

40:2-29

May 13, 1963

LEGISLATIVE HISTORY OF RS 40:2-29  
(Contracts - budget appropriations therefor)

Laws 1936, Ch. 211, Sec. 301 - S-48

Intro. January 27, 1936 by Sen. Durand.

Statement: The purpose of this bill is to provide a modern efficient budget system for municipalities and counties and to provide that they shall ultimately operate on a cash basis.

Bill was amended extensively in both houses.

For general background on this law, see:

J352.1 Shipman & Saum  
S557 Changes made by the Local Budget Act of 1936. ~~REDACTED~~

Washburn, L. H.  
Proposed budget act. 13 N. J. Municipalities, Feb. 1936,  
p. 9-12. (enclosed)

Greer, R. M.  
Cash-basis budgets and their relationship to municipal  
credit. 13 N. J. Municipalities, March 1936, p. 11 (enclosed)

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SENATE, No. 48

STATE OF NEW JERSEY

INTRODUCED JANUARY 27, 1936

By Mr. DURAND

(For the President)

Referred to Committee on Municipalities

AN ACT concerning municipal and county finances (Revision of 1936).

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

1 1. This act may be cited as "The Local Budget Act".

1 2. Whenever used or referred to in this act, the word "municipality"  
2 shall include any city, borough, town, township, village, or other municipal-  
3 ity (other than a school district, or a county), the words "governing body"  
4 shall mean, in the case of a county, its board of chosen freeholders, and, in  
5 the case of a municipality, the commission, council, board, or body, by what-  
6 ever name it may be known, having charge of the finances of the municipality,  
7 and the words "fiscal year" shall mean the calendar year beginning on the  
8 first day of January and ending on the thirty-first day of December.

1 3. The governing body of each county and municipality shall adopt a  
2 budget for each fiscal year. The budget adopted for a county shall be desig-  
3 nated "county budget". The budget adopted for a municipality shall be  
4 designated "municipal budget". A county budget shall be adopted not later  
5 than the fortieth day after the beginning of the fiscal year. A municipal  
6 budget shall be adopted not later than the fifty-fifth day after the beginning  
7 of the fiscal year. Prior to the adoption of a budget the governing body

8 shall, at a public hearing, grant to taxpayers and other interested persons an  
9 opportunity to present objections and to be heard with respect to the budget.  
10 The hearing on a county budget shall commence not later than the twenty-  
11 fifth day after the beginning of the fiscal year. The hearing on a municipal  
12 budget shall commence not later than the fortieth day after the beginning of  
13 the fiscal year.

1 4. The governing body shall cause to be prepared and shall approve the  
2 budget prior to the public hearing and shall fix the time when and the place  
3 where the hearing shall be held. Notice of such hearing, together with the  
4 budget as approved, shall be published at least once in at least one newspaper  
5 circulating in the municipality or county, as the case may be, within twenty  
6 days after the approval of the budget, and at least one week, and not exceed-  
7 ing two weeks, prior to the time fixed for the hearing. The governing body  
8 shall cause a copy of the budget so approved to be filed with the State Audi-  
9 tor within three days after it shall have been approved.

1 5. The hearing on the budget shall be held at the time and place specified  
2 in the published notice, but may be adjourned from time to time until the  
3 hearing is closed. After closing the hearing the governing body may, by  
4 resolution, adopt the budget with or without alterations or amendments.  
5 However, no alteration or amendment increasing or decreasing any item of  
6 appropriation by more than ten per centum (10%) of the amount of such item  
7 as stated in the approved budget, or increasing the amount to be raised by  
8 taxes by more than five per centum (5%) of such amount, as stated in the ap-  
9 proved budget, shall be made in the approved budget, unless the governing  
10 body shall first, at a public hearing, grant to taxpayers and other interested  
11 persons an opportunity to present objections and to be heard with respect to  
12 the alteration or amendment, after publishing, in at least one newspaper cir-  
13 culating in the municipality or county, as the case may be, not less than two  
14 days prior to the hearing, a notice describing the alteration or amendment  
15 and specifying the time and place when and where the hearing will be held.  
16 The governing body shall cause a copy of the budget so adopted to be filed  
17 with the State Auditor within three days after it shall have been adopted.

1 6. The budget shall consist of a tabulated statement of (a) the total  
 2 anticipated revenues, other than dedicated revenues, applicable to the expend-  
 3 itures for which appropriations are made in the budget, and (b) the appro-  
 4 priations to be made for the purposes for which such revenues are to be ex-  
 5 pended. Such anticipated revenues shall be classified as "surplus revenue ap-  
 6 propriated" or as "miscellaneous revenues" or as "amount to be raised by  
 7 taxes", as the case may be. The total of such anticipated revenues shall  
 8 equal the total of such appropriations. At the foot of the budget there shall  
 9 be separately stated the dedicated revenues expected to be realized from  
 10 each source and the amount of the expenditures expected to be made for each  
 11 of the several purposes to which such dedicated revenues are required by law  
 12 to be applied. In the event that such expenditures include payments to be  
 13 made for the principal of or interest on bonds or notes, the amount required  
 14 for such purpose shall be separately stated. In columns to the right of each  
 15 item of anticipated or dedicated revenues there shall be placed the amount as  
 16 set forth for such item in the budget for the previous fiscal year and also the  
 17 amount of such anticipated or dedicated revenues actually received during  
 18 such previous fiscal year. In columns to the right of each item of appropria-  
 19 tions and expenditures there shall be placed the amount as set forth for such  
 20 item in the budget for the previous fiscal year and also the amount expended  
 21 for such item during such previous fiscal year, including the actual or esti-  
 22 mated amount of liabilities incurred for such item but not paid.

1 7. The term "Surplus Revenue", as used and applied in this act, shall  
 2 include: (a) the unexpended balances of the budget appropriations of the  
 3 previous year in excess of obligations incurred therefor, or for purposes un-  
 4 fulfilled thereunder, which are properly chargeable thereto; *provided, how-*  
 5 *ever,* that if no other means have been provided for carrying abatement of  
 6 taxes, there shall be first deducted from the aggregate of such unexpended  
 7 balances of appropriations the amount involved in the adjustment of the  
 8 duplicate and of taxes which shall have been cancelled or remitted during  
 9 such fiscal year by the act of the governing body of the municipality, the

10 county board of taxation, the State Board of Tax Appeals, or any other body,  
11 board or court authorized by law to remit such taxes, and the amount of such  
12 taxes as shall have been, during such fiscal year, by the governing body of  
13 the municipality or county, so far as authorized by law to do so, directed  
14 to be charged off as uncollectible. But this provision shall not apply where  
15 the taxes abated as aforesaid are more than three years in arrears and are  
16 not carried as supporting any notes or bonds authorized under this or any  
17 other act.

18 (b) The receipts from miscellaneous revenues which are in excess of the  
19 aggregate amount of the classified miscellaneous revenues as fixed in the  
20 budget, excepting such deductions as may be authorized under the provisions  
21 of section seventeen of this act.

22 (c) The revenues coming into the general treasury from time to time  
23 from any and all sources, applicable to the lawful expenditures for the fiscal  
24 year of the municipality or county, as the case may be, which are not included  
25 in any of the several items of anticipated revenues as stated in the budget.

26 All moneys constituting surplus revenue hereafter received by any  
27 county or municipality which shall keep a surplus revenue account as herein-  
28 after provided shall be deposited in a special account which shall be known as  
29 the "surplus revenue cash account". The item of "surplus revenue appro-  
30 priated", included in any annual budget, may include all or any part of the  
31 surplus revenue to the extent that such surplus revenue shall consist of cash  
32 held in said surplus revenue cash account at the beginning of the fiscal year  
33 for which such budget is adopted.

1 8. Miscellaneous revenues, for the purposes of this act, shall include all  
2 amounts reasonably expected to be realized in cash during the fiscal year  
3 from known and regular sources or from sources reasonably capable of antici-  
4 pation, and lawfully applicable to the appropriations made in the budget,  
5 other than dedicated revenues and revenues from the taxes to be levied to  
6 support the budget and revenues designated by section seven of this act as  
7 surplus revenue. The miscellaneous revenues stated in the budget shall be

8 classified according to their respective sources. No amount of miscellaneous  
9 revenues from any particular source stated in the budget, shall be in excess  
10 of the amount actually realized in cash from the same source during the next  
11 preceding fiscal year unless the State Auditor shall determine upon appli-  
12 cation by the governing body of the county or municipality, as the case may  
13 be, that the facts clearly warrant the expectation that such larger amount  
14 will actually be realized in cash during the fiscal year and shall certify such  
15 determination in writing to the county or municipality.

1 9. Dedicated revenues, for the purposes of this act, shall include all  
2 amounts reasonably expected to be realized in cash during the fiscal year  
3 from any source other than the issuance of bonds or notes and required by  
4 law to be applied to a specific purpose. Such revenues stated in the budget  
5 shall be classified according to their respective sources. Such revenues,  
6 when derived from the collection of special assessments on property specially  
7 benefited, shall not be stated in the budget in an amount which exceeds a pro-  
8 portion of such special assessments finally confirmed prior to the beginning of  
9 the fiscal year and payable during such fiscal year, and such proportion shall  
10 not be in excess of the proportion of similar special assessments payable  
11 during the previous fiscal year which was collected in cash during such pre-  
12 vious fiscal year. Such revenues, when derived from any other source, in-  
13 cluding publicly owned or operated utilities or enterprises, shall not be stated  
14 in the budget in an amount which exceeds the amount actually realized in  
15 ~~cash from the same source during the next preceding fiscal year unless the~~  
16 State Auditor shall determine upon application by the governing body of the  
17 county or municipality, as the case may be, that the facts clearly warrant the  
18 expectation that such larger amount will actually be realized in cash during  
19 the fiscal year and shall certify such determination in writing to the county  
20 or municipality.

1 10. The amount to be raised by taxes, as stated in the budget, shall be the  
2 amount to be raised by taxation for local purposes, other than schools, in  
3 the case of a municipality, and for county purposes, in the case of a county.

