

SENATE, No. 3870

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED JUNE 3, 2021

Sponsored by:

Senator TROY SINGLETON

District 7 (Burlington)

Senator VIN GOPAL

District 11 (Monmouth)

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: 6/15/2021)

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

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

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

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

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

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

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

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

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

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

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33 2. This act shall take effect immediately.

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STATEMENT

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

43 The stress test analyses required by this bill will include (1)
44 long- and short-term projections of major funding sources,
45 including revenues from major taxes and funding from the federal
46 government; (2) a comparison between projections of major funding

1 sources and historical trends for each of those funding sources; (3)
2 an analysis of expenditures that are likely to increase or decrease in
3 various economic conditions; (4) an accounting of the State's
4 reserves, including amounts deposited into the "Surplus Revenue
5 Fund"; and (5) options that the State has to respond to, and lessen
6 the negative impact of, economic recessions.