

SENATE, No. 254

STATE OF NEW JERSEY

INTRODUCED MARCH 18, 1947

By Mr. HANNOLD

Referred to Committee on Judiciary

AN ACT respecting the Division of Local Government in the State Department of Taxation and Finance and relating to the powers, duties and functions of said Division as to certain fiscal affairs of municipalities, counties, school districts and regional authorities or districts other than an interstate authority or district (Revision of 1947).

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

ARTICLE 1

IN GENERAL

1 1. Short Title. This act may be cited as the Local Government Super-
2 vision Act (1947)."

1 2. Definitions. As used in this act, unless the context indicates other-
2 wise:

3 "Department" means the State Department of Taxation and Finance.

4 "Commissioner" means the commissioner and head of the State Depart-
5 ment of Taxation and Finance.

6 "Division" means the Division of Local Government in the State Depart-
7 ment of Taxation and Finance.

8 "Director" means the administrative head of the Division of Local
9 Government in the State Department of Taxation and Finance.

10 "Board" means the Local Government Board of the Division of Local
11 Government in the State Department of Taxation and Finance.

12 "Governing body" means, in the case of a county, the board of chosen
13 freeholders, and in the case of a municipality, the body exercising general
14 legislative and administrative authority within the municipality.

15 "Political subdivision" includes a municipality, county, school district
16 or a regional authority or district other than an interstate authority or dis-
17 trict.

18 "Local government" means the government of political subdivisions.

19 "Municipality" includes a city, town, village, borough, township, special
20 district or other municipal corporations other than a school district or a
21 county.

22 "Municipality under supervision" means a municipality to which the pro-
23 visions of this act apply by virtue of a resolution of the Local Government
24 Board in the Division of Local Government in the State Department of Tax-
25 ation and Finance made in accordance with section seventy-one of this act.

26 "Administrator" means a local administrator of finance.

27 "Cash deficit" means the amount, if any, by which liabilities and cash
28 disbursements of a municipality for lawful yearly expenditures (as defined
29 in section 40:2-26 of the Revised Statutes) exceed the cash receipts in a
30 budget year, whether the municipality is operating under a cash basis budget
31 or not.

32 "Accountant" means a registered municipal accountant.

33 "Regular audit" means the annual or biennial audit, as the case may
34 be, required by law.

35 "Fiscal year" or "year" means the calendar year beginning January
36 first and ending December thirty-first.

1 3. Arrangement and headnotes. The arrangement of the sections of this
2 act have been made for the purpose of convenience, reference and order, and
3 except where the context indicates otherwise, no implication or presumption

4 of a legislative construction is to be drawn therefrom. No headnote to any
5 article or section shall be deemed to be a part of this act.

1 4. Act is a revision. This act is a revision of the statutory law repealed
2 by sections ninety-seven and ninety-eight of this act.

1 5. Powers, duties and functions continued. The powers, duties and func-
2 tions of the Division of Local Government in the State Department of Taxa-
3 tion and Finance of the Local Government Board in said division, and of the
4 director of said division, as provided for by law, are continued.

1 6. Division to supervise local government. The division shall exercise
2 State regulatory and supervisory powers over local government, assist local
3 government in the solution of its problems, and plan and guide needed read-
4 justments for effective local self-government.

1 7. Director's office at Capitol. The director shall have his office at the
2 State Capitol.

1 8. Powers and duties of the director. The director, in addition to
2 powers and duties specifically granted shall have the following general
3 powers and duties: To

4 (1) Administer the work of the division.

5 (2) Keep and preserve all papers and records pertaining to the div-
6 ision.

7 (3) Receive and preserve as public records all papers, reports and
8 other documents required to be filed with the division.

9 (4) Prescribe the organization of the division and the duties of his
10 subordinates and assistants.

11 (5) Administer State laws, pertaining to local government, which
12 are included within the jurisdiction of the division.

13 (6) Recommend to the board reasonable rules and regulations for
14 the interpretation and administration of the laws administered by the
15 division.

16 (7) Invoke any legal, equitable or special remedy for the enforce-
17 ment of orders and the provisions of law administered by the division.

18 (8) Offer advice, consultation and instruction to local officials in im-
19 proved methods of local administration.

1 9. Delegation of authority. All powers, duties and functions vested in
2 the director, including the making of inspections, examinations, audits and
3 investigations and the conducting of hearings, may be delegated to, and ex-
4 ercised by, his duly authorized deputies, agents, appointees or employees of
5 the division; but any such exercise of power, duty or function shall be at his
6 direction and under his supervision, and he shall be responsible for all official
7 acts.

1 10. Powers and duties of the board. The board shall have the following
2 powers and duties: To

3 (1) Study the entire field of local government in New Jersey.

4 (2) Promulgate reasonable rules and regulations for the interpreta-
5 tion and administration of State laws included within the jurisdiction of
6 the division.

7 (3) Hold hearings when required by law, and also when it determines
8 that interested persons should be given an opportunity to be heard.

9 (4) Hear appeals from determinations made by the director.

10 (5) Advise the director concerning the administration of the divi-
11 sion, the exercise of his powers, and the problems of local government.

1 11. Continuation of powers. The division, the board and the director
2 shall have and shall continue to have all the powers, duties and functions
3 which, under any law, could be exercised by the division, the board and the
4 director at the time this act takes effect.

1 12. Legal assistance. The Attorney-General of the State shall render,
2 without additional compensation, such legal services as the director or the
3 board may request for the discharge of their duties.

1 13. Meetings; proceedings. The board shall hold regular meetings each
2 year, as follows: On the third Monday in January, April, July and October.
3 Special meetings may be convened at the call of the director or a majority of
4 the members. The director and a majority of the members shall constitute a

5 quorum for the conduct of official business. Minutes of all meetings shall be
6 kept and shall be open to inspection as public records. Final action of the
7 board shall be by resolution adopted by majority vote.

1 14. Hearings: Rules of procedure. The board shall adopt rules of pro-
2 cedure to govern hearings and other proceedings before the board. The
3 board may hold hearings at the office of the director, or any other place con-
4 venient to the parties. The rules of procedure adopted by the board shall
5 govern all hearings and a record of proceedings shall be taken, which at the
6 request of a party to the hearing may be stenographic. Decision shall be
7 made by a majority vote of the board.

1 15. Appeals from determinations of the director. A person, including a
2 taxpayer or citizen, aggrieved by a determination made or an order issued
3 by the director may apply to the board for a review and redetermination. Ap-
4 plication for review and redetermination shall be filed with the director not
5 more than ten days after the date of the determination or order. Within
6 thirty days after filing of the application the board shall give the applicant
7 an opportunity to be heard, and shall sustain, reverse or modify the determi-
8 nation of the director. The action taken by the board shall be by majority
9 vote, shall be spread upon its minutes and shall be open to inspection as a
10 public record.

1 16. Compulsory process. The director or the board, as the case may be,
2 may issue subpoenas to compel the attendance and testimony of witnesses and
3 the production of books, papers, accounts or other documents, in any hear-
4 ing, investigation or other proceeding. A subpoena may be served by any
5 person duly authorized or by registered mail.

1 17. Enforcement of process. If a person subpoenaed or ordered under
2 the provisions of section sixteen fails to obey the subpoena, submit to exami-
3 nation, answer legal and pertinent questions, or produce books, papers, ac-
4 counts or other documents when ordered, the director may apply to the
5 Supreme Court for an order directing such person to show cause why he
6 should not comply with the subpoena or order. Application may be made to

7 the Supreme Court or to any justice thereof who shall have the power of
8 the courts for the purposes of this section. Upon proof, by affidavit of the
9 facts, the court or justice may issue an order returnable in not less than
10 two nor more than ten days directing such person to show to the court, the
11 justice issuing the order, or another justice of the court why he should not
12 comply with the subpoena or order. Upon the return of the order the court or
13 justice shall examine the person under oath, and shall give him an opportu-
14 nity to be heard.

15 If the court or justice determines that the person refused without legal
16 excuse to obey the subpoena, to be examined, to answer legal and pertinent
17 questions, or to produce the books, papers, accounts or other documents as
18 ordered, the court or justice may order the person to comply forthwith with
19 the subpoena or order. A failure to obey the order of the court or justice may
20 be punished as a contempt of the Supreme Court.

1 18. Issuance of orders; compliance. The director may issue instructions
2 and orders to a sinking fund commission of a political subdivision or govern-
3 ing body, as the case may be, requiring compliance with the requirements of
4 law and the regulations of the board. Each order shall state a date giving
5 reasonable time for compliance.

6 The local governing body and other local officers concerned shall comply
7 with the instructions and orders. At the request of the local governing body
8 the board shall grant a public hearing upon the matter in question. If the
9 hearing is requested, the director shall not proceed to enforce the order until
10 the hearing has been held and final determination is made.

1 19. Enforcement of orders. Orders of the director may be enforced by
2 mandamus or injunction in appropriate cases, or by suit in equity to compel
3 the specific performance by the officers or governing bodies of political sub-
4 divisions of the orders of the director or of the duties imposed by law.

1 20. Judicial review. The provisions of this act shall not be construed to
2 prevent the judicial review of an order of the director after exhaustion of
3 the remedy provided by section fifteen. But no such order shall be wholly or

4 partly set aside because of irregularity or informality in administrative pro-
5 ceedings unless the irregularity tends to impair the right or interest of the
6 prosecuting party.

7 Any proceeding in a court of this State to which the director is a party,
8 or directly affecting an order of the director shall have preference over all
9 other civil proceedings pending in that court.

1 21. Certifications as evidence. The official documents, orders and pro-
2 ceedings when certified to by the director shall be evidence in the courts of the
3 State. The director may make a reasonable charge for copies of such records.

1 22. Certified and attested copies of records relating to bond issues. The
2 director shall receive and preserve as public records the certified copies of
3 the procedures and other papers filed with the division in connection with
4 bond issues. Upon request, the director shall furnish attested copies of such
5 papers. The director may make a reasonable charge for such copies.

1 23. Duty of local officers. It shall be the duty of the governing body and
2 officers of a political subdivision of the State to co-operate with the director
3 and the board toward giving effect to the purposes of this act, and the powers
4 and duties of the division.

ARTICLE 2

BUDGETS, TAX ORDINANCES AND RESOLUTIONS AND TAX LEVIES; POWER TO CORRECT OR ADD MANDATORY ITEMS

1 24. Authority of director as to budget; reduction in rate of interest;
2 powers of county board of taxation. The director may inquire into any item
3 of budget or certification of requirements and may order any item required
4 by law to be raised by taxation for municipal, county or school purposes which
5 has been omitted in whole or in part from any budget to be included in the
6 budget or the tax ordinance or resolution or tax levy, or he may inquire into
7 any item of the budget and if wrongly stated in such budget, may order said
8 item to be corrected and properly stated in the budget before its adoption,
9 or to have the error corrected and adjusted in the tax ordinance or resolution
10 or in the tax levy. All such orders shall constitute a mandatory obligation

11 upon the governing body of any municipality, county or school district or the
 12 sinking fund commission or the county board of taxation, as the case may
 13 be.

14 Where any county or other municipality has agreed or shall agree with
 15 the holders of fifty per centum (50%) in amount of any evidence of indebted-
 16 ness of any such county or other municipality to accept a reduced rate of
 17 interest thereon, or postpone any amortization requirement concerning any
 18 such evidence of indebtedness, the county board of taxation may reduce to
 19 such extent the item or items so certified by the director. Upon application
 20 to such county board of taxation by any county or other municipality for
 21 such reduction or reductions, such county board shall within thirty days fix
 22 a date for the hearing of such application, of which hearing public notice
 23 shall be given by the county board of taxation, and at the time and place so
 24 fixed any party in interest may be heard. Upon being satisfied of the suf-
 25 ficiency of such application the county board of taxation may correct and
 26 reduce the item or items within the limits fixed by this section.

1 25. Director not to issue order with respect to budget in certain cases.
 2 Whenever the board shall be functioning as the municipal finance commis-
 3 sion in any municipality pursuant to the provisions of law, the director may
 4 issue no order with respect to the budget or the tax ordinance or tax levy of
 5 such municipality pursuant to the provisions of section twenty-four of this
 6 act, except upon the direction of such board so functioning.

ARTICLE 3

FISCAL ADMINISTRATION IN LOCAL GOVERNMENT

1 26. Purpose of article. The purpose of this article is to make provision
 2 for modernized practices of fiscal administration in local government.

1 27. Uniform accounting systems. The board shall, after careful study
 2 and investigation of accounting requirements, prescribe uniform accounting
 3 systems for municipalities and counties, and may, from time to time, revise or
 4 amend such systems. The board may classify municipalities and counties in

5 accordance with different types of accounting requirements and may pre-
6 scribe a suitable variation of the uniform system to apply to each class. The
7 use of the system when prescribed, shall be mandatory in accordance with the
8 regulations of the board. This section shall not be construed to prevent the
9 director, with the consent of the board, from approving the continued use of
10 a system used by county or municipality that meets the requirements of and
11 is in substantial conformity with the uniform system prescribed.