4 The governing body of such county and municipality shall have power to as-  
5 sess, levy and collect taxes in support of any budget adopted pursuant to  
6 this act and for all other lawful purposes.

1 11. The appropriations stated in the budget shall be itemized according  
2 to the respective objects, departments or subdepartments for which moneys  
3 are to be expended, and shall state the amount to be appropriated to each  
4 such object, department or subdepartment. There may be included an ap-  
5 propriation to be designated "contingent expenses", which shall not exceed  
6 in amount three per centum (3%) of the total sum appropriated in the  
7 budget and shall be used for expenditures not otherwise specifically provided  
8 for. The following appropriations shall be made in the budget of each fiscal  
9 year: (a) An appropriation of the amount required to meet such portion of  
10 any deficit caused by cancelling or remitting or charging off as uncollectible  
11 any taxes levied in previous fiscal years as was not provided for by deduc-  
12 tions from the unexpended balances of appropriations transferred to the sur-  
13 plus revenue account; (b) An appropriation of the amount required to pay  
14 all unpaid obligations or liabilities other than notes and bonds (including any  
15 amounts unpaid and owing by any municipality or its collector for school,  
16 county, State and local district taxes), incurred for any fiscal year, other than  
17 the two immediately preceding fiscal years; (c) An appropriation of the  
18 amount required to meet any deficit caused by the failure to collect miscel-  
19 laneous revenues or dedicated revenues in the amount estimated in the budget  
20 of the preceding fiscal year; (d) an appropriation of the amount required  
21 to meet any anticipated deficit in expenditures to which dedicated revenues  
22 are lawfully applicable, as stated in the budget.

1 12. The governing body of any county or municipality may, by resolution  
2 adopted either before or after the beginning of a fiscal year, make appropria-  
3 tions to provide for the period between the beginning of the fiscal year and  
4 the adoption of the budget as herein provided. The total of the appro-  
5 priations so made shall not exceed the amount required for principal and in-  
6 terest of public debt during the first four months of the fiscal year and, in

7 addition, one-eighth of the total of the appropriations made for all other pur-  
8 poses in the budget for the preceding fiscal year. The amounts of all such  
9 temporary appropriations shall be included in the amounts appropriated in  
10 the budget as later adopted under this act. Any moneys in the surplus reve-  
11 nue cash account or any miscellaneous revenue or revenues derived from the  
12 collection of taxes levied or to be levied for such fiscal year, not otherwise  
12½ appropriated, may be used to meet such appropriations. The surplus revenue  
13 appropriated, as stated in the budget for such fiscal year, shall be not less  
14 than the aggregate of the moneys taken from the surplus revenue cash ac-  
15 count and used to meet such appropriations.

1 13. All moneys received by any municipality as fees, rentals or charges  
2 for service rendered by any municipal enterprise or utility shall be kept in  
3 a separate account, and the operating and upkeep costs, as well as the inter-  
4 est and principal payments upon the indebtedness incurred for the creation of  
5 such enterprise or utility, shall be charged to such account. If as the result  
6 of the operation of such enterprise or utility under the system of accounting  
7 thus directed there shall prove to be a surplus, or such surplus can be reason-  
8 ably anticipated, then such surplus, when authorized by the board or body  
9 controlling the same, may be included under the anticipated revenues for the  
10 year as an item of miscellaneous revenue, under the caption of "Surplus from  
11 ..... (name of enterprise or utility) Account". This provision  
12 shall not supersede the direction of accounting or the specific dedication of  
13 the receipts from an enterprise or utility as provided in any law which au-  
14 thorized the establishment or creation of such enterprise or utility, unless so  
15 directed by the board or body controlling the same.

1 14. At the time the State Auditor shall certify to the governing body of  
2 each municipality or county, as the case may be, the sinking fund require-  
3 ments for the fiscal year, such State Auditor shall also certify to the govern-  
4 ing body of such municipality or county the amount or amounts which such  
5 county or municipality, as the case may be, is required by law to appropriate  
6 to the payment of bonds falling due within such fiscal year, the payment for

7 which should be included in the budget appropriations for the year, and the  
8 governing body of the county or municipality, as the case may be, shall ap-  
9 propriate such amount or amounts in the budget adopted for such fiscal year.

1     15. Any municipality or county may, by resolution duly adopted by its  
2 governing body, establish and maintain a special account to be known as the  
3 "surplus revenue reserve account", and if such resolution be adopted, such  
4 surplus revenue reserve account shall thereafter be maintained, and the  
5 moneys held in such account shall thereafter be disbursed, in the manner pro-  
6 vided by this section. All receipts from delinquent taxes levied for any prior  
7 fiscal year including such taxes represented by tax titles and all moneys re-  
8 ceived in payment of any obligation which became due and payable in any  
9 prior year shall, when received, be credited to said surplus revenue reserve  
10 account. Said account shall be charged with the amount of all bonds or notes  
11 issued in anticipation of the collection of delinquent taxes levied for any  
12 prior fiscal year and with the amounts required to be paid from said delin-  
13 quent taxes by the municipality or its collector for school, county, State and  
14 local district taxes and with the amount of any unpaid obligation or liability  
15 of the municipality or county, as the case may be, for the payment of which an  
16 appropriation shall have been made or taxes shall have been levied in any  
17 prior fiscal year and for which no appropriation has been made in the budget  
18 for the current fiscal year. The moneys held in such account shall, except as  
19 hereinafter provided, be used solely for the purpose of paying the amounts  
20 charged to said account. ~~Whenever, and for so long as, the moneys in said~~  
21 ~~account exceed the amounts charged to said account, the excess moneys in~~  
22 ~~said account may be borrowed from time to time by the county or municipality,~~  
23 ~~as the case may be, for the same purposes as money may be borrowed by the~~  
24 ~~issuance of tax anticipation notes pursuant to this act, and for the purposes~~  
25 ~~of section twenty of this act, tax anticipation notes shall be deemed to have~~  
26 ~~been issued for the purpose of borrowing said moneys. The amount bor-~~  
27 ~~rowed in this manner from said account shall in no event exceed, in the case~~  
28 ~~of a county, the taxes levied for county purposes for the current fiscal year~~

29 which then remain uncollected and, in the case of a municipality, the taxes  
30 levied upon the taxable property in the municipality for the current fiscal  
31 year which then remain uncollected. Whenever the moneys held in said ac-  
32 count at the end of any fiscal year shall, in the case of a county, be more than  
33 forty per centum (40%) of the aggregate taxes levied for county purposes in  
34 such fiscal year or, if such amount be smaller, the amount of such taxes levied  
35 for such fiscal year which shall then be delinquent or shall, in the case of a mu-  
36 nicipality, be more than forty per centum (40%) of the aggregate taxes  
37 levied upon the taxable property in such municipality in such fiscal year or,  
38 if such amount be smaller, the amount of such taxes levied for such fiscal  
39 year which shall then be delinquent, it shall be lawful for the governing body  
40 of the county or municipality, as the case may be, to appropriate in the budget  
41 adopted for the ensuing fiscal year all or any part of the excess moneys held  
42 in such account. There shall be included in the budget adopted for each  
43 fiscal year by each county or municipality which maintains a surplus revenue  
44 reserve account an appropriation under the caption "surplus revenue reserve  
45 account increment". The amount of such appropriation shall not, in the  
46 case of a county, be less than one-quarter of one per centum ( $\frac{1}{4}$  of 1%) of the  
47 taxes levied for county purposes for the preceding fiscal year and shall not,  
48 in the case of a municipality, be less than one-quarter of one per centum  
49 ( $\frac{1}{4}$  of 1%) of the taxes levied upon the taxable property in such munic-  
50 ipality for the preceding fiscal year. The amount of such appropriation shall  
51 also, in the case of a county, be not less than the amount by which the taxes  
52 levied for county purposes for the preceding fiscal year shall exceed the ag-  
53 gregate receipts derived, in such year, from the collection of taxes levied for  
54 county purposes for each of the four preceding fiscal years. The amount of  
55 such appropriation shall also, in the case of a municipality, be not less than  
56 the amount by which the taxes levied upon the taxable property in such mu-  
57 nicipality for the preceding fiscal year shall exceed the aggregate receipts de-  
58 rived in such year, from the collection of taxes levied upon the taxable prop-  
59 erty in such municipality for each of the four preceding fiscal years.

1 16. It shall not be necessary for any municipality to establish and keep  
2 a surplus revenue account as hereinafter required, provided the governing  
3 body of such municipality shall determine by resolution adopted by the af-  
4 firmative vote of not less than three-fourths of the members of such govern-  
5 ing body prior to the approval of the budget for the fiscal year in which the  
6 resolution is adopted, that the budget for such fiscal year and for succeeding  
7 fiscal years shall contain the appropriation under the caption "reserve for  
8 uncollected taxes" and the appropriation under the caption of "cash deficit of  
9 preceding year" required by the provisions of, and shall be prepared and  
10 adopted in the manner prescribed by, sections seven, eight and nine of the  
11 act entitled "An act concerning the issuance of bonds by municipalities to  
12 pay, fund or refund certain bonds or other indebtedness," approved April  
13 fourth, nineteen hundred and thirty-four, known as chapter sixty of the laws  
14 of nineteen hundred and thirty-four, and the acts amendatory thereof and  
15 supplemental thereto.

