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Sponsor(s) Armstrong

Date Introduced March 27

Committee: Assembly -----

Senate Economy & Reorganization

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Following statements are attached if available:

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Reports Yes

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SENATE, No. 223

STATE OF NEW JERSEY

INTRODUCED MARCH 27, 1944

By Mr. ARMSTRONG

Referred to Committee on Economy and Reorganization

AN ACT relating to taxation and finance, providing for the establishment, organization and functions of a State Department of Taxation and Finance, repealing the following sections of the Revised Statutes: 52:18-22, 52:18-23; 52:19-16 to 52:19-36, inclusive; 52:20-3, 52:20-8, 52:20-9, 52:20-10, 52:20-11, 52:20-12, 52:20-16; 52:22-1 to 52:22-22, inclusive; 52:23-1 to 52:23-16, inclusive; 52:25-7, 52:25-8, 52:25-9, 52:25-10, 52:25-15, 52:25-17, 52:25-18, 52:25-19, 52:25-20, 52:25-21, 52:25-22, 52:25-24; 52:31-1, 52:31-7, 52:31-9, 52:31-10, 52:31-11; 54:1-3, 54:1-4, 54:1-5; and repealing sections eight and twelve of an act entitled "An act creating a State Department of Local Government, prescribing its powers and duties, and transferring to it certain powers and duties vested in the State Auditor," approved May ninth, one thousand nine hundred and thirty-eight (P. L. 1938, c. 158).

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

ARTICLE 1

DEFINITIONS

- 1 1. As used in this act, unless the context clearly indicates otherwise:
- 2 "Department" means the State Department of Taxation and Finance
- 3 herein established.
- 4 "Commissioner" means the commissioner and head of the State Depart-
- 5 ment of Taxation and Finance.

6 "Director" means the director of an indicated division, herein estab-
7 lished, in the State Department of Taxation and Finance.

8 "Request Officer" means the principal officer of a department or board
9 in the Executive Branch of the State Government.

ARTICLE 2

STATE DEPARTMENT OF TAXATION AND FINANCE; COMMISSIONER

1 1. There is hereby established, in the Executive Branch of the State
2 Government, the State Department of Taxation and Finance.

1 2. The following are hereby established as divisions in the department:

2 The Division of Budget and Accounting.

3 The Division of Purchase and Property.

4 The Division of Local Government.

5 The Division of Taxation.

6 The Division of Tax Appeals.

1 3. The administrator and head of the department shall be the State Com-
2 missioner of Taxation and Finance. The commissioner shall be appointed
3 by the Governor by and with the advice and consent of the Senate and shall
4 hold his office until the next Governor shall be elected and qualified and until
5 the commissioner's successor shall be appointed and qualified. The Gover-
6 nor, however, shall have power to remove the commissioner for cause.

1 4. The commissioner shall receive an annual compensation of twelve
2 thousand dollars (\$12,000.00).

1 5. The commissioner, in addition to powers and duties specifically con-
2 ferred and imposed upon him, shall have the following general powers and
3 duties, to:

4 a. Maintain suitable headquarters for the department and such other
5 quarters within the State as he may deem necessary to the depart-
6 ment's proper functioning;

7 b. Have general responsibility for all of the department's operations
8 under this act;

9 c. Supervise the organization of the department and changes in the or-
 10 ganization thereof except that the divisions and bureaus of the de-
 11 partment herein specifically provided shall be maintained; formulate
 12 and adopt rules and regulations for the efficient conduct of the work
 13 and general administration of the department, its officers and em-
 14 ployees;

15 d. Make an annual report to the Governor and to the Legislature of the
 16 department's operations, and render such other reports as the Gov-
 17 ernor shall from time to time request.

1 6. The commissioner may, in consultation with the heads of other de-
 2 partments or branches of the State Government, and subject to section six,
 3 article eight, of this act, arrange for the interdepartmental and intradepart-
 4 mental transfer of personnel with a view to the greatest possible efficiency
 5 of departmental operations.

1 7. The commissioner shall have authority to organize and maintain in
 2 his offices an Administrative Division and to employ therein such secreta-
 3 rial, clerical and other assistants as his office and the internal operations of
 4 the department shall require.

1 8. The commissioner shall designate as deputy commissioner one of the
 2 directors who shall exercise the powers and perform the duties of the com-
 3 missioner during his disability or absence, which designation, in writing,
 4 shall be filed with the Secretary of State.

