

ASSEMBLY COMMERCE AND ECONOMIC DEVELOPMENT  
COMMITTEE

STATEMENT TO  
**ASSEMBLY, No. 4234**

with committee amendments

**STATE OF NEW JERSEY**

DATED: FEBRUARY 13, 2023

The Assembly Commerce and Economic Development Committee reports favorably Assembly Bill No. 4234, with committee amendments.

As amended, this bill requires the Department of the Treasury to, once every third year, conduct and report on 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.

As amended and reported by the committee, Assembly Bill No. 4234 is identical to Senate Bill No. 2539(1R), which was also reported by the committee on this date.

COMMITTEE AMENDMENTS:

The committee amendments require the Department of the Treasury to conduct a stress test once every third year, rather than annually.