1 17. Each county and each municipality which shall not have established  
2 a surplus revenue reserve account as provided in section fifteen of this act  
3 shall, unless its governing body shall have applied the resolution authorized  
4 by section sixteen of this act, keep an account to be known as the "surplus  
5 revenue account" and shall enter therein all moneys coming into the general  
6 treasury from all sources included under the head of surplus revenue, as de-  
7 fined in section seven of this act. At the close of any fiscal year all unex-  
8 pended balances of the budget appropriations of such year in excess of the  
9 obligations incurred on account thereof, and for purposes unfulfilled there-  
10 under, and which are properly chargeable thereto, as hereinbefore provided  
11 in subdivision (a) of section seven of this act, shall be transferred to such  
12 surplus revenue account. Any moneys in said surplus revenue account shall  
13 not be available for expenditure except as said moneys may be appropriated  
14 in the budget or except as may be provided in this act. If it shall appear to  
15 the governing body of the municipality or county during the last month of  
16 the fiscal year that there is a shortage in the receipts from one or more of

17 the items of miscellaneous revenues or of dedicated revenues, as stated in  
18 the budget, and that there are not sufficient excess receipts from the aggre-  
19 gate of the other items of miscellaneous revenues or of lawfully available  
20 dedicated revenues, as stated, to make up such shortage, then it shall be law-  
21 ful for such governing body, by a resolution reciting the facts, to borrow  
22 from the surplus revenue account so much as may be necessary to make up  
23 the net deficit in the receipt from miscellaneous revenues or from dedicated  
24 revenues, and the amount so borrowed shall be included in the appropria-  
25 tions of the succeeding fiscal year under the head of miscellaneous revenues  
26 deficit 19. . . , or under the head of dedicated revenues deficit 19. . . , and shall  
27 be repaid before the thirty-first day of December of said succeeding fiscal  
28 year. Each county or municipality shall not later than the first day of Janu-  
29 ary, one thousand nine hundred and forty-three, either establish the sur-  
30 plus revenues reserve account authorized by section fifteen of this act or  
31 adopt the resolution authorized by section sixteen of this act.

1 18. During the last two months of the fiscal year, if it shall become neces-  
2 sary to expend for any of the purposes specified in the budget, an amount in  
3 excess of the respective sums appropriated therefor, and there shall be an  
4 excess in one or more appropriations (excepting the appropriations for con-  
5 tingent expenses, deferred charges and reserves for remission, cancellation  
6 or abatement of taxes and excepting appropriations for the payment of pub-  
7 lic debt where the excess is caused by the refunding or funding of principal  
8 or interest), over and above the amount deemed to be necessary to fulfill the  
9 purpose of such appropriations, then it shall be lawful, by proper resolution  
10 setting forth the facts, for the governing body of any municipality or county,  
11 by a two-thirds vote thereof, to transfer the amount of such appropriation  
12 as may be deemed to be in excess, to such appropriations (excepting the ap-  
13 propriation for contingent expenses, deferred charges and reserves for re-  
14 mission, cancellation or abatement of taxes) as are deemed to be insufficient  
15 to fulfill the purposes of such appropriations.

1 19. The governing body of each county and municipality shall assess,  
2 levy and collect taxes in support of the budget and for all other lawful pur-  
3 poses by the adoption of a tax resolution in substantially the following  
4 form:

5 "A resolution relating to taxes for the year nineteen hundred and .....  
6 .....

7 Be it resolved by the ..... (state the name of the  
8 governing body) that there shall be assessed, raised by taxation, and collected  
9 for the fiscal year 19..., the sum of .....  
10 dollars for the purpose of meeting the appropriations set forth in the fol-  
11 lowing statement of resources and appropriations for the fiscal year 19...:

12 Resources—

13 Surplus revenue appropriated (amount stated in the adopted budget).

14 Miscellaneous revenues (aggregate amount as stated in the adopted  
15 budget).

16 Amount to be raised by taxes (as stated in the adopted budget).

17 Additional amount to be raised by taxes (giving items for which the sev-  
18 eral amounts are to be raised).

19 Appropriations—

20 Budget appropriations (state the aggregate amount as fixed in the  
21 adopted budget).

22 Local school (in case of municipalities wherein the board of school esti-  
23 mate fixes the appropriation for school purposes).

24 Other appropriations (state the amount to be appropriated for all other  
25 purposes).

26 This resolution shall take effect immediately."

27 The tax resolution adopted for any municipality pursuant to this section shall  
28 be deemed to be a tax ordinance for the purposes of any other law.

1 20. Any county may, not earlier than five days prior to the beginning of  
2 any fiscal year, borrow money and issue its negotiable notes for the purpose of  
3 meeting its lawful expenditures under the appropriations made for such

4 fiscal year, in anticipation of the collection of any taxes which have been or  
5 are to be levied for such fiscal year for county purposes and which then re-  
6 main uncollected. Any municipality may, not earlier than five days prior to  
7 the beginning of any fiscal year, borrow money and issue its negotiable notes,  
8 for the purpose of meeting its lawful expenditures under the appropriations  
9 made for such fiscal year and also for the purpose of paying any amounts  
10 required to be paid for school, county, State and local district taxes by the  
11 municipality or its collector from the taxes levied or to be levied for such  
12 fiscal year, in anticipation of the collection of taxes which have been or are  
13 to be levied upon the taxable property in such municipality for such fiscal  
14 year and which then remain uncollected. Each such note shall be designated  
15 a "tax anticipation note" and shall state the fiscal year for which it is issued  
16 and be renewed from time to time and shall be payable not later than the  
17 thirty-first day of March of the succeeding fiscal year. The aggregate  
18 amount of such notes issued for any fiscal year at any time outstanding,  
19 after deducting the amount of any moneys then on hand, raised by the issu-  
20 ance of renewal notes, shall not exceed, in the case of a county, thirty per  
21 centum (30%) of the aggregate taxes levied for county purposes in the pre-  
22 ceding fiscal year, and, in the case of a municipality, thirty per centum  
23 (30%) of the aggregate taxes which were levied upon the taxable property  
24 in such municipality in the preceding fiscal year. For the purposes of this  
25 section and the following section and of section sixteen, taxes levied or to be  
26 levied upon the taxable property in any municipality shall be deemed to in-  
27 clude any taxes levied or to be levied upon the taxable property in the mu-  
28 nicipality for municipal purposes, for local school purposes and for State  
29 and county purposes which are collectible by its collector or which are levied  
30 upon railroad and canal property in the municipality and are payable in the  
31 first instance to the State Comptroller, and are thereafter payable by him to  
32 the county treasurers for distribution to the taxing districts.

1     21. Any county may borrow money and issue its negotiable notes, in  
2 anticipation of the collection of delinquent taxes levied for county purposes

3 for the fiscal years preceding the current fiscal year. Any municipality may  
4 borrow money and issue its negotiable notes in anticipation of the collection  
5 of delinquent taxes levied upon the taxable property in the municipality for  
6 the fiscal years preceding the current fiscal year. Each such note shall be  
7 designated a "tax revenue note" and shall be payable not more than one  
8 year after its date and may be renewed from time to time. The aggregate  
9 amount of such tax revenue notes at any time outstanding, including tax  
10 anticipation notes issued for the preceding fiscal year, but excluding tax  
11 revenue notes to the amount of delinquent tax revenues in litigation and not  
12 remitted or cancelled, shall not exceed by more than the amount of any  
13 moneys, then on hand, raised by issuance of renewed notes, either (a) the  
14 aggregate amount of such delinquent tax revenues of said county or munici-  
15 pality, as the case may be, for both of the two fiscal years immediately pre-  
16 ceding the current fiscal year, or (b), in the case of a county, thirty-five per  
17 centum (35%) of the aggregate amount of all taxes levied for county pur-  
18 poses in the preceding fiscal year and, in the case of a municipality, thirty-  
19 five per centum (35%) of the aggregate amount of all taxes levied upon the  
20 taxable property in the municipality in the preceding fiscal year.

1     22. Each tax anticipation note or tax revenue note hereafter issued shall  
2 recite that it is issued pursuant to this act and shall state the total amount  
3 hereby authorized to be borrowed by the issuance of tax anticipation notes  
4 or tax revenue notes, as the case may be, as well as the amount of such in-  
5 struments outstanding. The amount authorized to be borrowed by the is-  
6 suance of such notes need not be reduced by reason of the further collection of  
7 taxes between the date when the resolution authorizing such notes is adopted  
8 and the date when such notes are actually issued, provided the notes are is-  
9 sued within thirty days after the adoption of the resolution. Each such note  
10 shall be signed by the treasurer or chief financial officer of the county or mu-  
11 nicipality, as the case may be, and his signature to the note shall constitute a  
12 declaration to the other officials, who are required to sign such note, that the  
13 statements therein made with respect to the total amount authorized to be

14 borrowed by the issuance of such notes and the amount of such notes out-  
15 standing are correct. Such recitals shall constitute conclusive evidence to  
16 the holder of such note that the note was fully authorized under and within  
17 the powers, limitations and provisions of this act.

1 23. Any county or municipality may make emergency appropriations in  
2 any fiscal year after the adoption of the budget for such fiscal year, for any  
3 purpose which was not foreseen at the time of the adoption of such budget  
4 or for which adequate provision is not made in such budget. The aggregate  
5 amount of such appropriations made in any fiscal year shall not exceed five  
6 per centum (5%) of the aggregate amount of the appropriations made in the  
7 budget adopted for such fiscal year. Any county or municipality may borrow  
8 money and issue its negotiable notes to meet any such emergency appropria-  
9 tions. Each such note shall be designated an "emergency note" and may be  
10 renewed from time to time and shall be payable not later than the end of  
11 the fiscal year in which such note is required to be paid. Notes issued to meet  
12 such appropriations made in any fiscal year shall be paid in the next suc-  
13 ceeding fiscal year, unless in any case where the payment of the notes in such  
14 succeeding fiscal year would cause an increase in the tax rate of more than  
15 one-half of a mill on the dollar, the State Auditor shall, upon application  
16 by the governing body of the county or municipality, as the case may be,  
17 after the beginning of such succeeding fiscal year and prior to the approval  
18 of the budget for such succeeding fiscal year, consent in writing that such  
19 notes shall be paid in not exceeding five equal annual installments, beginning  
20 with such succeeding fiscal year.

1 24. All notes or bonds issued pursuant to this act shall be authorized by  
2 resolution of the governing body, and shall be negotiable instruments, but  
3 may be registered upon the request of the purchaser or holder. They shall  
4 bear interest at a rate not in excess of six per centum (6%) per annum,  
5 and shall be sold for not less than par. The faith and credit of the issuing  
6 county or municipality shall be deemed to be pledged for the payment of  
7 any such notes. The governing body may, by resolution adopted by the vote

8 of not less than two-thirds of its members, fix the maximum amount of any  
 9 notes to be issued pursuant to this act and the maximum rate of interest to  
 10 be borne by them and delegate to a financial officer of the county or munici-  
 11 pality, as the case may be, the power to determine any other matter with  
 12 respect to, and to issue and sell, said notes.