ARTICLE 3

DIVISION OF BUDGET AND ACCOUNTING

1 1. The Division of Budget and Accounting shall be headed by a director
 2 who shall be the Commissioner of Taxation and Finance.

1 2. The commissioner shall have authority to organize the division for the
 2 effective performance of its functions and purposes herein set forth.

1 3. There is hereby established in the Division of Budget and Account-
 2 ing the Bureau of the Budget. The commissioner, through the Bureau of

3 the Budget, shall carry into effect and execute the formulation of the annual
4 budget submitted by the Governor to the Legislature and shall control the
5 execution of the budget through a system of allotments by work programs.

1 4. The commissioner, through the Bureau of the Budget, shall follow
2 the provisions and procedures set forth in sections five through twenty-three,
3 inclusive, of this article.

1 5. On or before October first in each year each department of the State
2 Government, board, commission, officer or other State agency, hereinafter
3 in this article called "spending agency," shall file with the commissioner a
4 request for appropriation or permission to spend, as the case may be, which
5 shall specify all expenditures proposed to be made by such spending agency
6 during the next ensuing fiscal year.

1 6. A request provided in section five shall be made by the request offi-
2 cer. In the case of the judiciary, the request officer shall be the clerk of the
3 Court of Errors and Appeals, under the direction of the Chancellor and the
4 Chief Justice of the Supreme Court and, in the case of the Legislature, the
5 request officer shall be the secretary of the Senate and the clerk of the
6 House of Assembly, respectively.

1 7. Said request shall be made on forms to be furnished by the commis-
2 sioner and subject to such rules and regulations as he shall prescribe from
3 time to time and shall show in detail:

4 a. A statement exhibiting for the next ensuing fiscal year all estimated
5 revenues; the estimate of revenues for the current fiscal year and the
6 actual revenues for the past completed fiscal year;

7 b. The several purposes and itemized amounts for which appropriations
8 or permissions to spend are requested, without deductions for esti-
9 mated revenues allocated to such spending agency;

10 c. A statement exhibiting for the last preceding fiscal year the amounts
11 of the annual and supplemental appropriations, transfers of appro-
12 priations, allotments from the emergency fund, dedicated receipts,
13 if any, and of all expenditures made thereunder and the unexpended

14 balance, if any, and the extent to which the same is obligated or en-
15 cumbered;

16 d. A statement indicating how much of the requested appropriation will
17 be spent in each quarter of the fiscal year.

18 In case an appropriation is requested for a project which cannot be com-
19 pleted within the next ensuing fiscal year, the request shall set forth in de-
20 tail a complete description of the whole project and the estimated and de-
21 tailed cost thereof, and shall show separately the part of the project which
22 has been completed, if any, and the actual cost thereof; the part remaining
23 to be completed and the estimated cost thereof, and the part proposed to be
24 completed within the ensuing fiscal year and the estimated cost thereof.

1 8. On or before the first of October in each year, the State High-
2 way Commissioner shall submit to the commissioner the schedule and pro-
3 gram for which he proposes to expend or use the amounts appropriated to
4 said department for the ensuing fiscal year, according to purposes, routes
5 and sections of routes.

6 Such program may include alternate projects which may be substituted
7 for other projects included in the program, should it be found impossible
8 or impracticable to construct or carry on any one or more of said projects
9 in the program. This schedule shall become a part of the request for appro-
10 priation made by the State Highway Commissioner.

11 On or before December tenth of each year the State Highway Commis-
12 sioner shall notify the clerk of the board of chosen freeholders of each county
13 as to the amount of county and township and borough aid appropriated and
14 available for the county and each municipality within the county applicable
15 to the ensuing calendar year, and it shall be lawful for the several coun-
16 ties and municipalities to include such amount in their respective budgets,
17 and said amounts shall be available to the State Highway Commissioner
18 for allotment to the said counties and municipalities at the beginning of
19 said ensuing calendar year, and commitments may be made against said
20 amounts by said counties and municipalities, subject to the approval of the

21 State Highway Commissioner, immediately after the beginning of said ensu-
22 ing calendar year.

1 9. Upon the receipt of requests for appropriations, the commissioner,
2 or a member of the department designated by him, shall examine such
3 requests and determine the necessity or advisability thereof, and for that
4 purpose may hold hearings thereon which shall be open to the public, and
5 may summon and examine the request officers and any witnesses and order
6 the production of any State records for his examination, and make any
7 investigation which he deems necessary or advisable for the purpose of mak-
8 ing such determination.