1 28. Rules and regulations as to accounting methods. The board may
2 promulgate rules and regulations for the proper use of uniform account-
3 ing systems and for proper accounting methods.

1 29. Account books and forms. The board may have prepared account
2 books, blank forms and other accounting materials for use in uniform ac-
3 counting systems and may furnish them at cost to municipalities and
4 counties.

1 30. Installations of accounting systems. The director may make in-
2 stallations of uniform accounting systems prescribed by the board at the
3 request of the governing body of a municipality or county, and may make
4 installations on his own motion with or without the consent of the govern-
5 ing body if local officers or a governing body fail or refuse to comply
6 with the regulations of the board as to accounting systems or methods. The
7 cost of installation shall be paid by the municipality or county.

1 31. Instruction and consultation. Where the director installs account-
2 ing systems he shall supply without additional charge reasonable instruc-
3 tion and consultation in the use of the system and in proper accounting
4 methods. So far as possible, instruction and consultation shall be extended
5 to all municipalities and counties.

1 32. Systems of financial administration. The board may prescribe sys-
2 tems of financial administration for municipalities and counties. Systems
3 may be prescribed for a group or class of municipalities or counties having
4 similar requirements, and separate systems may be prescribed for each of
5 as many groups or classes as the board may determine.

6 Systems of financial administration shall include:

7 (1) Definite procedures for the receipt, custody, control and disburse-
8 ment of public funds.

9 (2) Forms for receipts, requisitions, disbursement, purchase orders and
10 other necessary documents.

11 (3) The exercise of a comptroller function by a designated local officer.

12 (4) Definitions of the respective powers and duties of the several local
13 officers engaged in financial administration.

14 (5) Instructions, rules and regulations for the proper procedures and
15 practices of financial administration.

16 A system of financial administration, when prescribed, shall be manda-
17 tory upon the municipalities and counties to which it applies.

1 33. Advisory committees. The board may appoint special or standing
2 advisory committees to render advice and consultation to the director and
3 to the board in the preparation, operation and revision of uniform account-
4 ing systems and systems of financial administration. An advisory commit-
5 tee shall perform only those duties specifically assigned to it by the board.
6 An advisory committee may consist of local officers, registered municipal
7 accountants, other persons, or any combination of them, as the board may
8 determine. Members of the committee shall serve without compensation
9 but actual and necessary expenses, as determined by the board, may be paid.

1 34. Form of reports and financial statements. The board shall prescribe
2 the forms upon which financial statements and other reports pertaining to
3 local financial affairs shall be made. The director shall supply forms to
4 local officers at least thirty days prior to the date upon which the report
5 is due.

1 35. Audits. Authority of board. The board shall promulgate rules and reg-
2 ulations governing the method, scope and procedure of regular audits of the
3 financial affairs of municipalities and counties. Regulations shall pre-
4 scribe the form and content of the audit report and shall specify the mat-
5 ters upon which comment and analysis shall be required of the auditing
6 accountant.

1 **36. Audits by department.** Whenever the director finds that the finan-
2 cial affairs of a municipality or county require special supervision, he may
3 require that the regular audits of such municipality or county be made only
4 by the auditing staff of the division. In such cases the director may make
5 such investigations and analyses in addition to the standard requirements
6 for audits, as the financial affairs of the municipality may warrant. Rea-
7 sonable notice of the decision of the director to make the regular audit in
8 a municipality or county shall be given to the governing body.

1 **37. Rejection of audit report.** If the director finds that an audit report
2 as filed is incomplete or inaccurate; was not made in accordance with the
3 regulations promulgated by the board; or does not reflect the true financial
4 condition of the municipality or county, he may:

5 (1) Order supplementary examinations to be made of specified funds,
6 accounts or offices by the accountant making the original audit.

7 (2) Reject the audit report and require that the audit be made de novo
8 in whole or in part.

9 (3) Require that supplementary or de novo examinations be made by the
10 auditing staff of the division.

1 **38. Examination of sinking fund.** The director shall examine and audit
2 the books, papers, securities and moneys in the custody of the sinking fund
3 commission of a political subdivision. Examination and audit shall be made
4 at least once every two years and oftener if the director deems necessary.

1 **39. Duty of sinking fund commission.** A sinking fund commission of a
2 political subdivision shall at the request of the director produce its books,
3 papers, securities and moneys, and all other records pertaining to its busi-
4 ness. The sinking fund commission shall co-operate with the director and
5 facilitate examination and audit in every way.

1 **40. Sinking fund: Recommendation by the director.** The director shall
2 examine the report of audit of a sinking fund commission and may make
3 such recommendations pertaining to the management and administration of
4 the affairs of the sinking fund commission as he finds desirable. Notice and

5 statement of recommendations shall be filed forthwith with the secretary of
6 the commission. The secretary shall immediately send a copy of the state-
7 ment to each member of the commission and to the executive head of the
8 political subdivision. The secretary shall, within thirty days after receipt
9 of the statement of recommendations, report to the director the action taken
10 by the sinking fund commission.

1 41. Sinking funds: Enforcement of recommendations. If after forty-
2 five days following filing of notice and statement of recommendations with
3 the secretary of a sinking fund commission, the commission has failed or
4 refused to act in accordance with such recommendations, the director may
5 order the sinking fund commission to take such specific steps as he may find
6 necessary and proper to protect the solvency and proper administration of
7 the sinking fund. Orders may be enforced in accordance with sections fifty
8 and fifty-two of this act.

1 42. Sinking funds: Accounting. The board shall prescribe and enforce
2 a uniform system for the setting up and keeping of sinking fund accounts in
3 political subdivisions. The director may at the request of a sinking fund
4 commission install the system of accounts in a political subdivision, and may
5 make such installations on his own motion with or without consent of the
6 sinking fund commission if he finds that sinking fund accounts are not kept
7 in accordance with the uniform system prescribed by the board. The cost
8 of installation shall be charged against the political subdivision.

1 43. Sinking funds: Examination of requirements. The director shall,
2 upon receipt, examine and audit the statement of annual sinking fund require-
3 ments of a political subdivision. The director shall determine the sufficiency
4 of the amount certified, and shall make such corrections as may be necessary.
5 After correction or approval the director shall certify sinking fund require-
6 ments at the time and in the manner required by section 40:3-19 of the
7 Revised Statutes.

1 44. Sinking funds: Amortization requirements. The director shall exam-
2 ine the calculations and tabulations of the conditions of sinking funds as sub-

mitted by a sinking fund commission of a political subdivision, and shall determine the sufficiency of the funds for the amortization of bonded debt in accordance with the standards fixed by law.

If the director finds that the sinking funds are insufficient for such amortization, he shall certify to the sinking fund commission a statement of the amount required to make good the deficiency and the additional annual requirements to be made to the special sinking fund account as required by sections 40:3-20 and 40:3-24, both inclusive, of the Revised Statutes.

45. Compensation of department for services rendered. The board shall fix reasonable charges, for the services rendered under sections twenty-nine, thirty, thirty-six, thirty-seven, thirty-eight and forty-two of this act, and by agreement for the making of a regular audit. Such charges shall represent, as nearly as possible, the actual cost of the services, but shall not exceed twenty-five dollars (\$25.00) per diem for each person actually engaged in the performance of the services. The charges for the services, as so fixed, shall be paid by the political subdivision receiving the services. The charges may be recovered, in the name of the State, by the director, as a contractual debt, in any court of competent jurisdiction. All moneys received or collected for such charges shall be paid forthwith into the State treasury.

46. Inspection of local administration. The director may at any time during regular business hours make inspections and examinations of the financial administration of a county or municipality. Inspection and examination may extend to the use of the uniform accounting system; accounting methods; the collection, custody and disbursement procedure; a selective audit of particular funds and accounts; and to any other matter or practice subject to regulation by the board, or regulated by any State law which is administered by the division.

Reports of inspection and examination shall be certified to the local governing body together with instructions for the correction of procedures or practices found not to be in accordance with the requirements of law or of the regulations of the board. Instructions of the director shall fix a date for

13 compliance by the local governing body. On or before the date for compliance
14 the local governing body shall give effect to the instructions and shall so certify
15 to the director.

1 47. Inquiring into financial affairs. The director may make a special
2 investigation of a county or municipality, if, upon examination of the reports
3 of audit and recommendations of an accountant, there appear to be errors,
4 inaccuracies or omissions in the report of audit or recommendations, or evi-
5 dence of illegal financial practices; or if the director has reason to believe
6 that irregularities in the conduct of the financial affairs have occurred.

1 48. Special investigation: Enforcement of orders. The director may
2 issue such orders as he may find appropriate to correct errors, inaccuracies
3 or omissions in the report of audit or recommendations, illegal financial prac-
4 tices, or irregularities in the conduct of financial affairs, disclosed at an
5 investigation made in accordance with section forty-seven of this act. Orders
6 may be enforced in accordance with sections fifty and fifty-two of this act.

1 49. Powers of inquiry. In any inspection, audit, inquiry, examination or
2 other investigation authorized by this act, the director may hold hearings and
3 exercise the powers of investigation granted by law.

1 50. Issuance of orders; compliance. The director may issue instruc-
2 tions and orders requiring compliance with the requirements of this article
3 and the regulations of the board. Instructions and orders may be based upon
4 the audit report and recommendations of accountants or of the director; a
5 special investigation; an inspection and examination; reports filed with the
6 division; failure or refusal to file documents or make reports; or any other
7 evidence of illegal financial practice or procedures in the political subdivision.

8 An order shall be issued and may be enforced in the manner provided
9 for other orders of the director.

1 51. Duty of local officers. An officer of a municipality or county who is
2 charged with duties pertaining to fiscal administration shall keep accounts and
3 in other respects perform his duties in accordance with the regulations
4 promulgated by the board. An officer who willfully violates this section shall

5 be guilty of a misdemeanor. Upon conviction he shall be fined not less than
6 twenty-five dollars (\$25.00) nor more than one thousand dollars (\$1,000.00),
7 or imprisoned not less than ten days nor more than one year, or both; and
8 shall in addition forfeit his office.

1 52. Enforcement of orders; penalties. A local officer or member of a
2 local governing body who, after the date fixed for compliance, fails or refuses
3 to obey an order of the director, under the provisions of this article, shall be
4 guilty of a misdemeanor and, upon conviction, may be fined not more than
5 one thousand dollars (\$1,000.00) or imprisoned for not more than one year,
6 or both, and in addition shall forfeit his office.

1 53. Construction of this article. The provisions of this article shall be
2 construed to be in addition to the provisions of sections 40:4-1 to 40:4-3, in-
3 clusive, and sections 40:4-13 to 40:4-16, inclusive, of the Revised Statutes.

ARTICLE 4

MUNICIPALITIES IN UNSOUND FINANCIAL CONDITION AND SCHOOL DISTRICTS THEREIN

1 54. Purpose of article. The purpose of this article is to make provision
2 for the imposition of special restraints upon municipalities in, or in danger
3 of falling into, unsound financial condition and in this way to forestall
4 serious defaults upon local obligations and demoralized finances that burden
5 local taxpayers and destroy the efficiency of local services.

1 55. Application of article. The provisions of this article shall take effect
2 in a municipality when, at the end of a fiscal year, any of the following con-
3 ditions exist:

4 (1) A default exists in the payment of principal or interest upon
5 bonded obligations or bond anticipation obligations, for which no
6 funds or insufficient funds are on hand and segregated in a special trust
7 fund.

8 (2) Payments due and owing the State, county, school district or
9 special district, or any of them, are unpaid for other than the year just
10 closed and the year next preceding that year.

11 (3) An appropriation for "cash deficit of preceding year" in an
12 amount in excess of five per centum (5%) of the total amount of taxes
13 levied upon real and personal property for all purposes in such preceding
14 year, is required to be included in the next regular budget and was re-
15 quired to be included in the budget for the year just closed; *provided,*
16 *however,* in establishing the excess, if any, over the said five per centum
17 (5%) there shall first be deducted from such appropriation the amount,
18 if any, that was caused by the failure to receive miscellaneous anticipated
19 revenue from franchise and gross receipts taxes.

20 (4) Less than fifty per centum (50%) of the total amount of taxes
21 levied for all purposes upon real and personal property in the taxing dis-
22 trict, in the year just closed and in the year next preceding that year,
23 respectively, were collected during the year of levy. This subsection
24 shall apply only if more than twenty-five per centum (25%) of the
25 amount of such taxes for such year next preceding remained outstand-
26 ing at the end of the year just closed.

27 (5) The appropriation required to be included in the next regular
28 budget for the liquidation of floating debt in accordance with sections
29 40:2-21 (d) and 40:2-23 (b) of the Revised Statutes exceeds twenty-five
30 per centum (25%) of the total of appropriations for operating purposes
31 (except dedicated revenue appropriations) in the budget for the year just
32 ended.