1     25. This act shall be considered a revision of an act entitled "An act  
 2 concerning municipal and county finances," approved March twenty-eighth,  
 3 one thousand nine hundred and seventeen, constituting chapter one hundred  
 4 and ninety-two of the laws of one thousand nine hundred and seventeen, and  
 5 all acts amendatory thereof and supplemental thereto, and the said acts and  
 6 all other acts and parts of acts, general or special, to the extent that they  
 7 relate to the subject matter of this act, are superseded and re-  
 7½ pealed by this act; *provided, however,* that acts and proceedings  
 8 heretofore done or taken by any county or municipality, or the vot-  
 9 ers thereof, or any board of officers thereof, pursuant to acts or parts of acts  
 10 superseded by this act shall have the same force and effect as if done and  
 11 taken pursuant to this act, and only subsequent proceedings shall be taken as  
 12 provided in this act; *provided, further,* that this act shall not be  
 13 construed to repeal an act entitled "An act concerning the issuance of bonds  
 14 by municipalities to pay, fund or refund certain bonds or other indebted-  
 15 ness," approved April fourth, one thousand nine hundred and thirty-four,  
 16 constituting chapter sixty of the laws of one thousand nine hundred and  
 17 thirty-four, or an act entitled "An act relating to the funding or refunding  
 18 of outstanding bonds or notes by municipalities," approved June eleventh,  
 19 one thousand nine hundred and thirty-four, constituting chapter two hun-  
 20 dred and thirty-three of the laws of one thousand nine hundred and thirty-  
 21 four or any acts amendatory of or supplemental to said acts.

1     26. Nothing in this act shall be construed to supersede, abrogate or re-  
 2 peal in any way an act entitled "An act concerning municipal finances," ap-  
 3 proved April twenty-eight, one thousand nine hundred and thirty-one, consti-  
 4 tuting chapter three hundred and forty of the pamphlet laws of one thousand

5 nine hundred and thirty-one, or an act entitled "An act creating a Depart-  
6 ment of Municipal Accounts and the office of Commissioner of Municipal Ac-  
7 counts, and defining his duties and powers," approved March twenty-seventh,  
8 one thousand nine hundred and seventeen, constituting chapter one hundred  
9 fifty-four of the pamphlet laws of one thousand nine hundred and seventeen,  
10 and any acts amendatory of or supplemental to such acts, or any revision  
11 thereof, but said acts shall continue in full force and effect, and any proceed-  
12 ings taken or to be taken thereunder shall continue to be taken or be taken,  
13 notwithstanding the provisions of this act.

1     27. This act shall take effect immediately as regards all matters, terms  
2 and provisions affecting budgets, tax ordinances and tax resolutions for the  
3 fiscal year one thousand nine hundred and thirty-seven, and any subsequent  
4 fiscal year, and in all other respects shall take effect on December thirty-first,  
5 one thousand nine hundred and thirty-six.

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#### STATEMENT

The purpose of this bill is to provide a modern efficient budget system for  
municipalities and counties and to provide that they shall ultimately operate on  
a cash basis.

ASSEMBLY AMENDMENTS TO COMMITTEE SUBSTITUTE FOR

SENATE, No. 48

# STATE OF NEW JERSEY

ADOPTED JUNE 17, 1936

Page 9, section 210, line 1, strike out the following: "each county and municipality shall ap-"

Page 9, section 210, strike out all of lines 2 and 3

Page 10, section 210, strike out all of lines 4 to 13, inclusive, and insert in lieu thereof the following: "From and after the end of the fiscal year one thousand nine hundred and forty-three each county and municipality shall be on a full cash basis."

Page 25, section 505, line 8, place a period after the word "repealed" at the end of the line.

Page 25, section 505, line 9, strike out the words "until December thirty-first, one thousand nine hundred and thirty-seven."

[SECOND OFFICIAL COPY REPRINT]

COMMITTEE SUBSTITUTE FOR

SENATE, No. 48

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# STATE OF NEW JERSEY

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ADOPTED MAY 25, 1936

AN ACT concerning municipal and county finances (Revision of 1936).

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

Article.

- I. Procedure for Adoption of Budget.
- II. Form of Budget.
- III. Operation under Budget.
- IV. Borrowing.
- V. Miscellaneous.

## ARTICLE I

### PROCEDURE FOR ADOPTION OF BUDGET

- 101. Short title.
- 102. Definitions.
- 103. Application of act.
- 104. Public hearing.
- 105. Notice of hearing.
- 106. Hearing and adoption.
- 107. Modification of certain items on final adoption.
- 108. Date of adoption.
- 109. Budget to constitute appropriation and authorization for levy of taxes; certification to county board.

## 110. Temporary appropriations.

1 101. Short title. This act may be cited as "The Local Budget Act."

1 102. Definitions. Whenever used or referred to in this act, the word  
2 "municipality" shall include any city, borough, town, township, village, or  
3 other municipality (other than a school district or a county); the words  
4 "governing body" shall mean, in the case of a county, its board of chosen  
5 freeholders, and, in the case of a municipality, the commission, council,  
6 board, or body, by whatever name it may be known, having charge of the  
7 finances of the municipality; the words "fiscal year" shall mean the  
8 calendar year beginning on the first day of January and ending on the  
9 thirty-first day of December; and the words "budget year" shall mean the  
10 fiscal year for which a budget is prepared or adopted.

1 103. Application of act. The governing body of each county and mu-  
2 nicipality shall adopt a budget for each fiscal year. The budget adopted for  
3 a county shall be designated "county budget." The budget adopted for a  
4 municipality shall be designated "municipal budget."

1 104. Public hearing. Prior to the adoption of a budget the governing  
2 body shall, at a public hearing, grant to taxpayers and other interested  
3 persons an opportunity to present objections and to be heard with respect  
4 to the budget. The hearing on a county budget shall commence not later  
5 than the fortieth day after the beginning of the budget year. The hearing  
6 on a municipal budget shall commence not later than the fifty-fifth day after  
7 the beginning of the budget year.

1 105. Notice of hearing. The governing body shall cause to be pre-  
2 pared and shall approve the budget prior to the public hearing and shall  
3 fix the time when and the place where the hearing shall be held. Notice  
4 of such hearing, together with the budget as approved, shall be published  
5 at least once in at least one newspaper circulating in the municipality or  
6 county, as the case may be, at least eighteen days prior to the time fixed  
7 for the hearing. Within three days after its approval, two certified copies  
8 of the budget as approved shall be filed in the office of the State Auditor.

1 106. Hearing and adoption. The hearing on the budget shall be held at  
2 the time and place specified in the published notice, but may be adjourned  
3 from time to time until the hearing is closed. After closing the hearing the  
4 governing body may, by resolution, adopt the budget with or without altera-  
5 tions or amendments. However, no alteration or amendment, except pursuant  
6 to section two hundred eight, adding to the budget any new item of appro-  
7 priation in amount in excess of one per centum (1%) of the total amount of  
8 appropriations as stated in the approved budget, or increasing or decreasing  
9 any item of appropriation by more than ten per centum (10%) of the amount  
10 of such item as stated in the approved budget, or increasing the amount to  
11 be raised by taxes by more than five per centum (5%) of such amount as  
11½ stated in the approved budget, shall be made in the approved  
12 budget, unless the governing body shall first, at a public hearing,  
13 grant to taxpayers and other interested persons an opportunity to  
14 present objections and to be heard with respect to the alteration or  
15 amendment, after publishing, in at least one newspaper circulating in the  
16 municipality or county, as the case may be, not less than two days prior to the  
17 hearing, a notice describing the alteration or amendment and specifying the  
18 time and place when and where the hearing will be held.

1 107. Modification of certain items on final adoption. Unless the State  
2 Auditor shall give his prior written consent thereto, no amendment of the ap-  
3 proved budget as certified by the State Auditor pursuant to section five hun-  
4 dred two shall be made which omits or decreases any appropriation or inserts  
5 or increases any statement or estimate of anticipated revenues (except the  
6 amount to be raised by taxation) which is required by section five hundred  
7 one hereof to be examined by the State Auditor.

1 108. Date of adoption. A county budget shall be adopted not later than  
2 the fifty-fifth day after the beginning of the budget year. A municipal budget  
3 shall be adopted not later than the seventieth day after the beginning of the  
4 budget year. No budget may be adopted, however, until the expiration of  
5 eighteen days after the date of filing in the office of the State Auditor of the

6 budget as approved, unless prior thereto the budget shall have been certified  
7 and returned by him. Within three days after its adoption, two certified  
8 copies of the budget as adopted shall be filed in the office of the State Auditor.

1     109. Budget to constitute appropriation and authorization for levy of  
2 taxes: certification to county board. Upon adoption, the budget shall consti-  
3 tute an appropriation for the purposes stated of the sums therein set forth  
4 as appropriations and an authorization of the amount to be raised by taxa-  
5 tion for the purposes of the county or municipality, as the case may be, suf-  
6 ficient for certification to the county board of taxation. The clerk of the  
7 county or municipality shall transmit a certified copy of the budget as finally  
8 adopted to the county board of taxation not later than the ninetieth day  
9 after the beginning of the budget year.

1     110. Temporary appropriations. The governing body of any county or  
2 municipality may, and, if any contracts, commitments or payments are to be  
3 made prior to the adoption of the budget of any fiscal year, shall, not later  
4 than the fifteenth but not prior to the first day of such year, by resolution  
5 make appropriations to provide for the period between the beginning of the  
6 budget year and the adoption of the budget herein provided. The total of  
7 the appropriations so made, exclusive of the amount so appropriated for in-  
8 terest and debt redemption charges, shall not exceed one-eighth of the total of  
9 the appropriations made for all purposes other than interest and debt re-  
10 demption charges in the budget for the preceding fiscal year. The amounts  
11 of all such temporary appropriations shall be included under the correct  
12 headings in the amounts appropriated in the budget as finally adopted. Not-  
13 ing herein contained, however, shall prevent or relieve the governing body  
14 of a county or municipality at any time before the budget is adopted, but not  
15 earlier than the tenth day preceding the beginning of the budget year, from  
16 making appropriations for all interest and debt redemption charges matur-  
17 ing during the budget year.