1 10. On or before December thirty-first of each year, or at such other
2 time or times as the Governor may request, the commissioner shall certify
3 and transmit to the Governor and Governor-elect the requests of the spend-
4 ing agencies, together with his findings, comments and recommendations
5 thereon.

1 11. The Governor shall examine and consider all requests for appro-
2 priations, together with the findings and recommendations of the commis-
3 sioner, and shall formulate his budget recommendations which shall be
4 transmitted to the Legislature as a budget message on the third Tuesday
5 of January in each year, except a year in which a Governor shall be inaugu-
6 rated, when he shall do so on or before February fifteenth following the
7 commencement of his term.

8 The budget message shall embody the proposed complete financial pro-
9 gram of the State Government for the next ensuing fiscal year, and shall
10 set forth in columnar form detailed as to each source of anticipated rev-
11 enue and the purposes to which the recommended appropriations and per-
12 missions to spend shall apply for each spending agency in substantially the
13 following form:

14 A. Revenues for the General State Fund, State Highway System Fund,
15 all other dedicated funds, Federal aid funds, and trust funds:

16 (1) An estimate of all balances to be on hand on the first of July
 17 next ensuing which are to be available for appropriations, sup-
 18 ported by the calculations used in arriving at the estimated
 19 figures;

20 (2) An estimate of the anticipated revenues from all sources appli-
 21 cable to the budget period, together with the actual amount
 22 earned from each source during the last completed fiscal year,
 23 and the estimate of revenues expected to be earned from each
 24 source for the current fiscal year.

25 **B. Mandatory dedications:**

26 (1) Debt service:

27 The amount reserved for the payment of interest and prin-
 28 cipal of any State bonds heretofore or hereafter issued dedicated
 29 and payable from State revenue.

30 The amount reserved for payments to the State Highway
 31 Sinking Fund as provided by chapter two hundred sixty-two of
 32 the laws of one thousand nine hundred and twenty-two and chap-
 33 ter one hundred eighty-one of the laws of one thousand nine hun-
 34 dred and twenty-seven.

35 (2) State aid projects as follows:

36 (a) \$6,000,000.00 for the construction, reconstruction, mainte-
 37 nance and repair, operation, policing and lighting of county
 38 roads and bridges; for the payment of principal and inter-
 39 est of obligations heretofore incurred for any of such pur-
 40 poses, and for the extension of the county highway system
 41 under the following formula:

42 Percentage of population of each county to the total
 43 population of the State, according to the last Federal census,

44 Percentage of each county road mileage as against total
 45 county road mileage in the State;

46 Percentage of each county in area as against total area
47 in the State;

48 (b) \$2,100,000.00 to be expended pursuant to the provisions of
49 chapter fifteen of Title 27 "Highways" of the Revised Stat-
50 utes.

51 (c) \$735,000.00 to be expended pursuant to the provisions of sec-
52 tion 27:14-1 of the Revised Statutes.

53 (d) \$210,000.00 to be expended pursuant to sections 27:15-10 to
54 27:15-13, inclusive, of the Revised Statutes.

55 (3) Inland Waterways:

56 \$90,000.00 to the Board of Commerce and Navigation for the
57 construction, reconstruction and maintenance and improvement
58 of the inland waterways as provided by section 54:39-74 of the
59 Revised Statutes.

60 C. Appropriations. The total of the appropriations recommended for
61 the ensuing fiscal year in substantially the following form:

62 Detailed Budget:

- 63 (1) An itemized statement of all appropriation requests and requests
64 for permission to spend from the General State Fund, State High-
65 way System Fund, other dedicated funds and Federal aid and
66 trust funds;
- 67 (2) An itemized statement of the amounts recommended by the Gov-
68 ernor with respect to item "1" above;
- 69 (3) An itemized statement of all amounts appropriated and permis-
70 sions granted for the current fiscal year with respect to item
71 "1" above;
- 72 (4) An itemized statement of all amounts appropriated and permis-
73 sions granted for the last preceding fiscal year with respect to
74 item "1" above detailed as to annual and supplemental appro-
75 priations, transfers of appropriations, State Emergency Fund
76 allotments, and permission to spend, as the case may be, and

77 showing also total expenditures, reserves, lapses and unencum-
78 bered balances;
79 (5) In addition, such other statistical information as may more fully
80 show comparisons and costs of the several departments.

