

September 24, 2012

ASSEMBLY BILL NO. 2885

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Assembly Bill No. 2885 with my recommendations for reconsideration.

This bill amends the State funds and revenues monthly reporting requirements statute with respect to the summarized monthly report of the General State Fund that the Director of the Division of Budget and Accounting is required to prepare. First, the bill expands the monthly reporting requirements to include the Property Tax Relief Fund and the Casino Revenue Fund. Second, the bill provides that the monthly reports must be completed and published no later than the tenth working day following the end of each month, instead of at the end of the following month as currently provided. Finally, the bill clarifies that, in addition to preparing the monthly reports, the Director must also publish them.

I commend the sponsors for their interest in fiscal transparency, an issue that has been an important priority of my Administration. The proposed changes, however, do not sufficiently solve this antiquated statute's shortcomings. The current statute, enacted in 1944 and last amended 35 years ago, has requirements that fail to accommodate the complexities of modern comprehensive financial reporting. We live in a time where budgets involve billions of dollars, and therefore it is imperative that our financial reporting requirements reflect this reality. The statute's requirements must provide for reporting that reflects an accurate view of the financial situation. Rushed data, leading to misinformation, can cause erroneous interpretations of revenue patterns and lead to unjustified speculation.

Furthermore, my Administration's commitment to transparency is equally rivaled by my responsibility to all individuals and businesses, throughout New Jersey and nationwide, that may be perilously damaged by unauthorized dissemination of inaccurate financial information. The leaking of inaccurate data can roil markets at home and internationally, causing devastating effects to the economy.

Based upon the foregoing, I support the bill's amendments to modernize the timing of monthly reports, create additional categories of reporting, and require the publication of reports. I am also recommending language that will increase the accuracy of annual financial reports and monthly reporting data. This revised statute will reflect the needs of our current State planning and the complexity of modern comprehensive financial reporting. As a result, the public will benefit from access to increased, accurate information.

In addition, I am recommending language to create a penalty provision for the unauthorized dissemination of financial information. The markets are too fragile, and financial portfolios too reliant on accurate information in the marketplace, for games to be played. I accept responsibility for transparency in my Administration's financial reporting, along with the responsibility to protect those relying on accurate financial information.

Accordingly, I herewith return Assembly Bill No. 2885 and recommend that it be amended as follows:

Page 2, Section 1, Line 10: Delete ", within 60 days following December 31 and 90 days" and insert "by December 31, a comprehensive annual financial report for the previous fiscal year ending on June 30th showing:"

Page 2, Section 1, Lines 11-12: Delete in their entirety

Page 2, Section 1, Line 35:

After "month" insert ", or as soon thereafter as is practicable,"

Page 2, Section 1, Line 37:

After "taxes" delete "," and insert ". Where practicable, and as deemed appropriate by the State Treasurer, the monthly report may be itemized"

Page 3, Section 1, Line 5:

After "years." insert "Any purposeful and unauthorized disclosure to the public of any information that is required by the director to be included in the comprehensive annual financial report or in the summarized monthly report of the General State Fund, the Property Tax Relief Fund, and the Casino Revenue Fund, as set forth in this section, prior to the publication of the report shall be deemed unlawful and shall be punishable as set forth in this section or pursuant to the provisions of any other applicable law. Any disclosure required by law or determined by the State Treasurer as necessary for the conduct of the state's business shall not be deemed unauthorized. Any person who shall violate the provisions of this section, in addition to the penalties set forth in any other applicable law, shall be liable to a penalty of \$10,000 which shall be collected in a summary proceeding pursuant to the "Penalty Enforcement Law of 1999," P.L. 1999, c.274 (C.2A:58-10 et seq.)."

Respectfully,

/s/ Chris Christie

Governor

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Attest:

/s/ Charles B. McKenna

Chief Counsel to the Governor