## ARTICLE II

## FORM OF BUDGET

201. Budget.
202. Statement and publication of summary.
203. Anticipated revenues.
204. Surplus revenue.
205. Miscellaneous revenues.
206. Dedicated revenues.
207. Amount to be raised by taxes.
208. Amount to be raised by taxes for schools in certain municipalities.
209. Appropriations.
210. Payment of floating debt.
211. Required appropriations.
212. Utilities and enterprises.
213. Delinquent taxes.
214. Reserve for uncollected taxes.
215. Cash deficit of preceding year.
216. Current taxes.

1     201. Budget. The budget shall consist of a tabulated statement of (a) all  
 2 anticipated revenues applicable to the expenditures for which appropri-  
 3 tions are made in the budget and (b) the appropriations to be made for all  
 4 purposes for which such revenues are to be expended. The total of such  
 5 anticipated revenues shall equal the total of such appropriations.

1     202. Statement and publication of summary. For the information of  
 2 taxpayers, at the head of the budget as published there shall appear in bold  
 3 face type a statement setting forth separately in parallel columns the  
 4 amount of the tax levy for State, county, school and local purposes in the  
 5 case of a municipal budget, and for county purposes in the case of a county  
 6 budget, in the two fiscal years next preceding the budget year, together  
 7 with the amount (actual or estimated, as the case may be) to be raised by  
 8 taxation for such purposes in such budget year. There shall be likewise set

9 forth in such statement the amount of any State aid received and to be re-  
 10 ceived in such years and the amount by which such county or municipality  
 11 has benefited and will benefit by taxes to be raised by the State from sources  
 12 other than the general property tax under the provisions of any legislation  
 13 which is now in force or may hereafter be enacted. Not later than two weeks  
 14 after the final adoption of the budget, the items in such statement which  
 15 were estimates shall be corrected insofar as the actual amounts shall be  
 16 known and such statement as so corrected shall be separately published at  
 17 least once in at least one newspaper circulating in the municipality or  
 18 county, as the case may be. Such statement shall be in such form and any  
 19 estimates therein contained shall be made in accordance with such rules and  
 20 regulations as the State Auditor may prescribe.

1     203. Anticipated revenues. The anticipated revenues shall be classified  
 2 as "surplus revenue appropriated," "miscellaneous revenues," "receipts  
 3 from delinquent taxes" (to the extent permitted by section two hundred thir-  
 4 teen), "Amount to be raised by taxes," and "dedicated revenues." In paral-  
 5 lel columns opposite the several items of anticipated revenues shall be placed  
 6 the amount stated for each such item in the budget of the next preceding  
 7 fiscal year and the several amounts of such revenues actually received during  
 8 such year.

1     204. Surplus revenue. "Surplus revenue" as used in this act shall in-  
 2 clude:

3     (a) The unexpended balances of the budget appropriations of the pre-  
 4 vious year in excess of obligations incurred therefor, or for purposes unful-  
 5 filled thereunder, which are properly chargeable thereon; except that, if no  
 6 other means have been provided therefor, there shall be first deducted from  
 7 the aggregate of such unexpended balances the amount involved in the ad-  
 8 justment of the duplicate and of taxes which shall have been cancelled or  
 9 remitted during such fiscal year or charged off as uncollectible.

10     (b) The receipts from miscellaneous revenues during any fiscal year  
 11 which are in excess of the aggregate amount of the classified miscellaneous  
 12 revenues as stated in the budget of such year.

13 (c) The revenues coming into the general treasury from time to time  
14 from any and all sources, applicable to the lawful expenditures for the fiscal  
15 year of the municipality or county, as the case may be, which are not included  
16 in any of the several items of anticipated revenues as stated in the budget  
17 of such year.

18 Unless the State Auditor shall give his prior written consent thereto, the  
19 amount of any item of "surplus revenue appropriated" included in any  
20 budget shall not exceed the amount of surplus revenue held in cash at the be-  
21 ginning of the budget year, less all outstanding commitments or obligations  
22 against such cash.

1 205. Miscellaneous revenues. "Miscellaneous revenues" shall include  
2 such amounts as may reasonably be expected to be realized in cash during  
3 the budget year from known and regular sources, or from sources reason-  
4 ably capable of anticipation, and lawfully applicable to the appropriations  
5 made in the budget, other than dedicated revenues, revenues from taxes to  
6 be levied to support the budget, receipts from delinquent taxes, and surplus  
7 revenue. Miscellaneous revenues stated in the budget shall be classified  
8 according to their respective sources. No miscellaneous revenues from any  
9 source shall be included as an anticipated revenue in the budget in an  
10 amount in excess of the amount actually realized in cash from the same  
11 source during the next preceding fiscal year, unless the State Auditor shall  
12 determine upon application by the governing body that the facts clearly  
13 warrant the expectation that such excess amount will actually be realized  
14 in cash during the budget year and shall certify such determination in  
15 writing to the county or municipality, as the case may be.

1 206. Dedicated revenues. "Dedicated revenues" shall include all  
2 amounts reasonably expected to be realized in cash during the budget year  
3 from any source other than the issuance of bonds or notes and required  
4 by law to be applied to a specific purpose. Dedicated revenues stated in  
5 the budget shall be classified according to their respective sources and  
6 shall be stated in a separate section of the budget together with the appro-

7 priations to the purposes to which such dedicated revenues are applicable.  
8 In the event such appropriations include payments to be made for the prin-  
9 cipal of or interest on bonds or notes, the amount required for such pur-  
10 pose shall be separately stated. Any anticipated deficit in expenditures to  
11 which dedicated revenues are applicable shall be provided for by an ap-  
12 propriation in the budget. Such revenues, when derived from the collection  
13 of special assessments on property specially benefited, shall not be stated  
14 in the budget in an amount which is in excess of the amount of the appro-  
15 priation in such budget to the purposes to which such revenues are applic-  
16 able or in excess of the amount of the revenues so derived which is held in  
17 cash at the beginning of the fiscal year. Such revenues, when derived from  
18 any other source, including publicly owned or operated utilities or enter-  
19 prises, shall not be stated in the budget in an amount which is in excess  
20 of the amount of the appropriations in such budget to the purposes to  
21 which such revenues are applicable or in excess of the amount actually  
22 realized in cash from the same source during the next preceding fiscal  
23 year, unless the State Auditor shall determine upon application by the gov-  
24 erning body that the facts clearly warrant the expectation that such excess  
25 amount will actually be realized in cash during the budget year and shall  
26 certify such determination in writing to the county or municipality, as the  
27 case may be.

1 207. Amount to be raised by taxes. The amount to be raised by taxes,  
2 as stated in the budget, shall be the amount to be raised by taxation for  
3 local purposes, other than schools (except as provided in section two hun-  
4 dred eight), in the case of a municipality, and for county purposes in the  
5 case of a county. The governing body of each county and municipality  
6 shall have power to assess, levy and collect taxes in support of any budget  
7 adopted pursuant to this act and for all other lawful purposes.

1 208. Amount to be raised by taxes for schools in certain municipalities.  
2 Upon its final adoption, the budget in municipalities having a board of  
3 school estimate shall set forth in a separate section the amount to be raised

4 by taxes for school purposes, which shall be added to the amount to be  
 5 raised by taxes for all other local purposes. Such separate section may be  
 6 omitted from the budget as approved, and may be added to the budget by  
 7 amendment on final adoption without republication.

1 209. Appropriations. The appropriations stated in the budget shall be  
 2 itemized according to the respective objects and purposes for which they are  
 3 to be expended, and shall include, separately stated, all requirements for

4 (a) administration, operation and maintenance of all offices, depart-  
 5 ments, boards, commissions and institutions, including publicly owned or  
 6 operated utilities and enterprises,

7 (b) contingent expenses, in an amount not more than three per centum  
 8 (3%) of the total amount stated pursuant to subdivision (a) of this section,

9 (c) interest and debt redemption charges,

10 (d) payment of floating debt (to the extent that tax revenue obligations  
 11 outstanding exceed the limitations of section four hundred fourteen),

12 (e) deferred charges and statutory expenditures,

13 (f) the payment of all judgments not for capital purposes and to pay  
 14 which notes or bonds cannot lawfully be issued,

15 (g) such reserves as may be required by this act, or deemed advisable  
 16 by the governing body, and

17 (h) cash deficit of preceding year (to extent provided by section two  
 18 hundred fifteen).

19 In parallel columns opposite the several items of appropriation shall be  
 20 placed the amount appropriated for each such item in the budget of the next  
 21 preceding fiscal year, as modified by all transfers of appropriations, and  
 22 the several amounts expended during such year for each such item and any  
 23 other items, including the actual or estimated amount of liabilities incurred  
 24 for such items but not paid.

1 210. Payment of floating debt. Each county and municipality shall ap-  
 2 propriate in the budget of each year an amount for the payment of floating  
 3 debt sufficient to retire all floating debt of the county or municipality not

4 later than the end of the fiscal year one thousand nine hundred forty-three.  
5 If, at the end of any year there shall be no net floating debt of the county  
6 or municipality or, after the end of any year in which an appropriation  
7 shall have been made equal to or exceeding the entire amount of the net  
8 floating debt at the end of the next preceding fiscal year, the county or  
9 municipality shall thereafter be deemed to be on a full cash basis. "Net  
10 floating debt" as used in this section shall mean the net floating debt set  
11 forth in the Statement of Current Liabilities filed pursuant to section four  
12 hundred twelve, as certified by the State Auditor pursuant to section five  
13 hundred three.