1 12. The Governor may recommend in connection with his budget message
2 and under separate head new or additional sources of revenue, and set
3 forth in connection therewith his recommendations as to the purpose or pur-
4 poses to which such proposed new or additional revenue may be appropri-
5 ated. The total of the recommendations in the budget shall not be in excess
6 of the estimate of all funds available for disbursement during the fiscal year
7 to which such recommendations are applicable.

1 13. All applications for supplemental appropriations not included in the
2 budget message shall be made, in the first instance, to the commissioner in
3 substantially the same form as is required for regular requests, setting
4 forth how much of the amount requested will be expended in each quarter
5 of the fiscal year. The commissioner shall certify and transmit forthwith
6 such application to the Governor, together with his findings, comments and
7 recommendations thereon. The Governor shall transmit to the chairman of
8 the joint appropriations committee such applications as he shall approve in
9 whole or in part with his recommendations thereon, but the Governor shall
10 not approve and recommend any appropriation in excess of the total anti-
11 cipated funds available for disbursement during the fiscal year to which such
12 recommendations are applicable.

1 14. The commissioner shall cause copies of the budget message to be
2 printed forthwith and a copy thereof shall be presented to each member of
3 the Legislature, public libraries in the State and each newspaper in the
4 State, and shall be available for distribution to any citizen on request.

1 15. The commissioner shall have authority, after consultation with the
2 various spending agencies concerned, to revise and amend quarterly allot-
3 ment requests to the end that each such request, as revised and amended by
4 the commissioner, shall not exceed the amount appropriated for the spend-
5 ing agency.

1 16. Not later than the first day of June following the passage of an
2 annual appropriation act, the commissioner shall submit to each spending
3 agency his allotment by quarters of such appropriation. In the case of a
4 supplemental appropriation, the commissioner shall submit his allotment by
5 quarters within two weeks after passage of such appropriation.

1 17. In order to protect against and meet emergencies that may arise dur-
2 ing each fiscal year, the commissioner shall have the power to set aside a
3 reserve out of each appropriation, the exact amount of which shall be de-
4 termined by him. Any time during the fiscal year that occasion may require
5 this reserve or any portion of it may be returned to the appropriation to
6 which it belongs, providing the commissioner finds such action necessary.

7 Whenever it appears to the satisfaction of the Governor that revenues
8 have fallen seriously below those anticipated, the commissioner, on order of
9 the Governor, shall have the power to revise the quarterly allotments.

1 18. A request officer, whenever he deems it necessary by reason of
2 changed conditions or for some other cogent reason, may request the com-
3 missioner to revise the work program of quarterly allotments. The commis-
4 sioner shall examine such request for revision, shall promptly make a
5 determination thereon, and shall advise such request officer as to his de-
6 termination with respect thereto; and, if the request is granted, the neces-
7 sary amendment to the quarterly allotments shall be made by the commis-
8 sioner.

1 19. In order to afford reasonable flexibility, any spending agency receiv-
2 ing an appropriation may make written application to the commissioner for
3 leave to transfer a part of any item granted or allowed to such spending
4 agency to any other item in such appropriation, and such application shall
5 indicate the quarter or quarters affected as to both items. Such application
6 shall be made only during the current year for which the appropriation was
7 granted. No transfer shall be authorized or made after the close of any
8 fiscal year. The commissioner shall have authority to make such transfers
9 of appropriation.

1 20. All allotments from the State Emergency Fund to an appropriation
2 shall be authorized and allowed by the commissioner, with the approval of
3 the Governor, but no such allotment shall be authorized until the commis-
4 sioner shall have been served with a copy of the application therefor, and
5 shall have had two days after his receipt of said application within which to
6 submit his written recommendation thereon, together with his reasons there-
7 for, to the Governor. All allotments thus made to an appropriation from
8 the emergency fund shall indicate which quarterly allotment or allotments
9 shall be increased.

10 The warrant checks for payment of all expenditures to be made from
11 appropriations shall be drawn on the basis of the quarterly allotments.

1 21. In order effectually to discharge and execute his duties in relation
2 to the quarterly allotment system, the commissioner, or a member of the
3 department designated by him, shall make continuous studies of all depart-
4 mental requirements including personnel. All requests for additional per-
5 sonnel made by request officers to the civil service agency in the State
6 Government shall first be approved by the commissioner.