1 56. Determination by the board: Notice and hearing. If the director
2 finds in the course of his annual examination of the approved budget, the
3 statement of current liabilities, the annual financial statement, or any other
4 report, regular or special, filed with the division by a governing body or
5 a municipal officer, that any of the conditions listed in section fifty-five of this
6 act exist in a municipality not subject to supervision under sections 52:27-1
7 to 52:27-66, inclusive, of the Revised Statutes, he shall forthwith give notice
8 to the governing body that the question of the application of this article to
9 that municipality will be placed before the board for its determination at a
10 time and place which shall be stated in the notice.

11 The board, at the time and place stated in the notice, shall give the local
12 governing body and any other interested parties an opportunity to be heard.
13 If the board finds, after hearing, that any of the conditions listed in section
14 fifty-five of this act exist in the municipality, it shall by resolution deter-
15 mine that the provisions of this article are, from and after the date of such
16 resolution, in effect within that municipality.

17 Notice shall be given by registered mail to the clerk of the municipality.
18 Upon receipt of such notice the governing body and municipal officers shall
19 observe the provisions of this article and shall comply with all orders of the
20 director issued under it while the municipality remains subject to its pro-
21 visions.

1 57. Limitation on debt. In a municipality subject to this article, obli-
2 gations, bonded or otherwise, shall not be issued or authorized by the munici-
3 pality, school district, or any special district except as expressly authorized
4 by this section.

5 This section shall not affect the power:

6 (1) To issue tax anticipation, tax revenue, or any other obligations
7 of a strictly current character, except emergency obligations.

8 (2) To fund outstanding obligations in accordance with sections
9 40:1-61 to 40:1-74, both inclusive, of the Revised Statutes.

10 (3) To issue obligations in order to comply with an order issued in
11 accordance with law by a State Board, department or other agency.

12 (4) To issue obligations, with the prior written approval of the
13 board, in accordance with any law authorizing borrowing to finance the
14 relief of the poor, the operation of work relief projects, or other meas-
15 ures for the relief of unemployment; and for emergencies.

1 58. Limitation upon appropriations. In a municipality subject to this
2 article, the amount to be raised by taxes on real and personal property for
3 municipal purposes, school purposes, and any special district purposes shall
4 not be increased by more than five per centum (5%) in excess of such amount,

5 respectively, for the year next preceding the year in which this article takes
6 effect in that municipality.

7 This section shall not be construed to authorize an appropriation of less
8 than the full amount required for the payment of debt service; or to author-
9 ize the abrogation of any covenant entered into with bondholders.

10 The board, upon application of the governing body setting forth the cir-
11 cumstances in full, may authorize a municipality to adopt a budget in ex-
12 cess of the limitation of this section. The board shall authorize such a budget
13 only if it finds that the appropriation of an amount in excess of the limita-
14 tion is necessary for:

15 (1) Appropriations required by law or for purposes made manda-
16 tory by law, including debt service, judgments and deferred charges.

17 (2) The protection of the public health, safety, morals or welfare.

18 (3) The prevention of irreparable damage to public property or
19 the realization upon municipal assets.

20 (4) The meeting of any lawful yearly expenditure of the municipal-
21 ity; *provided*, the board shall first hold a public hearing after five days'
22 notice published at the expense of the municipality in a newspaper pub-
23 lished or circulating in said municipality.

24 If the board grants an authorization, it shall determine the amount nec-
25 essary to meet the need of the municipality and shall fix the total amount of
26 all municipal appropriations including the excess above the limitation of this
27 section.

1 59. Limitations upon counties. The provisions of section fifty-seven of
2 this act (for the purpose of limiting the issuance of county obligations
3 bonded or otherwise) and of section fifty-eight of this act (for the purpose of
4 limiting the amount to be raised by taxation for county purposes) shall apply
5 to a county when and so long as:

6 (1) The limitations of sections fifty-seven and fifty-eight of this act
7 apply to three or more municipalities within the county because of the
8 operation of section fifty-five of this act; and five or more per centum of

9 the average of assessed valuations of taxable real property (including
10 improvements) of the county, as stated in the annual debt statements for
11 the preceding fiscal year (in accordance with subsection two, section
12 40:1-80 of the Revised Statutes) are located in each of two of such mu-
13 nicipalities;

14 and, in addition, either of the following exists:

15 (2) Fifty or more per centum of the average of assessed valuations
16 of taxable real property (including improvements) of the county, as
17 stated in the annual debt statements, for the preceding fiscal year (in ac-
18 cordance with subsection two, section 40:1-80 of the Revised Statutes)
19 are located in such three or more municipalities, or

20 (3) Fifty or more per centum of the number of municipalities in
21 the county are affected by the limitations of sections fifty-seven and
22 fifty-eight of this act.

23 The director shall give notice, and the board shall give interested parties
24 an opportunity to be heard and shall make its determinations as to the ap-
25 plication of this section to counties at the same time and in the same manner
26 as required by sections fifty-six and sixty-four of this act in the case of mu-
27 nicipalities.

1 60. Compliance with requirements of law. The director may order the
2 governing body or an officer of a municipality subject to this article to per-
3 form any duty prescribed by law whether or not a specific penalty or enforce-
4 ment procedure is provided by such law. The orders may be enforced as
5 authorized by law.

1 61. Liquidation of floating debt. The board may, under this section,
2 authorize a municipality subject to this act to liquidate its current debt other
3 than as required by sections 40:2-21 (d), and 40:2-23 (b) of the Revised
4 Statutes.

5 The board may:

6 (1) Authorize liquidation to continue for as many years as may be
7 necessary to avoid an appropriation for the liquidation of all current

8 obligations in any one year, of more than twenty-five per centum (25%)
9 of the total of appropriations for operating purposes (except dedicated
10 revenue appropriations) in the budget for the year just ended.

11 (2) Authorize the payment of amounts due other jurisdictions in ac-
12 cordance with an agreement entered into between the governing body of
13 the municipality and such other jurisdictions.

14 Liquidations under this section shall be in accordance with a plan of
15 liquidation adopted by resolution of the governing body and approved by the
16 board. A plan so adopted and approved shall be binding upon the munici-
17 pality and annual appropriations as required by the plan shall be mandatory.
18 A plan shall not be amended except with the prior written consent of the
19 board.

20 Whenever a municipality is operating under an approved plan of liqui-
21 dation and none of the conditions listed in subsections one, three and four of
22 section fifty-five of this act exist in that municipality, the limitations of sec-
23 tions fifty-seven and fifty-eight of this act shall not apply. The supervision
24 of the State Board, however, shall continue for the duration of the liquidation
25 plan.

1 62. Analysis of financial conditions. The director may at any time, and
2 shall if the governing body so requests, make a special analysis of the finan-
3 cial conditions of a municipality subject to this article. The analysis shall
4 extend to all factors and circumstances contributing to the financial condi-
5 tions of the municipality and shall if possible, recommend definite steps to
6 be taken to correct such conditions.

1 63. Consultation and assistance. The director shall extend all possible
2 consultation and assistance to municipalities subject to this article to assist
3 in the improvement of local financial conditions.

1 64. Duration of supervision. A municipality shall remain subject to this
2 article as long as any of the conditions listed in section fifty-five of this act
3 exist; and until the municipality has operated during the last fiscal year
4 without incurring a cash deficit (as computed in the manner provided by
5 section 40:2-27 of the Revised Statutes).

6 When the director finds in his annual examination of the approved
7 budget, the statement of current liabilities, the annual financial report, or
8 any other report, regular or special, of financial condition filed in the office
9 of the division that none of the conditions listed in section fifty-five of this
10 act exist in a municipality subject to this article, and he finds that the munic-
11 pality operated during the last fiscal year without incurring a cash deficit
12 (as computed in the manner provided by section 40:2-27 of the Revised Stat-
13 utes), he shall give notice to the local governing body that the question of the
14 application of this article to that municipality will be placed before the board
15 for its determination at a time and place which shall be stated in the notice.

16 The board, at the time and place stated in the notice, shall, after giving
17 the local governing body and other interested parties an opportunity to be
18 heard, determine whether any of the conditions listed in section fifty-five of
19 this act continue to exist in the municipality, and whether the municipal-
20 ity operated during the last fiscal year without incurring such cash deficit.
21 If the board finds that none of such conditions exists, and that the munic-
22 ipality operated during said year without incurring such cash deficit, it shall,
23 by resolution, determine that the provisions of this article are no longer in
24 effect in the municipality.

25 The director shall forthwith certify to the governing body that the pro-
26 visions of this article no longer affect that municipality.

27 Notice shall be given by registered mail to the clerk of the municipality.

1 65. Municipalities under the Municipal Finance Commission. If a munici-
2 pality subject to this act is placed under the supervision of the Municipal
3 Finance Commission in accordance with section 52:27-2 or section 52:27-3
4 of the Revised Statutes, the application of this article in such municipal-
5 ity shall thereupon be terminated.

1 66. Additional powers of the board. For the purpose of this article
2 the board shall have, in addition to its other powers, authority to

3 (1) Promulgate rules and regulations for the interpretation and
4 administration of this article.

5 (2) Require, and prescribe the form of, special reports to be made
6 by a financial officer or governing body pertaining to the financial affairs
7 of municipalities.

8 (3) Hold hearings.

1 67. Additional powers of the director. For the purposes of this article,
2 the director shall have, in addition to his other powers, authority to issue
3 and enforce orders as authorized by law for other orders issued by him.

1 68. Construction. This article shall be construed liberally to give effect
2 to its intent that unsound financial conditions in municipalities shall be fore-
3 stalled and corrected.

1 69. Special remedial treatment for municipalities. Specialized remedial
2 treatment for municipalities that are in definitely unsound fiscal condition
3 may be imposed pursuant to sections sixty-nine to ninety-one, inclusive, of
4 this act, as the board in its judgment finds appropriate for the rehabilita-
5 tion of such municipalities.

1 70. Special powers of board; when to apply. Whenever the board finds,
2 in accordance with section seventy-one of this act, that such a municipal-
3 ity has incurred a cash deficit in each of two of the last three years, of not
4 less than ten per centum (10%) of the amount levied for all purposes on real
5 and personal property the powers and duties conferred upon the board by
6 sections sixty-nine to ninety-one, inclusive, of this act shall apply to, and
7 may be exercised with respect to, a municipality under supervision.

1 71. Determination by board. The board shall, from time to time, deter-
2 mine whether the conditions set forth in section seventy of this act exist in
3 a municipality. If the board finds that such conditions exist, it shall by res-
4 olution determine that the provisions of sections sixty-nine to ninety-one, in-
5 clusive, of this act apply to that municipality.

1 72. Investigations by board. If the board finds that the provisions of
2 sections sixty-nine to ninety-one, inclusive, of this act apply to a municipality,
3 the director shall make a complete analysis of the causes of unsound condi-
4 tion; the economic capacity of the community; and the need for local gov-

5 ermental services. He shall submit his findings to the board. The board
6 may make further investigations and shall hold at least one public hearing
7 at which interested parties shall be given an opportunity to be heard. The
8 board, after the hearing, shall determine by resolution which, if any, of the
9 methods of action authorized by said sections are applicable to the munici-
10 pality.

1 73. Supervision of revenue administration. If the board finds that tax
2 assets are not being realized upon because of weak or inadequate revenue
3 administration, it may supervise and control the methods and procedures
4 used for the assessment, collection, and enforcement of taxes upon real and
5 personal property; and the administration of licenses and other miscellane-
6 ous revenues.

7 The board shall determine the specific changes in revenue administra-
8 tion that are necessary in the municipality. The measures determined by the
9 board as necessary may be enforced by order of the board in the same manner
10 as authorized for other orders of the board. But the concurrence of the
11 Director of the Division of Taxation in the State Department of Taxation
12 and Finance shall be a condition precedent to the enforcement by the board
13 of such orders as fall within the scope of the said director's supervisory
14 powers.

1 74. Separation of assessment lists. If the board finds that unsound
2 fiscal conditions result in whole or in part from the continued treatment of
3 taxes levied upon delinquent property as liquid tax assets, it may order that
4 tax lists be prepared and used in accordance with sections seventy-five to
5 seventy-eight, inclusive, of this act.

1 75. Preparation of assessment lists. The board may require that two
2 separate assessment lists, an active list and an inactive list, be prepared:

3 (1) The inactive list shall include all property on which taxes levied
4 during the three years immediately preceding have not been paid in whole
5 or in part.

6 (2) The active list shall include all other taxable property.

1 76. Inactive lists; preparation and effect. (a) After the board orders
2 the preparation of tax lists pursuant to its powers under sections seventy-
3 four and seventy-five of this act, the collector shall for each year prepare
4 and certify to the county board of taxation a list of all properties, real and
5 personal, upon which no tax payments have been made during the three fiscal
6 years immediately preceding, to be known as the "inactive list." In each
7 municipality in which the collector is required by this section to prepare an
8 inactive list, the assessor shall file his duplicate with the collector at least ten
9 days before he is required to file his assessment list and duplicate with the
10 county board of taxation. The collector shall indicate by a check mark in the
11 left-hand margin of each page at the appropriate lines those properties which
12 are on his inactive list. The collector shall attend before the county board of
13 taxation upon two days' notice from the county board, but not less than ten
14 days after the duplicate is delivered to him, and at such time he shall file
15 with the board the assessor's duplicate, together with his complete inactive
16 list and a true copy thereof, such list and copy to be verified by affidavit of
17 the collector. The county board shall cause the inactive list and the
18 copy thereof to be annexed to the appropriate tax list and duplicate,
19 respectively.