1     211. Required appropriations. Until the county or municipality shall  
2 be on a full cash basis, as hereinafter provided, the following appropriations  
3 shall be made in the budget of each fiscal year: (a) An appropriation of  
4 the amount required to meet such portion of any deficit caused by cancelling  
5 or remitting or charging off as uncollectible any taxes levied in previous  
6 fiscal years as was not provided for by deductions from the unexpended  
7 balances of appropriations transferred to the surplus revenue account; (b)  
8 An appropriation of the amount required to pay all unpaid obligations or  
9 liabilities incurred in any fiscal year (other than tax anticipation or tax  
10 revenue notes or bonds) including any amounts unpaid and owing by any  
11 municipality or its collector for school, county, State and local district  
12 taxes, other than the two immediately preceding fiscal years; (c) An appro-  
13 priation of the amount required to meet any deficit caused by the failure to  
14 collect miscellaneous revenues or dedicated revenues in the amount estimated  
15 in the budget of the preceding fiscal year; (d) An appropriation of the  
16 amount required to meet any anticipated deficit in expenditures to which  
17 dedicated revenues are lawfully applicable, as stated in the budget.

1     212. Utilities and enterprises. The anticipated revenues from the oper-  
2 ation of any publicly owned or operated utility or enterprise and the appro-  
3 priations to be made therefor shall be set forth in a separate section of the  
4 budget. If in any year as a result of the operation of such utility or enter-

5 prise under the system of accounting thus directed, there shall be a surplus,  
 6 or such surplus can be reasonably anticipated, then such surplus, when au-  
 7 thorized by the board or body controlling the utility or enterprise, may be  
 8 included in the budget as an item of miscellaneous revenue, under the caption  
 9 of "Surplus from ..... (designation  
 10 of the utility fund)." If in any year as a result of such operation, there  
 11 shall be a deficit, or an anticipated deficit, then an appropriation for such  
 12 deficit shall be included in the budget, under the caption of "Deficit in  
 13 ..... (designation of the utility  
 14 fund)." If any anticipated deficit shall exceed the appropriation therefor,  
 15 the excess shall be provided for in the budget of the following year. This  
 16 section shall not, however, supersede the specific dedication of receipts from  
 17 a utility or enterprise as provided in any law which authorized the estab-  
 18 lishment or creation of such utility or enterprise unless so directed by the  
 19 board or body controlling the same.

1     213. Delinquent taxes. In the budget for the first fiscal year in which  
 2 a municipality is on a full cash basis and in each budget thereafter, there  
 3 shall be included among the anticipated revenues, under the caption "re-  
 4 ceipts from delinquent taxes," a proportion of all taxes levied for prior  
 5 fiscal years (including the lien value of tax titles to real estate standing  
 6 in the name of the municipality) unpaid and owing to the municipality at  
 7 the beginning of the budget year, not in excess of the proportion of all such  
 8 taxes so unpaid and owing at the beginning of the next preceding fiscal year  
 9 and not subsequently abated, cancelled, or remitted, which was collected or  
 10 realized in cash during such next preceding fiscal year. In the budget for  
 11 the first fiscal year in which a county is on a full cash basis and in each  
 12 budget thereafter, there shall be included among the anticipated revenues,  
 13 under the caption "receipts from delinquent taxes," anticipated receipts  
 14 from the collection of all taxes levied for prior fiscal years unpaid and owing  
 15 to the county at the beginning of the budget year, not in excess of the  
 16 amount of such taxes unpaid and owing to the county at the beginning of

17 the budget year nor in excess of the amount of the appropriation in such  
18 budget for cash deficit of preceding year.

1     214. Reserve for uncollected taxes. In the budget for the first fiscal year  
2 in which a municipality is on a full cash basis and in each budget thereafter,  
3 there shall be included an appropriation for "reserve for uncollected taxes"  
4 sufficient in amount so that the anticipated cash receipts for the budget year,  
5 estimated in accordance with section two hundred sixteen, shall at least  
6 equal the sum of the following items, each of which is hereinafter referred  
7 to as a "lawful yearly expenditure":

8     (a) the total of all budget appropriations (except for reserve for  
9 uncollected taxes)

10     (b) the amounts due or to become due for school, county, State and  
11 local district taxes prior to the end of the budget year, and

12     (c) the amounts of any other anticipated current expenditures for the  
13 budget year.

14     In the event that the exact amount of any such lawful yearly expenditure  
15 shall not be known at the time of the adoption of the budget, the amount  
16 thereof shall be estimated by resolution of the governing body of the mu-  
17 nicipality, but no such estimate shall be less than the amount of such lawful  
18 yearly expenditure for the next preceding fiscal year.

1     215. Cash deficit of preceding year. In the budget for the first fiscal year  
2 in which a municipality is on a full cash basis and in each budget thereafter,  
3 there shall be included an appropriation for "cash deficit of preceding year"  
4 in an amount at least equal to the amount, if any, by which the liabilities  
5 and cash disbursements of the municipality for lawful yearly expenditures  
6 in the fiscal year next preceding the budget year exceed the cash receipts  
7 in such next preceding fiscal year applicable to such lawful yearly expendi-  
8 tures unless the amount by which the liabilities and lawful yearly expendi-  
9 tures for any such fiscal year exceed the lawful yearly expenditures for  
10 such year shall have been paid or adequately provided for out of a surplus  
11 revenue reserve fund theretofore established and available for such purpose.

1     216. Current taxes. In the budget for the first fiscal year in which a  
 2 municipality is on a full cash basis and in each budget thereafter, for the  
 3 purpose of determining the amount of the appropriation for reserve for un-  
 4 collected taxes, anticipated cash receipts for the budget year shall be  
 5 estimated as follows:

6     (a) surplus revenues appropriated, computed as provided in section two  
 7 hundred four,

8     (b) miscellaneous revenues, computed as provided in section two hun-  
 9 dred five,

10    (c) dedicated revenues, computed as provided in section two hundred six,

11    (d) receipts from delinquent taxes, computed as provided in section two  
 12 hundred thirteen,

13    (e) receipts from the collection of taxes levied or to be levied in the  
 14 municipality and payable in the budget year in an amount not in excess of  
 15 the proportion of taxes levied and payable during the next preceding fiscal  
 16 year which was received in cash during such preceding fiscal year.

### ARTICLE III

#### OPERATION UNDER BUDGET

301. When contracts and expenditures prohibited.

302. Transfers of appropriations.

303. Emergency appropriations.

304. Application of delinquent taxes.

305. Utility accounts.

306. Assessment revenue fund.

307. Separate funds.

1     301. When contracts and expenditures prohibited. Except as may be  
 2 otherwise provided in section three hundred three, no officer, board, body  
 3 or commission shall, during any fiscal year, expend any money (except to  
 4 pay notes, bonds, or interest thereon), incur any liability, or enter into  
 5 any contract which by its terms involves the expenditure of money,

6 (a) for any purpose for which no appropriation is provided in the  
7 budget or by temporary appropriation pursuant to section one hundred  
8 ten, or

9 (b) in excess of the amount appropriated for any such purpose.

10 Any contract, oral or written, made in violation hereof shall be null and  
11 void as to the county or municipality, and no moneys shall be paid thereon.  
12 Nothing in this section contained, however, shall prevent the making of  
13 contracts or the spending of money for capital projects to be financed in  
14 whole or in part by the issuance of notes, or bonds, nor the making of  
15 contracts of lease or for services for a period exceeding the fiscal year in  
16 which such contract is made, when otherwise provided by law.

1 302. Transfers of appropriations. During the last two months of the  
2 fiscal year, if it shall become necessary to expend for any of the purposes  
3 specified in the budget an amount in excess of the respective sums appro-  
4 priated therefor, and there shall be an excess in one or more appropriations  
5 (excepting the appropriations for contingent expenses, deferred charges,  
6 payment of floating debt, reserve for uncollectible taxes, cash deficit of pre-  
7 ceding year, reserve for uncollected taxes, or interest and debt redemption  
8 charges), over and above the amount deemed to be necessary to fulfill the  
9 purpose of such appropriations, then it shall be lawful, by proper resolu-  
10 tion setting forth the facts, for the governing body of any municipality or  
11 county, by a two-thirds vote thereof, to transfer the amount of such appro-  
12 priation as may be deemed to be in excess, to such appropriations (except-  
13 ing the appropriation for contingent expenses or deferred charges) as are  
14 deemed to be insufficient to fulfill the purposes of such appropriations.

1 303. Emergency appropriations. Any county or municipality may by  
2 resolution declaring the existence of an emergency, adopted by a vote of  
3 two-thirds of all the members of the governing body, make emergency ap-  
4 propriations in any fiscal year after the adoption of the budget for such  
5 year, for any purpose which was not foreseen at the time of the adoption  
6 of such budget or for which adequate provision was not made in such

7 budget. Such appropriations may be made in any fiscal year to an aggregate  
8 amount of not exceeding ten thousand dollars (\$10,000.00) or an amount  
9 equal to three per centum (3%) of the aggregate amount of the appro-  
10 priations made in the budget adopted for such year, whichever is the larger,  
11 and shall be provided for in full as a deferred charge in the budget of the  
12 next succeeding fiscal year. Any county or municipality may borrow money  
13 and issue its negotiable notes to meet any such emergency appropriation.  
14 Each such note, shall be authorized by resolution of the governing body, shall  
15 be designated an "emergency note," may be renewed from time to time,  
16 but all such notes and any renewals thereof shall mature not later than the  
17 last day of the fiscal year next succeeding the fiscal year in which the  
18 emergency appropriation was made to meet which such notes were issued.  
19 The provisions of sections four hundred five, four hundred six, four hundred  
20 eight, four hundred nine, four hundred ten and four hundred eleven shall  
21 apply to such notes as fully as though such notes were mentioned therein.  
22 For the purposes of this section, an affidavit of a financial officer of the county  
23 or municipality shall be a conclusive determination of the total amount of  
24 any such emergency appropriations made in any fiscal year and of the  
25 amount of all budget appropriations for such year.