1 22. Whenever, in the case of extravagance, waste or mismanagement, it
2 appears to the satisfaction of the Governor that any appropriation by a
3 spending agency is not in the best interest of the State, he may prohibit and
4 enjoin such expenditure or any future expenditure under the appropriation
5 and prescribe the terms upon which the same may be made, if at all, by
6 making and signing an order to that effect and serving it on the request
7 officer of such spending agency, and also serving a certified copy of the order
8 upon the commissioner and upon the director of purchase and property,
9 whereupon the order shall immediately become operative. Upon such service
10 future expenditures under the appropriation shall be limited according to the
11 terms of the executive order. The Governor, in such cases, may make other
12 and further orders as may be necessary or advisable in his discretion which
13 orders shall become operative upon such service.

1 23. Nothing in this act concerning the work program of quarterly
2 allotments shall apply to the Legislature.

1 24. There is hereby established in the Division of Budget and Accounting
2 the Bureau of Accounting. The commissioner, through the Bureau of Account-
3 ing, shall prescribe the procedures for the collection of revenues; institute
4 and direct prosecution against delinquent officers of the revenue and for just
5 claims and accounts against the State; provide and maintain a uniform
6 system of accounting for the State, its departments, institutions, courts and
7 other State agencies. The commissioner, through the Bureau of Accounting,
8 shall follow the provisions and procedure set forth in sections twenty-five
9 through thirty-eight, inclusive, of this article.

1 25. All State revenue collected by any department, institution, commis-
2 sion, board, committee or official of this State shall, except as otherwise
3 provided by law, be deposited, in the method prescribed by the commissioner,
4 to the credit of the State of New Jersey in such depositories as the State
5 Treasurer shall designate. A report of such moneys collected shall be sub-
6 mitted to the commissioner and the State Treasurer in such form as the com-
7 missioner shall prescribe. Such report shall be submitted not later than the
8 tenth day of the month following that during which such moneys were
9 received. The commissioner, upon receiving such report, shall audit and
10 register all amounts contained therein and make proper accounting thereof.

1 26. The commissioner shall have authority to prescribe uniform forms
2 to be used by all departments or other agencies of the State Government in
3 encumbering any funds appropriated.

4 The commissioner shall prepare the forms upon which shall be rendered
5 all statements of indebtedness against any department, institution, commis-
6 sion, committee, official, board, or body of State Government.

7 The forms, in this section provided, shall, when so prepared, be the
8 only forms used for the evidence and record of such encumbrances and
9 indebtedness.

1 27. The powers and duties heretofore vested by P. L. 1940, c. 35, in
2 the State Comptroller are hereby transferred to the Division of Budget and
3 Accounting and to the commissioner, as the head thereof, to be exercised
4 through the Bureau of Accounting.

1 28. Each department, commission, committee, official, board or body of
2 any institution or organization of the State shall designate the proper officer
3 who shall approve and sign all encumbrance requests and statements of
4 indebtedness. The designation shall be filed in the office of the commissioner;
5 and the requests and statements of indebtedness shall be presented to the
6 commissioner.

7 The commissioner shall examine, audit and adjust all encumbrances and
8 statements of indebtedness so presented. He may administer an oath to the
9 persons presenting the encumbrance or statement of indebtedness and to any
10 witness presented on behalf of such person and may examine such person or
11 witness as to the truth, fairness and correctness of such encumbrance or
12 statement of indebtedness.

13 The commissioner shall execute and register warrant checks in settle-
14 ment of statements of indebtedness, approved by him, and shall transmit them
15 forthwith to the State Treasurer who shall thereupon sign and deliver the
16 same to the payees.

1 29. Checks or drafts used only for the transfer of State funds from one
2 depository to another, drawn to the order of the State of New Jersey and
3 restrictively endorsed by the treasurer in the following manner: "Transfer
4 of State Funds—For Deposit Only," need not be signed by the commissioner.

1 30. Wherever a provision of law relating to the presentation of claims
2 or bills for approval, the drawing of warrants, the countersigning of
3 receipts and checks, the administration of petty cash funds, the apportion-
4 ment of taxes on railroad and canal property, applies to the Comptroller, such
5 provision of law shall when this act takes effect apply instead to the
6 commissioner.

