ASSEMBLY, No. 5877

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED JUNE 14, 2021

Sponsored by:
Assemblyman HERB CONAWAY, JR.
District 7 (Burlington)
Assemblyman ANTHONY S. VERRELLI
District 15 (Hunterdon and Mercer)

SYNOPSIS

Requires stress testing on State's ability to provide services in various economic conditions.

CURRENT VERSION OF TEXT

As introduced.

(Sponsorship Updated As Of: 6/14/2021)

AN ACT requiring annual analyses of the State's ability to provide services in various economic conditions, supplementing Title 52 of the Revised Statutes.

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

1. a. The Department of the Treasury shall annually conduct and report a stress test analysis on the State's ability to maintain services and provide necessary assistance to residents in various economic conditions.

b. The stress test analyses required pursuant to this section shall include:

(1) long- and short-term projections of major funding sources in various economic conditions, including revenues from major taxes and funding from the federal government;

(2) a comparison between projections of major funding sources and historical trends for each of those funding sources in various economic conditions;

(3) an analysis of expenditures that are likely to increase or decrease in various economic conditions;

(4) an accounting of the State's reserves, including amounts deposited into the "Surplus Revenue Fund," established pursuant to P.L.1990, c.44 (C.52:9H-14 et seq.); and

(5) options that the State has to respond to, and lessen the negative impact of, economic recessions.

c. The Department of the Treasury shall make the stress test analyses required pursuant to this section publicly accessible on its website, and shall include it as part of the Governor's budget message required pursuant to section 11 of article 3 of P.L.1944, c.112 (C.52:27B-20).

2. This act shall take effect immediately.

STATEMENT

This bill requires the Department of the Treasury to conduct and report on an annual basis a stress test analysis of the State's ability to maintain services and provide necessary assistance to residents in various economic conditions. Stress tests analyses can be used to help governments better prepare for future economic recessions.

The stress test analyses required by this bill will include (1) long- and short-term projections of major funding sources, including revenues from major taxes and funding from the federal government; (2) a comparison between projections of major funding sources and historical trends for each of those funding sources; (3) an analysis of expenditures that are likely to increase or decrease in

various economic conditions; (4) an accounting of the State's reserves, including amounts deposited into the "Surplus Revenue Fund"; and (5) options that the State has to respond to, and lessen the negative impact of, economic recessions.