1     304. Application of delinquent taxes. Prior to the year in which a  
2 county or municipality shall first be on a full cash basis, all cash realized  
3 from the collection of taxes levied for any prior fiscal year, after the lawful  
4 expenditures under the appropriations for such fiscal year have been met  
5 and the tax anticipation notes or bonds and the emergency notes or bonds  
6 falling due in the year of issue have been paid or retired, shall be set aside  
7 and applied to the retirement of the tax revenue notes or bonds of such  
8 year, until all notes or bonds and the renewals thereof issued against the  
9 unpaid taxes of such year have been paid; *provided, however,* that when  
10 there are obligations incurred for, or purposes unfulfilled under, the budget  
11 appropriations of any prior fiscal year, there may be reserved from the first  
12 receipts from the unpaid taxes levied for such year an amount sufficient to

13 pay such obligations or fulfill such purposes, but in no case shall such re-  
14 cepts be reserved to an amount that is greater than the difference between  
15 the taxes levied for such year then remaining unpaid and the tax revenue or  
16 tax anticipation notes or bonds or renewals thereof outstanding against  
17 such taxes. To the extent that such receipts from unpaid taxes of prior fiscal  
18 years are not so reserved or applied, they may be used, until the county or  
19 municipality is on a full cash basis, to meet budget appropriations of the  
20 year in which such taxes are received.

1 305. Utility accounts. All moneys derived from the operation of each  
2 publicly owned or operated utility or enterprise and any other moneys ap-  
3 plicable to its support, shall be segregated by the municipality and kept in a  
4 separate fund which shall be known as "utility fund" and shall bear a  
5 further designation identifying the utility or enterprise and, except as pro-  
6 vided in section two hundred twelve, shall be applied only to the payment of  
7 the operating and upkeep costs, and the interest and debt redemption charges  
8 upon the indebtedness incurred for the creation of such utility or enterprise.

1 306. Assessment revenue fund. All receipts derived from special assess-  
2 ments on property specially benefited by any local improvements shall be  
3 segregated by the municipality and kept in a separate fund to be known as  
4 an "assessment revenue fund," and shall be applied only to the payment of  
5 that part of the cost of any such improvements which has been specially  
6 assessed on property specially benefited or of any bonds or notes issued to  
7 finance such part of the cost of any such improvements, until all such bonds or  
8 notes shall have been paid.

1 307. Separate funds. Moneys held in any separate fund shall be treated  
2 by the officers of the county or municipality as moneys held in trust for the  
3 purpose for which such separate fund was created and no banking institu-  
4 tion accepting any such fund shall divert the moneys in such funds to any  
5 other purpose.

## ARTICLE IV

## BORROWING

401. Tax anticipation notes.
402. Application of proceeds.
403. Limitation of amount.
404. Limitation of maturity and renewals.
405. Interest rate.
406. Registration and redemption.
407. Recital of borrowing power.
408. Execution.
409. Sale.
410. Validity of proceedings and notes.
411. Liability on notes.
412. Statement of current liabilities.
413. Tax revenue notes.
414. Limitation of amount.
415. Recital of borrowing power.
416. Application of other sections to tax revenue notes.
- 1     401. Tax anticipation notes. In any fiscal year, in anticipation of the  
 2 collection of taxes for such year, whether levied or to be levied in such year,  
 3 or in anticipation of other revenues for such year, any county or munic-  
 4 pality may, pursuant to a resolution of the governing body, borrow money  
 5 and issue its negotiable notes, each of which shall be designated "Tax  
 6 Anticipation Note of 19. . . ." (stating the fiscal year).
- 1     402. Application of proceeds. The proceeds of the sale of tax antici-  
 2 pation notes, unless used to pay outstanding notes issued in anticipation of the  
 3 collection of taxes of the same fiscal year, shall be applied only to purposes  
 4 provided for in the budget or for which taxes are levied or to be levied for  
 5 such year, and shall not be applied to any other purpose.

1     403. Limitation of amount. The amount of tax anticipation notes of any  
 2 fiscal year outstanding at any one time shall not exceed an amount certified  
 3 as the gross borrowing power and no such notes shall be authorized in excess  
 4 of an amount certified as the net borrowing power, each computed and  
 5 certified as follows:

6     (1) The gross borrowing power in respect of tax anticipation notes of  
 7 such fiscal year, being thirty per centum (30%) of the tax levy of the next  
 8 preceding fiscal year, for all purposes in the case of a municipality and for  
 9 county purposes in the case of a county, plus thirty per centum (30%) of the  
 10 amount of miscellaneous revenues realized in cash during the next preceding  
 11 fiscal year, is \$.....

12     (2) The amount of notes outstanding in anticipation of the collection of  
 13 taxes of such fiscal year, except such notes as will be renewed by or paid  
 14 from the proceeds of the notes to be issued, is \$.....

15     (3) The net borrowing power, being the excess of the first over the  
 16 second of the two above amounts, is \$.....

17     Such certificate shall be made by the financial officer who is designated  
 18 to sign such notes, filed in the office of the clerk, and quoted in full in the  
 19 resolution authorizing such notes.

1     404. Limitation of maturity and renewals. Tax anticipation notes may be  
 2 renewed from time to time, but all such notes and any renewals thereof  
 3 shall mature, in the case of municipalities, not later than the last day of the  
 4 third month after the end of the fiscal year and, in the case of counties, not  
 5 later than the sixth month after the end of the fiscal year.

1     405. Interest rate. All tax anticipation notes shall bear interest at a  
 2 rate not exceeding six per centum (6%) per annum.

1     406. Registration and redemption. All tax anticipation notes may be in  
 2 registered form or in coupon form with or without privileges of registration,  
 3 and may be made redeemable prior to maturity at the option of the county or  
 4 municipality at not exceeding par and accrued interest.

1 407. Recital of borrowing power. In the text of each tax anticipation  
2 note there shall appear in substance the following recital:

3 "This note is issued pursuant to The Local Budget Act and in anticipa-  
4 tion of the collection of taxes of the fiscal year 19.... (stating the fiscal  
5 year); the gross borrowing power in respect of such notes, as determined in  
6 accordance with said act, is \$. . . . . (stating the gross borrowing  
7 power as shown on the certificate quoted in the resolution authorizing such  
8 note); the amount of such notes outstanding, including all notes delivered  
9 simultaneously with this note, is \$. . . . ."

10 Such recital shall be deemed to be made by any financial officer who signs  
11 the note and his signature to the note shall constitute a declaration to the  
12 other officers who sign such note that the recital is correct, and such recital  
13 shall constitute conclusive evidence to the holder or holders of such note that  
14 the same was fully authorized under and within the powers, limitations and  
15 provisions of this act.

1 408. Execution. All tax anticipation notes shall be executed in the name  
2 of the county or municipality by such financial officer and by such other  
3 officer as may be designated by resolution, and shall be under the seal of the  
4 county or municipality and attested by the clerk. Coupons, if any, attached  
5 to a note shall be authenticated by the facsimile or manual signature of the  
6 financial officer who signs the note.

1 409. Sale. All tax anticipation notes may be sold at not less than par and  
2 accrued interest at private sale without previous public offering either by  
3 resolution of the governing body, or by a financial officer authorized to sell  
4 such notes by resolution of the governing body. The financial officer making  
5 any such sale shall report in writing to the governing body at the next meet-  
6 ing the amount, description, interest rate and maturities of the notes sold,  
7 the price obtained and the name of the purchaser, and such report shall be  
8 entered in full on the minutes of such meeting.

1 410. Validity of proceedings and notes. Unless a suit, action or proceed-  
2 ing questioning the authorization, sale or execution or otherwise questioning

3 the validity of tax anticipation notes be begun prior to the delivery of such  
 4 notes, any such notes reciting that they are issued pursuant to this act shall,  
 5 after delivery thereof, be conclusively presumed to be fully authorized by all  
 6 the laws of this State and to have been sold, executed and delivered by the  
 7 county or municipality in conformity therewith and the validity of such notes  
 8 shall not be questioned by either a party-plaintiff or a party-defendant or by  
 9 the county or municipality or any taxpayer thereof or any other interested  
 10 party in any court, anything herein or in other statutes to the contrary not-  
 11 withstanding.

1     411. Liability on notes. The power and obligation of a county or a  
 2 municipality to pay tax anticipation notes or any or all obligations issued  
 3 pursuant to this act or the act of which this act is a revision, shall be un-  
 4 limited and the county or municipality shall have power and be obligated to  
 5 levy ad valorem taxes upon all the taxable property within the county or  
 6 municipality for the payment of such notes or obligations and interest there-  
 7 on, without limitation of rate or amount.

1     412. Statement of current liabilities. With the approved budget for the  
 2 fiscal year one thousand nine hundred thirty-seven and for each year there-  
 3 after until the county or municipality shall be on a full cash basis there  
 4 shall be filed in duplicate in the office of the State Auditor a statement, under  
 5 the oath of the chief financial officer, to be known as the "Statement of  
 6 current liabilities," the form of which may be prescribed by the State  
 7 Auditor. The statement shall set forth as of the end of the preceding fiscal  
 8 year,

9     (a) the amount of all outstanding notes and bonds (exclusive of emer-  
 10 gency notes or bonds), whether due or to become due, issued pursuant to  
 11 this act or the act of which this act is a revision, overdue and unpaid State,  
 12 county and local district taxes, unpaid requisitions on account of school taxes  
 13 and all other unpaid school taxes in excess of fifty per centum (50%) of the  
 14 amount of school taxes levied in the municipality in the preceding fiscal  
 15 year, unpaid bills, and all other unpaid claims on or cash liabilities appearing  
 16 in the current account, and

17 (b) cash reserved for the payment of any of the foregoing liabilities and  
18 not stated as anticipated revenues in the budget.

19 The amount by which (a) exceeds (b) shall be known as the "net floating  
20 debt." There shall be set forth in a separate part of such statement the  
21 amount of all outstanding emergency notes and bonds issued pursuant to this  
22 act or the act of which this act is a revision, together with the date of issuance  
23 and the date of maturity thereof.

1 413. Tax revenue notes. In any fiscal year prior to the fiscal year one  
2 thousand nine hundred forty-four, in anticipation of the collection of taxes  
3 levied for a prior fiscal year which are delinquent and unpaid, any county or  
4 municipality, until it shall be on a full cash basis, may, pursuant to a resolu-  
5 tion of its governing body, borrow money and issue its negotiable notes, each  
6 of which shall be designated "Tax Revenue Note of 19..." (stating the fiscal  
7 year for which such taxes were levied). The proceeds of sale thereof, unless  
8 used to pay outstanding tax revenue notes, shall be applied only to the pay-  
9 ment or renewal of current liabilities set forth in the statement of current  
10 liabilities as of the end of the fiscal year next preceding their issuance, as  
11 certified by the State Auditor, and shall not be applied to any other purpose.  
12 Tax revenue notes shall be payable not later than six months from their date  
13 and, subject to the limitations of amount contained in this act, may be  
14 renewed from time to time until not later than the end of the fiscal year one  
15 thousand nine hundred forty-three.