1 31. The commissioner shall have authority to prescribe and enforce, to
2 every extent practicable, a centralized payroll system. For the purposes of
3 the preaudit of all payrolls, the commissioner shall have authority to require
4 of the civil service agency in the State Government notice of payroll changes
5 in the form prescribed by the commissioner, which form the commissioner is
6 hereby authorized to prescribe.

1 32. The Secretary of State shall, when the offices of State Treasurer
2 and commissioner or either of them shall become vacant or the officers or
3 either of them shall no longer be authorized to act as such, respectively, give
4 written notice forthwith to all national banks located in this State and
5 institutions authorized by the State to carry on a banking business of such
6 vacancy or termination of power. No bank shall thereafter pay any check or
7 draft of the State Treasurer, signed or countersigned by any person after
8 his office shall become vacant or after he shall no longer be authorized to
9 act.

1 33. The commissioner shall, except as otherwise provided by law, cause
2 suit to be instituted in any competent court of this or any other State for the
3 recovery of any money due the State or any of its institutions, departments,
4 commissions or officers. The suit shall be in the name of the "State of New
5 Jersey" as plaintiff.

1 34. The commissioner shall keep and maintain, at all times, within the
2 division all such books of accounts and other accounting records leading to
3 and including the general ledger as may be necessary for the centralized con-
4 trol of all accounts.

1 35. The commissioner shall install, keep and maintain in the division a
2 complete set of double-entry accounts, which shall reflect directly or through
3 proper controlling accounts, on an accrual basis, all assets, liabilities, rev-
4 enues, and expenditures of the State, and all of its accounting agencies.
5 Such accounts shall reflect all accounts receivable and payable, all balances
6 of all funds, and such other information as is required for a proper statement
7 of the financial conditions and operations of the State.

1 36. The commissioner shall prescribe and enforce the form, manner and
2 content of accounts to be kept by each accounting agency, and the form, man-
3 ner and content of accounting reports and statements to be rendered to him
4 with respect thereto. The commissioner, if he deems such action necessary,
5 may install a system of accounts in an accounting agency of the State Gov-
6 ernment. He shall provide for reports and statements to be submitted to

7 him at least once each month which shall show the complete operation of each
8 accounting agency and such other information as may be necessary in his
9 judgment. This requirement shall not be in limitation of such other reports
10 and statements, at longer or shorter intervals, containing the same or other
11 information, as may be necessary in the judgment of the commissioner.

1 37. The commissioner shall prepare, within thirty days after the end
2 of each month, a complete statement showing:

3 a. Balance sheet of all assets and liabilities for all State funds;

4 b. Statement of accrued revenues as compared with anticipated
5 revenues.

6 c. Summary statement showing the condition of the appropriations,
7 which shall reflect the original appropriation, supplemental appropri-
8 tions, transfers to and from, allotments from the emergency fund and
9 expenditures made against such appropriations.

10 d. Such other information as he may deem necessary and proper.

11 Such statement, certified by the commissioner, shall be transmitted forth-
12 with to the Governor, and shall be and remain a public document on file in
13 the office of the commissioner, subject to inspection by any citizen of the
14 State, who shall have the right to make or obtain copies thereof under such
15 reasonable regulations as the commissioner may prescribe. Copies of said
16 statements shall be transmitted at the same time to the President of the Sen-
17 ate, the Speaker of the House of Assembly, the chairman of the respective
18 appropriation committees, the State Treasurer and the State Auditor.

1 38. If the commissioner should find that any officer or head of a depart-
2 ment of the State Government willfully or negligently fails or refuses to
3 keep or have kept such accounts, render such reports or perform such other
4 duties as may be prescribed by the commissioner under this article, or refuses
5 to conform to any of the provisions of this article, he shall notify such officer
6 or head of a department in writing of such failure or refusal, and the par-
7 ticulars thereof, and shall allow him reasonable opportunity to be heard
8 thereon. If such failure is not explained to the satisfaction of the commis-

9 sioner, he shall prepare written charges against such officer or head of a de-
 10 partment, and submit the same to the Governor forthwith, and serve a copy
 11 thereof upon such officer or head of a department charged with such failure
 12 or refusal. Thereupon the Governor shall fix a time and place for hearing
 13 such charges by giving not less than five days' notice thereof in writ-
 14 ing to such officer or head of a department so charged and to the commis-
 15 sioner. After due hearing, the Governor may take such action as may be
 16 necessary, in his judgment, including the removal of such officer or head of a
 17 department found guilty of such charges, but if the right of removal in any
 18 case is vested exclusively in the Legislature, the Governor shall transmit to
 19 the Legislature a written report of his findings with his recommendations
 20 thereon for consideration and action by the Legislature.

