approximately \$300,000 annually. The department also pays \$2.1 million for a Sign Inspection Program and \$3.5 million for Sign Program capital expenses annually.

BILL DESCRIPTION

This bill would establish a tourism attraction trail sign program and an historic site and historic district sign program in Division of Travel and Tourism. Under the bill, the division would be responsible for all costs associated with the programs and partner with the Department of Transportation for the production, installation, and maintenance of the signs. The division would partner with various entities in the Department of State, the Department of Environmental Protection, the Department of Community Affairs, and the New Jersey Historical Commission to design the signs.

The bill authorizes the division to raise and collect funds from external sources to defray program costs.

The bill also requires the Department of the Treasury to establish and operate a dedicated non-lapsing fund to hold these revenues and distribute them to the Department of State to fund these programs.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that this bill will result in expenditure increases for the Division of Travel and Tourism in the Department of State and revenue increases for the Sign Programs Fund administered by the Department of the Treasury to be used to pay for those expenditures.

Under the bill, the Division of Travel and Tourism would establish a tourism attraction trail sign program and an historic site and historic district sign program. The Department of Transportation would produce, install, and maintain signs for both programs and the division would partner with other State entities to design program signs.

According to the bill, the division would be responsible for all costs associated with the programs and would be authorized to raise and collect funds from external sources to defray program costs. The Department of the Treasury would operate a Sign Programs Fund to accept monies for each program and, when appropriated, remit funding to the Division of Travel and Tourism in the Department of the State to pay for program expenses.

The OLS does not have the information to determine exactly how much these programs will cost nor how much external financing the division's fundraising will yield.

Based on similar programs administered by the Department of the Treasury, however, the OLS estimates that administrative expenses will cost approximately \$300,000 to \$600,000 annually and combined inspection and capital expenses will cost approximately \$3.1 million to \$6.2 million annually. Administrative costs may support both programs and inspection and capital costs likely support both programs.

Section: State Government

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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 (C.52:13B-6 et seq.).