20 (b) The county board of taxation shall deduct from the valuations upon
21 the assessor's tax list and duplicate the aggregate valuations of properties
22 appearing upon inactive lists prior to fixing and adjusting the amount of
23 State, State school and county tax to be levied in each taxing district and
24 prior to causing the tax rate to be entered as provided by law. The amount
25 of tax at the rate so entered, however, shall also be extended on the tax du-
26 plicates against each assessment on the inactive lists, and shall be and remain
27 payable and enforceable in accordance with the provisions of Title 54 of the
28 Revised Statutes. The table of aggregates, as required by section 54:4-52
29 of the Revised Statutes, shall not include items appearing upon the inactive
30 lists.

31 (c) Nothing in this section shall be construed to relieve an assessor of
32 any duty or obligation otherwise imposed by law, except that an assessor
33 shall not incur any penalty for failure to file his duplicate with the county
34 board of taxation during such period and only so long as it is actually in the
35 physical possession of the collector pursuant to this act.

1 77. Apportionment of receipts from inactive properties. The local
2 governing body shall cause to be paid to the county treasurer and to the cus-
3 todian of school funds, at such time and in such manner as the director may
4 prescribe, amounts collected from properties on an inactive list, less reason-
5 able costs of collection, in the proportion that the amounts levied for State,
6 State school, county and school district purposes, respectively, during the
7 fiscal year of such collections bore to the total levy for all purposes upon
8 real and personal property within the municipality.

1 78. Rate of tax collections. The rate of tax collections for whatever
2 purpose used, shall be computed as the percentage that all tax collections
3 were of amounts levied against both active and inactive lists.

1 79. Notice of proceedings of county tax board. The county board of
2 taxation shall not revise, correct or equalize the assessed value of property
3 in a municipality to which the provisions of sections sixty-nine to ninety-
4 one, inclusive, of this act, apply, nor shall the county board hear or deter-
5 mine an appeal concerning an assessment in such a municipality, without
6 first giving at least five days' notice in writing to the director so that the
7 board or its representative may be heard as a party in interest in behalf of
8 the State.

1 80. Local administrator of finance. If the board finds that unsound con-
2 ditions in a municipality to which sections sixty-nine to ninety-one, inclu-
3 sive, of this act apply are due, in whole or in part, to a failure to liquidate old
4 obligations, the board may recommend to the local governing body that
5 a local administrator of finance be appointed. If the board recommends the
6 appointment of an administrator, it shall submit to the governing body the
7 names of not less than three persons who are found by the board to be

8 qualified to perform the duties of administrator for that municipality. The
9 governing body shall, thereupon, appoint as administrator one of the per-
10 sons so named.

11 The administrator shall receive compensation for his services to be paid
12 out of the funds of the municipality in an amount fixed by the governing
13 body and approved by the board. He shall give bond for the faithful per-
14 formance of his duties in an amount fixed by the governing body and ap-
15 proved by the board. An administrator shall continue his employment un-
16 til his services are terminated by the governing body, with the approval of
17 the board.

1 81. Local administrator; powers and duties. An administrator shall
2 have such of the powers and duties authorized by sections eighty-two to
3 eighty-seven, inclusive, of this act, as are specifically assigned to him by the
4 governing body upon the recommendation of the board. An administrator
5 shall exercise his powers and perform his duties under the general supervi-
6 sion of the board.

1 82. Administration of assets and liabilities. A local governing body,
2 upon the recommendation of the board, may authorize and direct the admin-
3 istrator to liquidate all of the municipality's liabilities which are due and
4 unpaid for more than two years and all of its unrealized assets which have
5 been outstanding for two years, computed in the case of taxes and assess-
6 ments from December first of the year of levy or assessment, other intan-
7 gible property from the date of accrual, and tangible property from the
8 date of acquisition of title. The several officers of the municipality shall
9 thereafter, immediately upon request by the administrator, certify to him
10 all assets and liabilities of the municipality which have been placed under
11 his administration pursuant to this section and shall at the same time de-
12 liver to him all evidences and records of the existence and legality of such
13 assets and liabilities as may be in their possession or control.

14 The administrator shall exercise, in the name of the municipality, all pow-
15 ers pertaining to the enforcement of obligations that are vested by law in

16 the municipality. But the administrator shall have no power to accept less
17 than the full amount in satisfaction of the obligations, nor to agree to the
18 transfer of title of property to the municipality in lieu thereof without the
19 prior approval of the governing body. The administrator shall forthwith
20 pay all moneys coming into his hands to the treasurer.

1 83. Liquidation fund. In a municipality not operating on a full cash
2 basis, the treasurer shall place such moneys, paid to him pursuant to sec-
3 tion eighty-two of this act, in a separate "liquidation fund." The admin-
4 istrator may apply the proceeds of the "liquidation fund" to the payment
5 of obligations placed under his administration.

1 84. Study of co-operative agreements. An administrator, when so in-
2 structed by the board or by the local governing body, shall fully investi-
3 gate and determine the possibilities of maintaining the services of the mu-
4 nicipality at lower cost through the use of contractual agreements with
5 other municipalities or with the county. He shall report his conclusions to
6 the governing body and to the board. When so designated by the govern-
7 ing body, he shall act as the agent of the municipality in the negotiations
8 of agreements with other jurisdictions.

9 The director and the board shall render all possible guidance and as-
10 sistance to the administrator for the purpose of effectuating sound inter-
11 jurisdictional agreements.

1 85. Administrator may act as controller. If the board finds that sound
2 fiscal conditions will be promoted by the exercise of a control function in a
3 municipality to which sections sixty-nine to ninety-one, inclusive, of this act
4 apply, and that the function is not, or cannot be, maintained in a practical
5 manner by regular local officers, the board may recommend to the governing
6 body that the administrator perform the control function. When the board
7 so recommends, it shall be the duty of the governing body to authorize and
8 direct the administrator to act in accordance with this section.

1 86. Procedure of control. The board may prescribe the procedure to be
2 followed in each municipality in which the administrator is authorized and

3 directed to exercise the control function. The board shall prescribe a pro-
4 cedure that so far as possible will restrict expenditures and commitments for
5 expenditure to actual cash available and will safeguard the payment of
6 commitments and regular expenses.

1 87. Preparation of budgets. A municipality to which sections sixty-nine
2 to ninety-one, inclusive, apply, may, with the approval of the board, prepare
3 and adopt its annual budget in accordance with this section.

4 If the board finds that the appropriation of the amounts required by
5 chapter two, Title 40, of the Revised Statutes for "deferred charges and
6 statutory expenditures" other than debt service, cannot be made without a
7 probable increase in the cash deficit, the board may authorize by written
8 order an appropriation of less than the full amount required for "deferred
9 charges and statutory expenditures" but not less than the greatest amount
10 that the board finds possible without an anticipated increase in the cash
11 deficit. If a liquidation fund has been created in the municipality, in accord-
12 ance with section eighty-three of this act, the board may authorize the
13 appropriation to be made to the liquidation fund in lieu of that for "deferred
14 charges and statutory expenditures."

15 This section shall not be construed to authorize the appropriation of
16 less than the full amount required for the payment of debt services, for a
17 judgment, or for any other item for which the municipality is obligated by
18 contract to appropriate a specific sum.

1 88. Administrator agent of board. The administrator shall perform as
2 the agent of the board such duties with respect to the fiscal affairs of the
3 municipality as the board, in the exercise of its powers, may require.

1 89. General duties of board. The board shall exercise its powers, shall
2 offer guidance and assistance, and shall in every other respect promote the
3 rehabilitation of the financial affairs of a municipality to which sections
4 sixty-nine to ninety-one, inclusive, of this act apply.

1 90. Delegation of powers to director. The powers and duties vested by
2 sections sixty-nine to ninety-one, inclusive, of this act in the board may be

3 exercised by the director under the supervision of the board when so author-
4 ized by resolution of the board.

1 91. Termination of supervision. The application of sections sixty-nine
2 to ninety-one, inclusive, of this act to a municipality shall terminate when:

3 (1) The provisions of article four of this act no longer apply to the
4 municipality; or

5 (2) The municipality has operated for three successive years without
6 incurring a cash deficit in excess of five per centum (5%) of the amount
7 levied for all purposes upon real and personal property within the
8 municipality.

1 92. Limitation of school debt and appropriations. In a municipality
2 subject to the provisions of this article:

3 (a) A board of school estimate shall neither determine nor certify
4 pursuant to sections 18:6-50 or 18:6-51 of the Revised Statutes, nor shall
5 the governing body appropriate or levy pursuant to sections 18:6-53 or
6 18:6-62 of the Revised Statutes, a greater amount for school district
7 purposes than is permitted under section ninety-three of this act.

8 (b) A school district tax authorized pursuant to sections 18:7-78 or
9 18:7-79, and certified pursuant to sections 54:4-4b, 18:7-82 or 18:7-83
10 of the Revised Statutes, shall not be greater in amount than is permitted
11 under section ninety-three of this act; nor shall the board of education
12 designate, in the notices calling an annual or special meeting pursuant to
13 section 18:7-78 of the Revised Statutes, a sum or sums not permitted
14 under said section ninety-three.

15 (c) A governing body shall not borrow for school district purposes
16 pursuant to section 18:6-61 of the Revised Statutes except as permitted
17 under section ninety-three of this act.

18 (d) The authorization to borrow for school district purposes pur-
19 suant to section 18:7-85 of the Revised Statutes, and a proposal to be
20 submitted to the voters by the board of education pursuant to section
21 18:7-86 of the Revised Statutes, shall be subject to the provisions of
22 section ninety-three of this act.

1 93. Amount of taxes for school purposes. Pursuant to subsections (a)
2 and (b) of section ninety-two of this act, the total amount to be raised by
3 taxes on real and personal property for school purposes shall not exceed by
4 more than five per centum (5%) such amount for the year next preceding the
5 year in which this article takes effect in the municipality.

6 This section shall not be construed to authorize an appropriation of less
7 than the full amount required for the payment of debt service; nor to author-
8 ize the abrogation of any covenant entered into with bondholders.

9 The limitation of this section may be exceeded for the purpose of meeting
10 increased requirements for appropriations (a) made mandatory by law, (b)
11 for judgments, (c) for debt service, and (d) for emergencies. The excess,
12 however, shall not be greater than the extent that the requirements of the
13 total of such appropriations to be made for the year, exceed the total of all
14 such appropriations made for the year next preceding the year that this
15 article takes effect in the municipality.

1 94. Obligations for school purposes. Pursuant to subsections (c) and (d)
2 of section ninety-two of this act, obligations, bonded or otherwise, shall not be
3 authorized or issued for school district purposes except as permitted by this
4 section.

5 This section shall not affect the power:

6 (1) To authorize and issue obligations of a strictly current character.

7 (2) To fund outstanding obligations in accordance with applicable school
8 funding laws.

9 (3) To authorize and issue obligations so as to comply with an order
10 issued in accordance with law, by a board, department, or other agency of
11 the State Government.

12 (4) To authorize and issue obligations in accordance with a law provid-
13 ing for the relief of unemployment.

1 95. School budgets. The board of education of a school district wherein
2 the limitations of this article are in operation shall, within twenty days after

3 the request therefor by the board, transmit to such board a summary of the
4 proposed school budget and of the school budget of any prior year.

5 The summary shall be in the form prescribed by the board, which is
6 hereby authorized to require such summaries and to prescribe their form.

ARTICLE 5

APPLICATION OF ACT, REPEALS, SEVERABILITY AND EFFECTIVE DATE OF ACT

1 96. Application of act. This act shall not be deemed to affect any pro-
2 vision of chapter one hundred twelve of the laws of one thousand nine
3 hundred and forty-four, nor any matter or proceeding pending before the
4 director or the board at the time this act takes effect. This act shall not be
5 deemed to require any reorganization of the board or of any advisory com-
6 mittee, nor the reappointment or redesignation of any officer or employee of
7 the division. Each officer and employee of the division shall retain any and
8 all rights and privileges pertinent to his status in the service of the State
9 and, especially, with respect to the civil service and any pension or retirement
10 law applicable to him.

1 97. Repeal of sections of the Revised Statutes. Sections 52:24-11,
2 54:24-19 and 54:24-19.1 of the Revised Statutes are repealed.