1 414. Limitation of amount. The amount of tax revenue notes of any  
2 fiscal year outstanding at any one time shall not exceed an amount certified  
3 as the gross borrowing power and no such notes shall be authorized in excess  
4 of an amount certified as the net borrowing power, each computed and  
5 certified as follows:

6 (1) The gross borrowing power in respect of tax revenue notes of 19....  
7 being the total amount of taxes levied for such fiscal year (for all purposes  
8 in the case of a municipality, and for county purposes in the case of a  
9 county) remaining delinquent and unpaid, is \$.....

10 (2) The total amount of bonds and notes outstanding in anticipation of  
11 the collection of taxes of such fiscal year, including tax anticipation bonds  
12 and notes of such fiscal year, except such bonds and notes as will be renewed  
13 by or paid from the proceeds of the notes to be issued, is \$.....

14 (3) The excess of item (1) over item (2) above is \$.....

15 (4) ..... per centum (...%) (such percentage being as  
16 follows in the following fiscal years: 1937—35%, 1938—30%, 1939—25%,  
17 1940—20%, 1941—15%, 1942—10%, 1943—5%) of the aggregate amount of  
18 all taxes levied in the next preceding fiscal year (for all purposes, in the  
19 case of a municipality, and for county purposes, in the case of a county)  
20 is \$.....

21 (5) The total amount of all bonds and notes outstanding in anticipation  
22 of the collection of taxes of all prior fiscal years, except such bonds and  
23 notes as will be renewed or paid from the proceeds of the notes to be issued,  
24 is \$.....

25 (6) The excess of item (4) over item (5) above is \$.....

26 (7) The net borrowing power, being the smaller of items (3) and (6)  
27 above, is \$.....

28 Such certificate shall be made as of a date not more than ten days prior  
29 to the authorization of such notes nor more than forty days prior to their  
30 issuance, and shall be signed by the financial officer who is designated to sign  
31 such notes, filed in the office of the clerk, and quoted in full in the resolution  
32 authorizing the issuance thereof.

1 415. Recital of borrowing power. In the text of each tax revenue note  
2 there shall appear in substance the following recital:

3 "This note is issued pursuant to The Local Budget Act and in anticipa-  
4 tion of the collection of delinquent taxes levied for the fiscal year 19...  
5 (stating the proper year); the gross borrowing power in anticipation of the  
6 collection of such taxes, as determined in accordance with said act, is \$.....  
7 (stating the amount of gross borrowing power as it appears in the resolution  
8 authorizing the notes); the amount of notes outstanding in anticipation of the

9 collection of such taxes, including the notes delivered simultaneously with  
10 this note, is \$. . . . . (stating the proper amount).”

11 Such recital shall be deemed to be made by any financial officer who signs  
12 such note and his signature to the note shall constitute a declaration to the  
13 other officers who sign such note that the recital is correct, and such recital  
14 shall constitute conclusive evidence to the holder or holders of such note that  
15 the same was fully authorized under and within the powers, limitations and  
16 provisions of this act.

1 416. Application of other sections to tax revenue notes. The provisions  
2 of section four hundred five, four hundred six, four hundred eight, four hun-  
3 dred nine, four hundred ten and four hundred eleven shall apply to tax  
4 revenue notes as fully as though such notes were mentioned therein.

ARTICLE V

MISCELLANEOUS

501. Examination of budget and statement of current liabilities by State  
Auditor.

502. Certification of budget by State Auditor.

503. Certification of statement of current liabilities by State Auditor.

504. Designation of assistant.

505. Act is a revision.

506. Certain acts not affected.

507. Date of taking effect.

1 501. Examination of budget and statement of current liabilities by State  
2 Auditor. The State Auditor shall examine the budget as filed in his office  
3 pursuant to sections one hundred five and one hundred eight with reference  
4 to the following items:

5 (a) appropriations for payment of interest and debt redemption charges,

6 (b) appropriations for meeting deferred charges and statutory expendi-  
7 tures,

8 (c) appropriation for payment of floating debt,

9 (d) appropriations for reserve for uncollectible taxes.

10 (e) appropriation for cash deficit of preceding year,

11 (f) appropriation for reserve for uncollected taxes,

12 (g) all estimates of anticipated revenues.

13 The State Auditor shall also examine the statement of current liabilities  
14 filed in his office pursuant to section four hundred twelve. In connection with  
15 his examination of any budget or statement of current liabilities, the State  
16 Auditor may require the production of such papers, documents, witnesses and  
17 information, and make such audits and investigations, as he may deem neces-  
18 sary for the performance of his duties hereunder.

1 502. Certification of budget by State Auditor. If the budget as approved  
2 by the governing body and filed in the office of the State Auditor pursuant  
3 to section one hundred five appears to comply with the requirements of this  
4 act with respect to each of the items mentioned in section five hundred one,  
5 the State Auditor shall attach to one copy of such budget his certificate to  
6 the effect that, in so far as can be determined from the information available,  
7 such budget complies with the requirements hereof, and return the same to  
8 the county or municipality within eighteen days from the date such budget  
9 was filed in his office. In the event that the State Auditor shall determine  
10 from the information available that such budget does not comply with the  
11 requirements of this act with respect to any such items, he shall within such  
12 period attach to one copy of such budget his certificate setting forth in detail  
13 the changes which must accordingly be made therein in order to comply with  
14 the requirements of this act and return the same to the county or municipi-  
15 pality.

1 503. Certification of statement of current liabilities by State Auditor. If  
2 the statement of current liabilities as filed in the office of the State Auditor  
3 pursuant to section four hundred twelve appears to comply with the require-  
4 ments of this act, the State Auditor shall attach to one copy thereof his cer-  
5 tificate to the effect that, in so far as can be determined from the informa-  
6 tion available, such statement complies with the requirements hereof, and  
7 return the same to the county or municipality within eighteen days from the

8 date of filing such statement. In the event that the State Auditor shall  
9 determine from the information available that the statement of current  
10 liabilities as filed does not comply with the requirements of this act, he shall  
11 within such period attach to one copy thereof his certificate setting forth in  
12 detail the changes which must accordingly be made therein in order to com-  
13 ply with the requirements of this act and return the same to the county or  
14 municipality.

1     504. Designation of assistant. The State Auditor may from time to time,  
2 by an instrument in writing filed in his office and open to public inspection,  
3 designate one or more assistants in his department to make in his name any  
4 certification required by this act to be made by the State Auditor.

1     505. Act is a revision. This act shall be considered a revision of an  
2 act entitled "An act concerning municipal and county finances," approved  
3 March twenty-eighth, one thousand nine hundred seventeen, constituting chap-  
4 ter one hundred ninety-two of the laws of one thousand nine hundred seven-  
5 teen, and all acts amendatory thereof and supplemental thereto, and the  
6 said acts are hereby repealed; *provided, however,* that chapters fifty one and  
7 two hundred eighty-nine of the laws of one thousand nine hundred thirty-  
8 three, as amended and supplemented, shall not be deemed to be repealed  
9 until December thirty-first, one thousand nine hundred thirty-seven. All  
10 other acts and parts of acts, general or special, to the extent that they relate  
11 to the subject matter of this act, are superseded by this act; *provided, how-*  
12 *ever,* that acts and proceedings heretofore done or taken by any county or  
13 municipality or the voters thereof, or any board of officers thereof, pursuant  
14 to acts or parts of acts repealed or superseded by this act shall have the same  
15 force and effect as if done and taken pursuant to this act, and only sub-  
16 sequent proceedings shall be taken as provided in this act; *provided, further,*  
17 that this act shall not be construed to repeal an act entitled "An act concern-  
18 ing the issuance of bonds by municipalities to pay, fund or refund certain  
19 bonds or other indebtedness," approved April fourth, one thousand nine  
20 hundred thirty-four, constituting chapter sixty of the laws of one thousand

21 nine hundred thirty-four, or an act entitled "An act relating to the funding  
22 or refunding of outstanding bonds or notes by municipalities," approved  
23 June eleventh, one thousand nine hundred thirty-four, constituting chapter  
24 two hundred thirty-three of the laws of one thousand nine hundred thirty-  
25 four, or any acts amendatory of or supplemental to said acts, and said acts  
26 shall continue in full force and effect, and any proceedings taken or to be  
27 taken thereunder shall continue to be taken or be taken, notwithstanding the  
28 provisions of this act.

1 506. Certain acts not affected. Nothing in this act shall be construed to  
2 supersede, abrogate or repeal in any way an act entitled "An act concern-  
3 ing municipal finances," approved April twenty-eighth, one thousand nine  
4 hundred thirty-one, constituting chapter three hundred forty of the pamphlet  
5 laws of one thousand nine hundred thirty-one, or an act entitled "An act  
6 creating a Department of Municipal Accounts and the office of Commissioner  
7 of Municipal Accounts, and defining his duties and powers," approved  
8 March twenty-seventh, one thousand nine hundred seventeen, constituting  
9 chapter one hundred fifty-four of the pamphlet laws of one thousand nine  
10 hundred seventeen, and any acts amendatory of or supplemental to such acts,  
11 or any revisions thereof, but said acts shall continue in full force and effect,  
12 and any proceedings taken or to be taken thereunder shall continue to be  
13 taken or be taken, notwithstanding the provisions of this act.

1 507. Date of taking effect. This act shall take effect immediately as  
2 regards all matters, terms and provisions affecting budgets, tax ordinances  
3 and tax resolutions for the fiscal year one thousand nine hundred thirty-  
4 seven and any subsequent fiscal year and in all other respects, shall take  
5 effect on December thirty-first, one thousand nine hundred thirty-six.