LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY, No. 4114

STATE OF NEW JERSEY
217th LEGISLATURE

DATED: OCTOBER 7, 2016

SUMMARY

Synopsis: Requires DOT to compensate local government entities for contractual delay damages resulting from shutdown of transportation projects funded by Transportation Trust Fund; authorizes local government entities to use certain funds for transportation projects.

Type of Impact: State expenditure increase; local revenue increase.

Agencies Affected: Department of Transportation; counties and municipalities.

Office of Legislative Services Estimate

Fiscal Impact	
State Expenditure Increase	Indeterminate – See comments below
Local Revenue Increase	Indeterminate – See comments below

- The Office of Legislative Services (OLS) concludes that State expenditures will increase by an indeterminate amount as a result of this bill. No data are available to the OLS upon which to base an estimate of delay damages which may be awarded to counties and municipalities under existing contracts for transportation projects halted by Executive Order No. 210 of 2016.

- Counties and municipalities upon which delay damages are imposed under relevant contracts will realize increased revenue in amounts equal to the increased State expenditures that result from this bill.

BILL DESCRIPTION

Assembly Bill No. 4114 (1R) of 2016 requires the Department of Transportation to compensate municipalities, counties, or other local government entities for delay damages on transportation projects supported through the local aid program, if those delay damages resulted from the shutdown of Transportation Trust Fund projects pursuant to Executive Order No. 210 of 2016.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that State expenditures will increase by an indeterminate amount as a result of this bill. No data are available upon which to base an estimate of delay damages which may be awarded to counties and municipalities under existing contracts for transportation projects halted by Executive Order No. 210 of 2016.

Certain projects undertaken by counties and municipalities and funded in part by State Transportation Trust Fund appropriations were ordered to be halted by Executive Order No. 210 of 2016. Contracts governing these projects may provide that damages are due to vendors from the contracting entity if delays to the project result in increased costs. No information is available to the OLS on the amount of any delay damages which have been awarded, or which may be awarded, pursuant to contracts for affected projects.

Counties and municipalities upon which delay damages are imposed under relevant contracts will realize increased revenue, in the form of additional State aid, in amounts equal to the increased State expenditures that result from this bill.

Section:	*Legislative Budget and Finance Office*
Analyst:	*Thomas Koenig* *Assistant Legislative Budget and Finance Officer*
Approved:	*Frank W. Haines III* *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 (C.52:13B-6 et seq.).