1 98. Repeal of acts; proviso. The following parts of acts, acts, and acts
2 amendatory thereof or supplemental thereto are repealed:

3 Sections one to sixteen, inclusive, and sections eighteen to thirty-four,
4 inclusive, of "An act creating a State Department of Local Government, pre-
5 scribing its powers and duties, and transferring to it certain powers and
6 duties vested in the State Auditor," approved May ninth, one thousand nine
7 hundred and thirty-eight (P. L. 1938, c. 158); "An act concerning fiscal
8 administration in local governments of the State, and repealing sections
9 52:24-12 to 52:24-18, inclusive, and 52:24-20 to 52:24-27, inclusive, of the
10 Revised Statutes," approved May ninth, one thousand nine hundred and
11 thirty-eight (P. L. 1938, c. 159); "An act concerning the supervision, by the
12 State Department of Local Government, over certain municipalities in the

13 State," approved May fifth, one thousand nine hundred and thirty-eight (P. L.
14 1938, c. 127); "An act relating to the limitation of school debt and appro-
15 priations in school districts within municipalities subject to the provisions of
16 an act entitled 'An act concerning the supervision, by the State Department
17 of Local Government, over certain municipalities in the State,' approved May
18 fifth, one thousand nine hundred and thirty-eight; and supplementing sections
19 18:6-50, 18:6-51, 18:6-53, 18:6-61, 18:6-62, 18:7-78, 18:7-79, 18:7-82, 18:7-83,
20 18:7-85, 18:7-86 and 54:4-45 of the Revised Statutes," approved July eigh-
21 teenth, one thousand nine hundred and thirty-nine (P. L. 1939, c. 265); "An
22 act to amend the title of an act entitled 'An act concerning the supervision, by
23 the State Department of Local Government, over certain municipalities in the
24 State,' approved May fifth, one thousand nine hundred and thirty-eight, con-
25 stituting chapter one hundred twenty-seven of the laws of one thousand nine
26 hundred and thirty-eight; and to amend and supplement said act," approved
27 October twenty-fifth, one thousand nine hundred and thirty-nine (P. L. 1939,
28 c. 364); "A supplement to an act entitled 'An act concerning the supervision,
29 by the State Department of Local Government, over certain political sub-
30 divisions in the State,' approved May fifth, one thousand nine hundred and
31 thirty-eight (P. L. 1938, c. 127), as said title was amended by pamphlet laws
32 of one thousand nine hundred and thirty-nine, chapter three hundred sixty-
33 four," approved April twenty-eighth, one thousand nine hundred and
34 forty-one (P. L. 1941, c. 75); and "An act to amend an act entitled 'An act
35 concerning the supervision by the State Department of Local Government,
36 over certain political subdivisions in the State,' approved May fifth, one thou-
37 sand nine hundred and thirty-eight (P. L. 1938, c. 127), as heretofore amended
38 and supplemented by chapter three hundred sixty-four of the laws of one
39 thousand nine hundred and thirty-nine," approved April thirtieth, one thou-
40 sand nine hundred and forty-one (P. L. 1941, c. 95); *provided, however,* that
41 this section shall not be deemed to revive any act which was repealed by any
42 of said enumerated acts.

1 99. Severability clause. The provisions of this act shall be construed as
2 severable and if any part is held unconstitutional, or for any other reason
3 invalid, the remaining parts shall not be affected thereby.

1 100. Effective date of act. This act shall take effect July first, one thou-
2 sand nine hundred and forty-seven.

STATEMENT

This bill is one of a series of bills prepared by the Law Revision and Bill Drafting Commission to revise the statutes governing State control over municipal finances. Its purpose is to reduce this legislation to orderly form and sequence but it makes no change in existing law.

It has the approval of the Division of Local Government in the State Department of Taxation and Finance.

STATE OF NEW JERSEY

INTRODUCED MARCH 18, 1947

By Mr. HANNOLD

Referred to Committee on Judiciary

AN ACT respecting the Division of Local Government in the State Department of Taxation and Finance and relating to the powers, duties and functions of said Division as to certain fiscal affairs of municipalities, counties, school districts and regional authorities or districts other than an interstate authority or district (Revision of 1947).

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

ARTICLE 1

IN GENERAL

1 1. Short Title. This act may be cited as the "Local Government Super-
2 vision Act (1947)."

1 2. Definitions. As used in this act, unless the context indicates other-
2 wise:

3 "Department" means the State Department of Taxation and Finance.

4 "Commissioner" means the commissioner and head of the State Depart-
5 ment of Taxation and Finance.

6 "Division" means the Division of Local Government in the State Depart-
7 ment of Taxation and Finance.

8 "Director" means the administrative head of the Division of Local
9 Government in the State Department of Taxation and Finance.

10 "Board" means the Local Government Board of the Division of Local
11 Government in the State Department of Taxation and Finance.

12 "Governing body" means, in the case of a county, the board of chosen
13 freeholders, and in the case of a municipality, the body exercising general
14 legislative and administrative authority within the municipality.

15 "Political subdivision" includes a municipality, county, school district
16 or a regional authority or district other than an interstate authority or dis-
17 trict.

18 "Local government" means the government of political subdivisions.

19 "Municipality" includes a city, town, village, borough, township, special
20 district or other municipal corporations other than a school district or a
21 county.

22 "Municipality under supervision" means a municipality to which the pro-
23 visions of this act apply by virtue of a resolution of the Local Government
24 Board in the Division of Local Government in the State Department of Tax-
25 ation and Finance made in accordance with section seventy-one of this act.

26 "Administrator" means a local administrator of finance.

27 "Cash deficit" means the amount, if any, by which liabilities and cash
28 disbursements of a municipality for lawful yearly expenditures (as defined
29 in section 40:2-26 of the Revised Statutes) exceed the cash receipts in a
30 budget year, whether the municipality is operating under a cash basis budget
31 or not.

32 "Accountant" means a registered municipal accountant.

33 "Regular audit" means the annual or biennial audit, as the case may
34 be, required by law.

35 "Fiscal year" or "year" means the calendar year beginning January
36 first and ending December thirty-first.

1 3. Arrangement and headnotes. The arrangement of the sections of this
2 act have been made for the purpose of convenience, reference and order, and
3 except where the context indicates otherwise, no implication or presumption

7 the Supreme Court or to any justice thereof who shall have the power of
 8 the courts for the purposes of this section. Upon proof, by affidavit of the
 9 facts, the court or justice may issue an order returnable in not less than
 10 two nor more than ten days directing such person to show to the court, the
 11 justice issuing the order, or another justice of the court why he should not
 12 comply with the subpoena or order. Upon the return of the order the court or
 13 justice shall examine the person under oath, and shall give him an opportu-
 14 nity to be heard.

15 If the court or justice determines that the person refused without legal
 16 excuse to obey the subpoena, to be examined, to answer legal and pertinent
 17 questions, or to produce the books, papers, accounts or other documents as
 18 ordered, the court or justice may order the person to comply forthwith with
 19 the subpoena or order. A failure to obey the order of the court or justice may
 20 be punished as a contempt of the Supreme Court.

18. Issuance of orders; compliance. The director may issue instructions
 2 and orders to a sinking fund commission of a political subdivision or govern-
 3 ing body, as the case may be, requiring compliance with the requirements of
 4 law and the regulations of the board. Each order shall state a date giving
 5 reasonable time for compliance.

6 The local governing body and other local officers concerned shall comply
 7 with the instructions and orders. At the request of the local governing body
 8 the board shall grant a public hearing upon the matter in question. If the
 9 hearing is requested, the director shall not proceed to enforce the order until
 10 the hearing has been held and final determination is made.

19. Enforcement of orders. Orders of the director may be enforced by
 2 mandamus or injunction in appropriate cases, or by suit in equity to compel
 3 the specific performance by the officers or governing bodies of political sub-
 4 divisions of the orders of the director or of the duties imposed by law.

20. Judicial review. The provisions of this act shall not be construed to
 2 prevent the judicial review of an order of the director after exhaustion of
 3 the remedy provided by section fifteen. But no such order shall be wholly or

11 upon the governing body of any municipality, county or school district or the
 12 sinking fund commission or the county board of taxation, as the case may
 13 be.

14 Where any county or other municipality has agreed or shall agree with
 15 the holders of fifty per centum (50%) in amount of any evidence of indebted-
 16 ness of any such county or other municipality to accept a reduced rate of
 17 interest thereon, or postpone any amortization requirement concerning any
 18 such evidence of indebtedness, the county board of taxation may reduce to
 19 such extent the item or items so certified by the director. Upon application
 20 to such county board of taxation by any county or other municipality for
 21 such reduction or reductions, such county board shall within thirty days fix
 22 a date for the hearing of such application, of which hearing public notice
 23 shall be given by the county board of taxation, and at the time and place so
 24 fixed any party in interest may be heard. Upon being satisfied of the suf-
 25 ficiency of such application the county board of taxation may correct and
 26 reduce the item or items within the limits fixed by this section.

1 25. Director not to issue order with respect to budget in certain cases.
 2 Whenever the board shall be functioning as the municipal finance commis-
 3 sion in any municipality pursuant to the provisions of law, the director may
 4 issue no order with respect to the budget or the tax ordinance or tax levy of
 5 such municipality pursuant to the provisions of section twenty-four of this
 6 act, except upon the direction of such board so functioning.

ARTICLE 3

FISCAL ADMINISTRATION IN LOCAL GOVERNMENT

1 26. Purpose of article. The purpose of this article is to make provision
 2 for modernized practices of fiscal administration in local government.

1 27. Uniform accounting systems. The board shall, after careful study
 2 and investigation of accounting requirements, prescribe uniform accounting
 3 systems for municipalities and counties, and may, from time to time, revise or
 4 amend such systems. The board may classify municipalities and counties in

5 accordance with different types of accounting requirements and may pre-
6 scribe a suitable variation of the uniform system to apply to each class. The
7 use of the system when prescribed, shall be mandatory in accordance with the
8 regulations of the board. This section shall not be construed to prevent the
9 director, with the consent of the board, from approving the continued use of
10 a system used by county or municipality that meets the requirements of and
11 is in substantial conformity with the uniform system prescribed.

1 28. Rules and regulations as to accounting methods. The board may
2 promulgate rules and regulations for the proper use of uniform account-
3 ing systems and for proper accounting methods.

1 29. Account books and forms. The board may have prepared account
2 books, blank forms and other accounting materials for use in uniform ac-
3 counting systems and may furnish them at cost to municipalities and
4 counties.

1 30. Installations of accounting systems. The director may make in-
2 stallations of uniform accounting systems prescribed by the board at the
3 request of the governing body of a municipality or county, and may make
4 installations on his own motion with or without the consent of the govern-
5 ing body if local officers or a governing body fail or refuse to comply
6 with the regulations of the board as to accounting systems or methods. The
7 cost of installation shall be paid by the municipality or county.

1 31. Instruction and consultation. Where the director installs account-
2 ing systems he shall supply without additional charge reasonable instruc-
3 tion and consultation in the use of the system and in proper accounting
4 methods. So far as possible, instruction and consultation shall be extended
5 to all municipalities and counties.

1 32. Systems of financial administration. The board may prescribe sys-
2 tems of financial administration for municipalities and counties. Systems
3 may be prescribed for a group or class of municipalities or counties having
4 similar requirements, and separate systems may be prescribed for each of
5 as many groups or classes as the board may determine.

- 6 Systems of financial administration shall include:
- 7 (1) Definite procedures for the receipt, custody, control and disburse-
- 8 ment of public funds.
- 9 (2) Forms for receipts, requisitions, disbursement, purchase orders and
- 10 other necessary documents.
- 11 (3) The exercise of a comptroller function by a designated local officer.
- 12 (4) Definitions of the respective powers and duties of the several local
- 13 officers engaged in financial administration.
- 14 (5) Instructions, rules and regulations for the proper procedures and
- 15 practices of financial administration.

16 A system of financial administration, when prescribed, shall be manda-

17 tory upon the municipalities and counties to which it applies.

1 33. Advisory committees. The board may appoint special or standing

2 advisory committees to render advice and consultation to the director and

3 to the board in the preparation, operation and revision of uniform account-

4 ing systems and systems of financial administration. An advisory commit-

5 tee shall perform only those duties specifically assigned to it by the board.

6 An advisory committee may consist of local officers, registered municipal

7 accountants, other persons, or any combination of them, as the board may

8 determine. Members of the committee shall serve without compensation

9 but actual and necessary expenses, as determined by the board, may be paid.

1 34. Form of reports and financial statements. The board shall prescribe

2 the forms upon which financial statements and other reports pertaining to

3 local financial affairs shall be made. The director shall supply forms to

4 local officers at least thirty days prior to the date upon which the report

5 is due.

1 35. Audits. Authority of board. The board shall promulgate rules and reg-

2 ulations governing the method, scope and procedure of regular audits of the

3 financial affairs of municipalities and counties. Regulations shall pre-

4 scribe the form and content of the audit report and shall specify the mat-

5 ters upon which comment and analysis shall be required of the auditing

6 accountant.

1 36. Audits by department. Whenever the director finds that the finan-
 2 cial affairs of a municipality or county require special supervision, he may
 3 require that the regular audits of such municipality or county be made only
 4 by the auditing staff of the division. In such cases the director may make
 5 such investigations and analyses in addition to the standard requirements
 6 for audits, as the financial affairs of the municipality may warrant. Res-
 7 reasonable notice of the decision of the director to make the regular audit in
 8 a municipality or county shall be given to the governing body.

1 37. Rejection of audit report. If the director finds that an audit report
 2 as filed is incomplete or inaccurate, was not made in accordance with the
 3 regulations promulgated by the board, or does not reflect the true financial
 4 condition of the municipality or county, he may:

5 (1) Order supplementary examinations to be made of specified funds,
 6 accounts or offices by the accountant making the original audit.

7 (2) Reject the audit report and require that the audit be made de novo
 8 in whole or in part.

9 (3) Require that supplementary or de novo examinations be made by the
 10 auditing staff of the division.

1 38. Examination of sinking fund. The director shall examine and audit
 2 the books, papers, securities and moneys in the custody of the sinking fund
 3 commission of a political subdivision. Examination and audit shall be made
 4 at least once every two years and oftener if the director deems necessary.

1 39. Duty of sinking fund commission. A sinking fund commission of a
 2 political subdivision shall at the request of the director produce its books,
 3 papers, securities and moneys, and all other records pertaining to its busi-
 4 ness. The sinking fund commission shall co-operate with the director and
 5 facilitate examination and audit in every way.

1 40. Sinking fund: Recommendation by the director. The director shall
 2 examine the report of audit of a sinking fund commission and may make
 3 such recommendations pertaining to the management and administration of
 4 the affairs of the sinking fund commission as he finds desirable. Notice and

5 statement of recommendations shall be filed forthwith with the secretary of
6 the commission. The secretary shall immediately send a copy of the state-
7 ment to each member of the commission and to the executive head of the
8 political subdivision. The secretary shall, within thirty days after receipt
9 of the statement of recommendations, report to the director the action taken
10 by the sinking fund commission.

1 41. Sinking funds: Enforcement of recommendations. If after forty-
2 five days following filing of notice and statement of recommendations with
3 the secretary of a sinking fund commission, the commission has failed or
4 refused to act in accordance with such recommendations, the director may
5 order the sinking fund commission to take such specific steps as he may find
6 necessary and proper to protect the solvency and proper administration of
7 the sinking fund. Orders may be enforced in accordance with sections fifty
8 and fifty-two of this act.

1 42. Sinking funds: Accounting. The board shall prescribe and enforce
2 a uniform system for the setting up and keeping of sinking fund accounts in
3 political subdivisions. The director may at the request of a sinking fund
4 commission install the system of accounts in a political subdivision; and may
5 make such installations on his own motion with or without consent of the
6 sinking fund commission if he finds that sinking fund accounts are not kept
7 in accordance with the uniform system prescribed by the board. The cost
8 of installation shall be charged against the political subdivision.

1 43. Sinking funds: Examination of requirements. The director shall,
2 upon receipt, examine and audit the statement of annual sinking fund require-
3 ments of a political subdivision. The director shall determine the sufficiency
4 of the amount certified, and shall make such corrections as may be necessary.
5 After correction or approval the director shall certify sinking fund require-
6 ments at the time and in the manner required by section 40:3-19 of the
7 Revised Statutes.

1 44. Sinking funds: Amortization requirements. The director shall exam-
2 ine the calculations and tabulations of the conditions of sinking funds as sub-

mitted by a sinking fund commission of a political subdivision, and shall determine the sufficiency of the funds for the amortization of bonded debt in accordance with the standards fixed by law.

If the director finds that the sinking funds are insufficient for such amortization, he shall certify to the sinking fund commission a statement of the amount required to make good the deficiency and the additional annual requirements to be made to the special sinking fund account as required by sections 40:3-20 and 40:3-24, both inclusive, of the Revised Statutes.

45. Compensation of department for services rendered. The board shall fix reasonable charges, for the services rendered under sections twenty-nine, thirty, thirty-six, thirty-seven, thirty-eight and forty-two of this act, and by agreement for the making of a regular audit. Such charges shall represent, as nearly as possible, the actual cost of the services, but shall not exceed twenty-five dollars (\$25.00) per diem for each person actually engaged in the performance of the services. The charges for the services, as so fixed, shall be paid by the political subdivision receiving the services. The charges may be recovered, in the name of the State, by the director, as a contractual debt, in any court of competent jurisdiction. All moneys received or collected for such charges shall be paid forthwith into the State treasury.

46. Inspection of local administration. The director may at any time during regular business hours make inspections and examinations of the financial administration of a county or municipality. Inspection and examination may extend to the use of the uniform accounting system; accounting methods; the collection, custody and disbursement procedure; a selective audit of particular funds and accounts; and to any other matter or practice subject to regulation by the board, or regulated by any State law which is administered by the division.

Reports of inspection and examination shall be certified to the local governing body together with instructions for the correction of procedures or practices found not to be in accordance with the requirements of law or of the regulations of the board. Instructions of the director shall fix a date for

13 compliance by the local governing body. On or before the date for compliance
14 the local governing body shall give effect to the instructions and shall so certify
15 to the director.

1 47. Inquiring into financial affairs. The director may make a special
2 investigation of a county or municipality, if, upon examination of the reports
3 of audit and recommendations of an accountant, there appear to be errors,
4 inaccuracies or omissions in the report of audit or recommendations, or evi-
5 dence of illegal financial practices; or if the director has reason to believe
6 that irregularities in the conduct of the financial affairs have occurred.

1 48. Special investigation: Enforcement of orders. The director may
2 issue such orders as he may find appropriate to correct errors, inaccuracies
3 or omissions in the report of audit or recommendations, illegal financial prac-
4 tices, or irregularities in the conduct of financial affairs, disclosed at an
5 investigation made in accordance with section forty-seven of this act. Orders
6 may be enforced in accordance with sections fifty and fifty-two of this act.

1 49. Powers of inquiry. In any inspection, audit, inquiry, examination or
2 other investigation authorized by this act, the director may hold hearings and
3 exercise the powers of investigation granted by law.

1 50. Issuance of orders; compliance. The director may issue instruc-
2 tions and orders requiring compliance with the requirements of this article
3 and the regulations of the board. Instructions and orders may be based upon
4 the audit report and recommendations of accountants or of the director; a
5 special investigation; an inspection and examination; reports filed with the
6 division; failure or refusal to file documents or make reports; or any other
7 evidence of illegal financial practice or procedures in the political subdivision.

8 An order shall be issued and may be enforced in the manner provided
9 for other orders of the director.

1 51. Duty of local officers. An officer of a municipality or county who is
2 charged with duties pertaining to fiscal administration shall keep accounts and
3 in other respects perform his duties in accordance with the regulations
4 promulgated by the board. An officer who willfully violates this section shall

5 be guilty of a misdemeanor. Upon conviction he shall be fined not less than
6 twenty-five dollars (\$25.00) nor more than one thousand dollars (\$1,000.00),
7 or imprisoned not less than ten days nor more than one year, or both; and
8 shall in addition forfeit his office.

1 52. Enforcement of orders; penalties. A local officer or member of a
2 local governing body who, after the date fixed for compliance, fails or refuses
3 to obey an order of the director, under the provisions of this article, shall be
4 guilty of a misdemeanor and, upon conviction, may be fined not more than
5 one thousand dollars (\$1,000.00) or imprisoned for not more than one year,
6 or both, and in addition shall forfeit his office.

1 53. Construction of this article. The provisions of this article shall be
2 construed to be in addition to the provisions of sections 40:4-1 to 40:4-3, in-
3 clusive, and sections 40:4-13 to 40:4-16, inclusive, of the Revised Statutes.

ARTICLE 4

MUNICIPALITIES IN UNSOUND FINANCIAL CONDITION AND SCHOOL DISTRICTS THEREIN

1 54. Purpose of article. The purpose of this article is to make provision
2 for the imposition of special restraints upon municipalities in, or in danger
3 of falling into, unsound financial condition and in this way to forestall
4 serious defaults upon local obligations and demoralized finances that burden
5 local taxpayers and destroy the efficiency of local services.

1 55. Application of article. The provisions of this article shall take effect
2 in a municipality when, at the end of a fiscal year, any of the following con-
3 ditions exist:

4 (1) A default exists in the payment of principal or interest upon
5 bonded obligations or bond anticipation obligations, for which no
6 funds or insufficient funds are on hand and segregated in a special trust
7 fund.

8 (2) Payments due and owing the State, county, school district or
9 special district, or any of them, are unpaid for other than the year just
10 closed and the year next preceding that year.

11 (3) An appropriation for "cash deficit of preceding year" in an
12 amount in excess of five per centum (5%) of the total amount of taxes
13 levied upon real and personal property for all purposes in such preceding
14 year, is required to be included in the next regular budget and was re-
15 quired to be included in the budget for the year just closed; *provided,*
16 *however,* in establishing the excess, if any, over the said five per centum
17 (5%) there shall first be deducted from such appropriation the amount,
18 if any, that was caused by the failure to receive miscellaneous anticipated
19 revenue from franchise and gross receipts taxes.

20 (4) Less than fifty per centum (50%) of the total amount of taxes
21 levied for all purposes upon real and personal property in the taxing dis-
22 trict, in the year just closed and in the year next preceding that year,
23 respectively, were collected during the year of levy. This subsection
24 shall apply only if more than twenty-five per centum (25%) of the
25 amount of such taxes for such year next preceding remained outstand-
26 ing at the end of the year just closed.

27 (5) The appropriation required to be included in the next regular
28 budget for the liquidation of floating debt in accordance with sections
29 40:2-21 (d) and 40:2-23 (b) of the Revised Statutes exceeds twenty-five
30 per centum (25%) of the total of appropriations for operating purposes
31 (except dedicated revenue appropriations) in the budget for the year just
32 ended.

1 56. Determination by the board: Notice and hearing. If the director
2 finds in the course of his annual examination of the approved budget, the
3 statement of current liabilities, the annual financial statement, or any other
4 report, regular or special, filed with the division by a governing body or
5 a municipal officer, that any of the conditions listed in section fifty-five of this
6 act exist in a municipality not subject to supervision under sections 52:27-1
7 to 52:27-66, inclusive, of the Revised Statutes, he shall forthwith give notice
8 to the governing body that the question of the application of this article to
9 that municipality will be placed before the board for its determination at a
10 time and place which shall be stated in the notice.

11 The board, at the time and place stated in the notice, shall give the local
 12 governing body and any other interested parties an opportunity to be heard.
 13 If the board finds, after hearing, that any of the conditions listed in section
 14 207 are at this time exist in the municipality, it shall by resolution deter-
 15 mine that the provisions of this article are, from and after the date of such
 16 resolution, in effect within that municipality.

17 Notice shall be given by registered mail to the clerk of the municipality.
 18 Upon receipt of such notice the governing body and municipal officers shall
 19 observe the provisions of this article and shall comply with all orders of the
 20 director issued under it while the municipality remains subject to its pro-
 21 visions.

1 57. Limitation on debt. In a municipality subject to this article, obli-
 2 gations, bonded or otherwise, shall not be issued or authorized by the munici-
 3 pality, school district, or any special district except as expressly authorized
 4 by this section.

5 This section shall not affect the power:

6 (1) To issue tax anticipation, tax revenue, or any other obligations
 7 of a strictly current character, except emergency obligations.

8 (2) To fund outstanding obligations in accordance with sections
 9 40:1-61 to 40:1-74, both inclusive, of the Revised Statutes.

10 (3) To issue obligations in order to comply with an order issued in
 11 accordance with law by a State Board, department or other agency.

12 (4) To issue obligations, with the prior written approval of the
 13 board, in accordance with any law authorizing borrowing to finance the
 14 relief of the poor, the operation of work relief projects, or other meas-
 15 ures for the relief of unemployment; and for emergencies.

1 58. Limitation upon appropriations. In a municipality subject to this
 2 article, the amount to be raised by taxes on real and personal property for
 3 municipal purposes, school purposes, and any special district purposes shall
 4 not be increased by more than five per centum (5%) in excess of such amount,

5 respectively, for the year next preceding the year in which this article takes
6 effect in that municipality.

7 This section shall not be construed to authorize an appropriation of less
8 than the full amount required for the payment of debt service; or to author-
9 ize the abrogation of any covenant entered into with bondholders.

10 The board, upon application of the governing body setting forth the cir-
11 cumstances in full, may authorize a municipality to adopt a budget in ex-
12 cess of the limitation of this section. The board shall authorize such a budget
13 only if it finds that the appropriation of an amount in excess of the limita-
14 tion is necessary for:

15 (1) Appropriations required by law or for purposes made manda-
16 tory by law, including debt service, judgments and deferred charges.

17 (2) The protection of the public health, safety, morals or welfare.

18 (3) The prevention of irreparable damage to public property or
19 the realization upon municipal assets.

20 (4) The meeting of any lawful yearly expenditure of the municipal-
21 ity; *provided*, the board shall first hold a public hearing after five days'
22 notice published at the expense of the municipality in a newspaper pub-
23 lished or circulating in said municipality.

24 If the board grants an authorization, it shall determine the amount nec-
25 essary to meet the need of the municipality and shall fix the total amount of
26 all municipal appropriations including the excess above the limitation of this
27 section.

1 59. Limitations upon counties. The provisions of section fifty-seven of
2 this act (for the purpose of limiting the issuance of county obligations
3 bonded or otherwise) and of section fifty-eight of this act (for the purpose of
4 limiting the amount to be raised by taxation for county purposes) shall apply
5 to a county when and so long as:

6 (1) The limitations of sections fifty-seven and fifty-eight of this act
7 apply to three or more municipalities within the county because of the
8 operation of section fifty-five of this act; and five or more per centum of

9 the average of assessed valuations of taxable real property (including
10 improvements) of the county, as stated in the annual debt statements for
11 the preceding fiscal year (in accordance with subsection two, section
12 40:1-80 of the Revised Statutes) are located in each of two of such mu-
13 nicipalities;

14 and, in addition, either of the following exists:

15 (2) Fifty or more per centum of the average of assessed valuations
16 of taxable real property (including improvements) of the county, as
17 stated in the annual debt statements, for the preceding fiscal year (in ac-
18 cordance with subsection two, section 40:1-80 of the Revised Statutes)
19 are located in such three or more municipalities, or

20 (3) Fifty or more per centum of the number of municipalities in
21 the county are affected by the limitations of sections fifty-seven and
22 fifty-eight of this act.

23 The director shall give notice, and the board shall give interested parties
24 an opportunity to be heard and shall make its determinations as to the ap-
25 plication of this section to counties at the same time and in the same manner
26 as required by sections fifty-six and sixty-four of this act in the case of mu-
27 nicipalities.

1 60. Compliance with requirements of law. The director may order the
2 governing body or an officer of a municipality subject to this article to per-
3 form any duty prescribed by law whether or not a specific penalty or enforce-
4 ment procedure is provided by such law. The orders may be enforced as
5 authorized by law.

1 61. Liquidation of floating debt. The board may, under this section,
2 authorize a municipality subject to this act to liquidate its current debt other
3 than as required by sections 40:2-21 (d), and 40:2-23 (b) of the Revised
4 Statutes.

5 The board may:

6 (1) Authorize liquidation to continue for as many years as may be
7 necessary to avoid an appropriation for the liquidation of all current

8 obligations in any one year, of more than twenty-five per centum (25%)
9 of the total of appropriations for operating purposes (except dedicated
10 revenue appropriations) in the budget for the year just ended.

11 (2) Authorize the payment of amounts due other jurisdictions in ac-
12 cordance with an agreement entered into between the governing body of
13 the municipality and such other jurisdictions.

14 Liquidations under this section shall be in accordance with a plan of
15 liquidation adopted by resolution of the governing body and approved by the
16 board. A plan so adopted and approved shall be binding upon the munici-
17 pality and annual appropriations as required by the plan shall be mandatory.
18 A plan shall not be amended except with the prior written consent of the
19 board.

20 Whenever a municipality is operating under an approved plan of liqui-
21 dation and none of the conditions listed in subsections one, three and four of
22 section fifty-five of this act exist in that municipality, the limitations of sec-
23 tions fifty-seven and fifty-eight of this act shall not apply. The supervision
24 of the State Board, however, shall continue for the duration of the liquidation
25 plan.

1 62. Analysis of financial conditions. The director may at any time, and
2 shall if the governing body so requests, make a special analysis of the finan-
3 cial conditions of a municipality subject to this article. The analysis shall
4 extend to all factors and circumstances contributing to the financial condi-
5 tions of the municipality and shall if possible, recommend definite steps to
6 be taken to correct such conditions.

1 63. Consultation and assistance. The director shall extend all possible
2 consultation and assistance to municipalities subject to this article to assist
3 in the improvement of local financial conditions.

1 64. Duration of supervision. A municipality shall remain subject to this
2 article as long as any of the conditions listed in section fifty-five of this act
3 exist; and until the municipality has operated during the last fiscal year
4 without incurring a cash deficit (as computed in the manner provided by
5 section 40:2-27 of the Revised Statutes).

6 When the director finds in his annual examination of the approved
7 budget, the statement of current liabilities, the annual financial report, or
8 any other report, regular or special, of financial condition filed in the office
9 of the division that none of the conditions listed in section fifty-five of this
10 act exist in a municipality subject to this article, and he finds that the munic-
11 ipality operated during the last fiscal year without incurring a cash deficit
12 (as computed in the manner provided by section 40:2-27 of the Revised Stat-
13 utes), he shall give notice to the local governing body that the question of the
14 application of this article to that municipality will be placed before the board
15 for its determination at a time and place which shall be stated in the notice.

16 The board, at the time and place stated in the notice, shall, after giving
17 the local governing body and other interested parties an opportunity to be
18 heard, determine whether any of the conditions listed in section fifty-five of
19 this act continue to exist in the municipality, and whether the municipal-
20 ity operated during the last fiscal year without incurring such cash deficit.
21 If the board finds that none of such conditions exists, and that the munic-
22 ipality operated during said year without incurring such cash deficit, it shall,
23 by resolution, determine that the provisions of this article are no longer in
24 effect in the municipality.

25 The director shall forthwith certify to the governing body that the pro-
26 visions of this article no longer affect that municipality.

27 Notice shall be given by registered mail to the clerk of the municipality.

1 65. Municipalities under the Municipal Finance Commission. If a munici-
2 pality subject to this act is placed under the supervision of the Municipal
3 Finance Commission in accordance with section 52:27-2 or section 52:27-3
4 of the Revised Statutes, the application of this article in such municipal-
5 ity shall thereupon be terminated.

1 66. Additional powers of the board. For the purpose of this article
2 the board shall have, in addition to its other powers, authority to

3 (1) Promulgate rules and regulations for the interpretation and
4 administration of this article.

5 (2) Require, and prescribe the form of, special reports to be made
6 by a financial officer or governing body pertaining to the financial affairs
7 of municipalities.

8 (3) Hold hearings.

1 67. Additional powers of the director. For the purposes of this article,
2 the director shall have, in addition to his other powers, authority to issue
3 and enforce orders as authorized by law for other orders issued by him.

1 68. Construction. This article shall be construed liberally to give effect
2 to its intent that unsound financial conditions in municipalities shall be fore-
3 stalled and corrected.

1 69. Special remedial treatment for municipalities. Specialized remedial
2 treatment for municipalities that are in definitely unsound fiscal condition
3 may be imposed pursuant to sections sixty-nine to ninety-one, inclusive, of
4 this act, as the board in its judgment finds appropriate for the rehabilita-
5 tion of such municipalities.

1 70. Special powers of board; when to apply. Whenever the board finds,
2 in accordance with section seventy-one of this act, that such a municipal-
3 ity has incurred a cash deficit in each of two of the last three years, of not
4 less than ten per centum (10%) of the amount levied for all purposes on real
5 and personal property the powers and duties conferred upon the board by
6 sections sixty-nine to ninety-one, inclusive, of this act shall apply to, and
7 may be exercised with respect to, a municipality under supervision.

1 71. Determination by board. The board shall, from time to time, deter-
2 mine whether the conditions set forth in section seventy of this act exist in
3 a municipality. If the board finds that such conditions exist, it shall by res-
4 olution determine that the provisions of sections sixty-nine to ninety-one, in-
5 clusive, of this act apply to that municipality.

1 72. Investigations by board. If the board finds that the provisions of
2 sections sixty-nine to ninety-one, inclusive, of this act apply to a municipality,
3 the director shall make a complete analysis of the causes of unsound condi-
4 tion; the economic capacity of the community; and the need for local gov-

5 ornamental services. He shall submit his findings to the board. The board
6 may make further investigations and shall hold at least one public hearing
7 at which interested parties shall be given an opportunity to be heard. The
8 board, after the hearing, shall determine by resolution which, if any, of the
9 methods of action authorized by said sections are applicable to the municipi-
10 pality.

1 73. Supervision of revenue administration. If the board finds that tax
2 assets are not being realized upon because of weak or inadequate revenue
3 administration, it may supervise and control the methods and procedures
4 used for the assessment, collection, and enforcement of taxes upon real and
5 personal property; and the administration of licenses and other miscellane-
6 ous revenues.

7 The board shall determine the specific changes in revenue administra-
8 tion that are necessary in the municipality. The measures determined by the
9 board as necessary may be enforced by order of the board in the same manner
10 as authorized for other orders of the board. But the concurrence of the
11 Director of the Division of Taxation in the State Department of Taxation
12 and Finance shall be a condition precedent to the enforcement by the board
13 of such orders as fall within the scope of the said director's supervisory
14 powers.

1 74. Separation of assessment lists. If the board finds that unsound
2 fiscal conditions result in whole or in part from the continued treatment of
3 taxes levied upon delinquent property as liquid tax assets, it may order that
4 tax lists be prepared and used in accordance with sections seventy-five to
5 seventy-eight, inclusive, of this act.

1 75. Preparation of assessment lists. The board may require that two
2 separate assessment lists, an active list and an inactive list, be prepared:

3 (1) The inactive list shall include all property on which taxes levied
4 during the three years immediately preceding have not been paid in whole
5 or in part.

6 (2) The active list shall include all other taxable property.

1 76. Inactive lists; preparation and effect. (a) After the board orders
2 the preparation of tax lists pursuant to its powers under sections seventy-
3 four and seventy-five of this act, the collector shall for each year prepare
4 and certify to the county board of taxation a list of all properties, real and
5 personal, upon which no tax payments have been made during the three fiscal
6 years immediately preceding, to be known as the "inactive list." In each
7 municipality in which the collector is required by this section to prepare an
8 inactive list, the assessor shall file his duplicate with the collector at least ten
9 days before he is required to file his assessment list and duplicate with the
10 county board of taxation. The collector shall indicate by a check mark in the
11 left-hand margin of each page at the appropriate lines those properties which
12 are on his inactive list. The collector shall attend before the county board of
13 taxation upon two days' notice from the county board, but not less than ten
14 days after the duplicate is delivered to him, and at such time he shall file
15 with the board the assessor's duplicate, together with his complete inactive
16 list and a true copy thereof, such list and copy to be verified by affidavit of
17 the collector. The county board shall cause the inactive list and the
18 copy thereof to be annexed to the appropriate tax list and duplicate,
19 respectively.

20 (b) The county board of taxation shall deduct from the valuations upon
21 the assessor's tax list and duplicate the aggregate valuations of properties
22 appearing upon inactive lists prior to fixing and adjusting the amount of
23 State, State school and county tax to be levied in each taxing district and
24 prior to causing the tax rate to be entered as provided by law. The amount
25 of tax at the rate so entered, however, shall also be extended on the tax du-
26 plicates against each assessment on the inactive lists, and shall be and remain
27 payable and enforceable in accordance with the provisions of Title 54 of the
28 Revised Statutes. The table of aggregates, as required by section 54:4-52
29 of the Revised Statutes, shall not include items appearing upon the inactive
30 lists.

31 (c) Nothing in this section shall be construed to relieve an assessor of
32 any duty or obligation otherwise imposed by law, except that an assessor
33 shall not incur any penalty for failure to file his duplicate with the county
34 board of taxation during such period and only so long as it is actually in the
35 physical possession of the collector pursuant to this act.

1 77. Apportionment of receipts from inactive properties. The local
2 governing body shall cause to be paid to the county treasurer and to the cus-
3 todian of school funds, at such time and in such manner as the director may
4 prescribe, amounts collected from properties on an inactive list, less reason-
5 able costs of collection, in the proportion that the amounts levied for State,
6 State school, county and school district purposes, respectively, during the
7 fiscal year of such collections bore to the total levy for all purposes upon
8 real and personal property within the municipality.

1 78. Rate of tax collections. The rate of tax collections for whatever
2 purpose used, shall be computed as the percentage that all tax collections
3 were of amounts levied against both active and inactive lists.

1 79. Notice of proceedings of county tax board. The county board of
2 taxation shall not revise, correct or equalize the assessed value of property
3 in a municipality to which the provisions of sections sixty-nine to ninety-
4 one, inclusive, of this act, apply, nor shall the county board hear or deter-
5 mine an appeal concerning an assessment in such a municipality, without
6 first giving at least five days' notice in writing to the director so that the
7 board or its representative may be heard as a party in interest in behalf of
8 the State.

1 80. Local administrator of finance. If the board finds that unsound con-
2 ditions in a municipality to which sections sixty-nine to ninety-one, inclu-
3 sive, of this act apply are due, in whole or in part, to a failure to liquidate old
4 obligations, the board may recommend to the local governing body that
5 a local administrator of finance be appointed. If the board recommends the
6 appointment of an administrator, it shall submit to the governing body the
7 names of not less than three persons who are found by the board to be

8 qualified to perform the duties of an administrator for that municipality. The
9 governing body shall thereupon appoint as administrator one of the per-
10 sons so named.

11 The administrator shall receive compensation for his services to be paid
12 out of the funds of the municipality in an amount fixed by the governing
13 body and approved by the board. He shall give bond for the faithful per-
14 formance of his duties in an amount fixed by the governing body and ap-
15 proved by the board. An administrator shall continue his employment un-
16 til his services are terminated by the governing body, with the approval of
17 the board.

1 81. Local administrator; powers and duties. An administrator shall
2 have such of the powers and duties authorized by sections eighty-two to
3 eighty-seven, inclusive, of this act, as are specifically assigned to him by the
4 governing body upon the recommendation of the board. An administrator
5 shall exercise his powers and perform his duties under the general supervi-
6 sion of the board.

1 82. Administration of assets and liabilities. A local governing body,
2 upon the recommendation of the board, may authorize and direct the admin-
3 istrator to liquidate all of the municipality's liabilities which are due and
4 unpaid for more than two years and all of its unrealized assets which have
5 been outstanding for two years, computed in the case of taxes and assess-
6 ments from December first of the year of levy or assessment, other intan-
7 gible property from the date of accrual, and tangible property from the
8 date of acquisition of title. The several officers of the municipality shall
9 thereafter, immediately upon request by the administrator, certify to him
10 all assets and liabilities of the municipality which have been placed under
11 his administration pursuant to this section and shall at the same time de-
12 liver to him all evidences and records of the existence and legality of such
13 assets and liabilities as may be in their possession or control.

14 The administrator shall exercise, in the name of the municipality, all pow-
15 ers pertaining to the enforcement of obligations that are vested by law in

16 the municipality. But the administrator shall have no power to accept less
17 than the full amount in satisfaction of the obligations, nor to agree to the
18 transfer of title of property to the municipality in lieu thereof without the
19 prior approval of the governing body. The administrator shall forthwith
20 pay all moneys coming into his hands to the treasurer.

1 83. Liquidation fund. In a municipality not operating on a full cash
2 basis, the treasurer shall place such moneys, paid to him pursuant to sec-
3 tion eighty-two of this act, in a separate "liquidation fund." The admin-
4 istrator may apply the proceeds of the "liquidation fund" to the payment
5 of obligations placed under his administration.

1 84. Study of co-operative agreements. An administrator, when so in-
2 structed by the board or by the local governing body, shall fully investi-
3 gate and determine the possibilities of maintaining the services of the mu-
4 nicipality at lower cost through the use of contractual agreements with
5 other municipalities or with the county. He shall report his conclusions to
6 the governing body and to the board. When so designated by the govern-
7 ing body, he shall act as the agent of the municipality in the negotiations
8 of agreements with other jurisdictions.

9 The director and the board shall render all possible guidance and as-
10 sistance to the administrator for the purpose of effectuating sound inter-
11 jurisdictional agreements.

1 85. Administrator may act as controller. If the board finds that sound
2 fiscal conditions will be promoted by the exercise of a control function in a
3 municipality to which sections sixty-nine to ninety-one, inclusive, of this act
4 apply, and that the function is not, or cannot be, maintained in a practical
5 manner by regular local officers, the board may recommend to the governing
6 body that the administrator perform the control function. When the board
7 so recommends, it shall be the duty of the governing body to authorize and
8 direct the administrator to act in accordance with this section.

1 86. Procedure of control. The board may prescribe the procedure to be
2 followed in each municipality in which the administrator is authorized and

3 directed to exercise the control function. The board shall prescribe a pro-
4 cedure that so far as possible will restrict expenditures and commitments for
5 expenditure to actual cash available and will safeguard the payment of
6 commitments and regular expenses.

1 87. Preparation of budgets. A municipality to which sections sixty-nine
2 to ninety-one, inclusive, apply, may, with the approval of the board, prepare
3 and adopt its annual budget in accordance with this section.

4 If the board finds that the appropriation of the amounts required by
5 chapter two, Title 40, of the Revised Statutes for "deferred charges and
6 statutory expenditures" other than debt service, cannot be made without a
7 probable increase in the cash deficit, the board may authorize by written
8 order an appropriation of less than the full amount required for "deferred
9 charges and statutory expenditures" but not less than the greatest amount
10 that the board finds possible without an anticipated increase in the cash
11 deficit. If a liquidation fund has been created in the municipality, in accord-
12 ance with section eighty-three of this act, the board may authorize the
13 appropriation to be made to the liquidation fund in lieu of that for "deferred
14 charges and statutory expenditures."

15 This section shall not be construed to authorize the appropriation of
16 less than the full amount required for the payment of debt services, for a
17 judgment, or for any other item for which the municipality is obligated by
18 contract to appropriate a specific sum.

1 88. Administrator agent of board. The administrator shall perform as
2 the agent of the board such duties with respect to the fiscal affairs of the
3 municipality as the board, in the exercise of its powers, may require.

1 89. General duties of board. The board shall exercise its powers, shall
2 offer guidance and assistance, and shall in every other respect promote the
3 rehabilitation of the financial affairs of a municipality to which sections
4 sixty-nine to ninety-one, inclusive, of this act apply.

1 90. Delegation of powers to director. The powers and duties vested by
2 sections sixty-nine to ninety-one, inclusive, of this act in the board may be

3 exercised by the director under the supervision of the board when so author-
4 ized by resolution of the board.

1 91. Termination of supervision. The application of sections sixty-nine
2 to ninety-one, inclusive, of this act to a municipality shall terminate when:

3 (1) The provisions of article four of this act no longer apply to the
4 municipality; or

5 (2) The municipality has operated for three successive years without
6 incurring a cash deficit in excess of five per centum (5%) of the amount
7 levied for all purposes upon real and personal property within the
8 municipality.

1 92. Limitation of school debt and appropriations. In a municipality
2 subject to the provisions of this article:

3 (a) A board of school estimate shall neither determine nor certify
4 pursuant to sections 18:6-50 or 18:6-51 of the Revised Statutes, nor shall
5 the governing body appropriate or levy pursuant to sections 18:6-53 or
6 18:6-62 of the Revised Statutes, a greater amount for school district
7 purposes than is permitted under section ninety-three of this act.

8 (b) A school district tax authorized pursuant to sections 18:7-78 or
9 18:7-79, and certified pursuant to sections 54:4-45, 18:7-82 or 18:7-83
10 of the Revised Statutes, shall not be greater in amount than is permitted
11 under section ninety-three of this act; nor shall the board of education
12 designate, in the notices calling an annual or special meeting pursuant to
13 section 18:7-78 of the Revised Statutes, a sum or sums not permitted
14 under said section ninety-three.

15 (c) A governing body shall not borrow for school district purposes
16 pursuant to section 18:6-61 of the Revised Statutes except as permitted
17 under section ninety-three of this act.

18 (d) The authorization to borrow for school district purposes pur-
19 suant to section 18:7-85 of the Revised Statutes, and a proposal to be
20 submitted to the voters by the board of education pursuant to section
21 18:7-86 of the Revised Statutes, shall be subject to the provisions of
22 section ninety-three of this act.

1 93. Amount of taxes for school purposes. Pursuant to subsections (a)
 2 and (b) of section ninety-two of this act, the total amount to be raised by
 3 taxes on real and personal property for school purposes shall not exceed by
 4 more than five per centum (5%) such amount for the year next preceding the
 5 year in which this article takes effect in the municipality.

6 This section shall not be construed to authorize an appropriation of less
 7 than the full amount required for the payment of debt service; nor to author-
 8 ize the abrogation of any covenant entered into with bondholders.

9 The limitation of this section may be exceeded for the purpose of meeting
 10 increased requirements for appropriations (a) made mandatory by law, (b)
 11 for judgments, (c) for debt service, and (d) for emergencies. The excess,
 12 however, shall not be greater than the extent that the requirements of the
 13 total of such appropriations to be made for the year, exceed the total of all
 14 such appropriations made for the year next preceding the year that this
 15 article takes effect in the municipality.

1 94. Obligations for school purposes. Pursuant to subsections (c) and (d)
 2 of section ninety-two of this act, obligations, bonded or otherwise, shall not be
 3 authorized or issued for school district purposes except as permitted by this
 4 section.

5 This section shall not affect the power:

6 (1) To authorize and issue obligations of a strictly current character.

7 (2) To fund outstanding obligations in accordance with applicable school
 8 funding laws.

9 (3) To authorize and issue obligations so as to comply with an order
 10 issued in accordance with law, by a board, department, or other agency of
 11 the State Government.

12 (4) To authorize and issue obligations in accordance with a law provid-
 13 ing for the relief of unemployment.

1 95. School budgets. The board of education of a school district wherein
 2 the limitations of this article are in operation shall, within twenty days after

3 the request therefor by the board, transmit to each board a summary of the
4 proposed school budget and of the school budget of any prior year.

5 The summary shall be in the form prescribed by the board, which is
6 hereby authorized to require such summaries and to prescribe their form.

ARTICLE 5

APPLICATION OF ACT, REPEALS, SEVERABILITY AND EFFECTIVE DATE OF ACT

1 96. Application of act. This act shall not be deemed to affect any pro-
2 vision of chapter one hundred twelve of the laws of one thousand nine
3 hundred and forty-four, nor any matter or proceeding pending before the
4 director or the board at the time this act takes effect. This act shall not be
5 deemed to require any reorganization of the board or of any advisory com-
6 mittee, nor the reappointment or redesignation of any officer or employee of
7 the division. Each officer and employee of the division shall retain any and
8 all rights and privileges pertinent to his status in the service of the State
9 and, especially, with respect to the civil service and any pension or retirement
10 law applicable to him.

1 97. Repeal of sections of the Revised Statutes. Sections 52:24-11,
2 54:24-19 and 54:24-19.1 of the Revised Statutes are repealed.

1 98. Repeal of acts; proviso. The following parts of acts, acts, and acts
2 amendatory thereof or supplemental thereto are repealed:

3 Sections one to sixteen, inclusive, and sections eighteen to thirty-four,
4 inclusive, of "An act creating a State Department of Local Government, pre-
5 scribing its powers and duties, and transferring to it certain powers and
6 duties vested in the State Auditor," approved May ninth, one thousand nine
7 hundred and thirty-eight (P. L. 1938, c. 158); "An act concerning fiscal
8 administration in local governments of the State, and repealing sections
9 52:24-12 to 52:24-18, inclusive, and 52:24-20 to 52:24-27, inclusive, of the
10 Revised Statutes," approved May ninth, one thousand nine hundred and
11 thirty-eight (P. L. 1938, c. 159); "An act concerning the supervision, by the
12 State Department of Local Government, over certain municipalities in the

13 State," approved May fifth, one thousand nine hundred and thirty-eight (P. L.
14 1938, c. 127); "An act relating to the limitation of school debt and appro-
15 priations in school districts within municipalities subject to the provisions of
16 an act entitled 'An act concerning the supervision, by the State Department
17 of Local Government, over certain municipalities in the State,' approved May
18 fifth, one thousand nine hundred and thirty-eight; and supplementing sections
19 18:6-50, 18:6-51, 18:6-53, 18:6-61, 18:6-62, 18:7-76, 18:7-79, 18:7-82, 18:7-83,
20 18:7-85, 18:7-86 and 54:4-45 of the Revised Statutes," approved July eigh-
21 teenth, one thousand nine hundred and thirty-nine (P. L. 1939, c. 265); "An
22 act to amend the title of an act entitled 'An act concerning the supervision, by
23 the State Department of Local Government, over certain municipalities in the
24 State,' approved May fifth, one thousand nine hundred and thirty-eight, con-
25 stituting chapter one hundred twenty-seven of the laws of one thousand nine
26 hundred and thirty-eight; and to amend and supplement said act," approved
27 October twenty-fifth, one thousand nine hundred and thirty-nine (P. L. 1939,
28 c. 364); "A supplement to an act entitled 'An act concerning the supervision,
29 by the State Department of Local Government, over certain political sub-
30 divisions in the State,' approved May fifth, one thousand nine hundred and
31 thirty-eight (P. L. 1938, c. 127), as said title was amended by pamphlet laws
32 of one thousand nine hundred and thirty-nine, chapter three hundred sixty-
33 four," approved April twenty-eighth, one thousand nine hundred and
34 forty-one (P. L. 1941, c. 75); and "An act to amend an act entitled 'An act
35 concerning the supervision by the State Department of Local Government,
36 over certain political subdivisions in the State,' approved May fifth, one thou-
37 sand nine hundred and thirty-eight (P. L. 1938, c. 127), as heretofore amended
38 and supplemented by chapter three hundred sixty-four of the laws of one
39 thousand nine hundred and thirty-nine," approved April thirtieth, one thou-
40 sand nine hundred and forty-one (P. L. 1941, c. 95); *provided, however,* that
41 this section shall not be deemed to revive any act which was repealed by any
42 of said enumerated acts.

STATE OF NEW YORK

By Mr. HANCOCK

Attorney General

IN SENATE, January 1, 1901.

REPORT OF THE COMMISSIONERS OF THE LAND OFFICE
IN RESPONSE TO A RESOLUTION PASSED BY THE SENATE
MAY 1, 1899, AND A RESOLUTION PASSED BY THE SENATE
MAY 1, 1900.