ARTICLE 4

DIVISION OF TAXATION

1 1. The powers and duties heretofore vested by law in the State Tax De-
 2 partment and in the State Tax Commissioner are hereby transferred to the
 3 Division of Taxation, and the director thereof, respectively, in the State De-
 4 partment of Taxation and Finance.

1 2. The Division of Taxation shall be headed by a director who shall be
 2 appointed by the commissioner, with the advice and consent of the Gov-
 3 ernor, to serve until the next Governor shall be elected and qualified and
 4 until the director's successor shall be appointed and qualified. The Gov-
 5 ernor, however, shall have power to remove the director for cause.

1 3. The director shall receive an annual compensation, fixed by the com-
 2 missioner, of not exceeding ten thousand dollars (\$10,000.00).

1 4. Unless otherwise provided by law, the director of the Division of Tax-
 2 ation shall perform all the acts formerly required by law to be performed by
 3 the State Tax Commissioner.

4 The director shall have authority, subject to the approval of the com-
 5 missioner, to continue, within the division, the various bureaus of the State
 6 Tax Department as they exist on the date this act takes effect; or, subject

7 to the commissioner's approval, to reorganize those bureaus as he may deem
8 desirable.

ARTICLE 5

DIVISION OF TAX APPEALS

1 1. The State Board of Tax Appeals shall continue in all respects as pro-
2 vided by law prior to the time this act shall take effect, but the board is
3 hereby transferred to and constituted the Division of Tax Appeals in the
4 State Department of Taxation and Finance.

ARTICLE 6

DIVISION OF PURCHASE AND PROPERTY

1 1. The Division of Purchase and Property shall be headed by a director
2 who shall be appointed by the commissioner, with the advice and consent of
3 the Governor, to serve until the next Governor shall be elected and qualified
4 and until the director's successor shall be appointed and qualified. The Gov-
5 ernor, however, shall have power to remove the director for cause.

1 2. The director shall receive an annual compensation, fixed by the com-
2 missioner, of not exceeding ten thousand dollars (\$10,000.00).

1 3. The powers and duties heretofore vested by law in the State Pur-
2 chasing Department, and the State Purchase Commissioner, are hereby
3 transferred to the Division of Purchase and Property and to the director,
4 respectively, as the head of that division of the State Department of Tax-
5 ation and Finance.

1 4. The director is hereby vested with the powers, duties, and responsi-
2 bilities involved in the efficient operation of a centralized State purchasing
3 service, and with the custody, operation and maintenance of all State prop-
4 erty not chargeable to a particular department. He shall have authority,
5 subject to the commissioner's approval, to organize the division for the
6 effective performance of its functions and purposes herein set forth.

1 5. The director shall make an annual detailed report to the commis-
2 sioner of his operations under this act and render such other reports as the
3 commissioner shall, from time to time, request.

1 6. The director shall, in consultation with heads of departments, develop
 2 standard specifications for all commodities commonly purchased, and shall
 3 establish and maintain a system of inventories of properties, supplies and
 4 equipment of all State departments and agencies.

5 The director shall:

6 a. Determine and establish and from time to time change standards and
 7 specifications according to the needs of all using agencies so far as
 8 their needs are in common, and for groups of using agencies or for
 9 single using agencies so far as their needs differ;

10 b. Fix physical or chemical formulæ and otherwise determine the serv-
 11 ice, quality, fitness and suitability of all articles tendered or fur-
 12 nished;

13 c. Make use for such purposes of the existing laboratories maintained
 14 by the State;

15 d. Establish a list of other public or private laboratories whose tests
 16 and analysis will be accepted; and

17 e. Fix the fees required to be paid for tests or analysis made in any
 18 State laboratory.

19 The fees required by any State or other laboratory for any analysis or
 20 test made for any prospective vendor, prior to the award of a contract, shall
 21 be paid by such prospective vendor. Inspection analysis or tests shall be at
 22 the expense of the State.

1 7. In the purchase of all articles, the standards and specifications de-
 2 termined and established pursuant to section six shall be adhered to and
 3 complied with, and no deviation shall be permitted without the written con-
 4 sent of the commissioner first obtained.

1 8. Any using agency may reject any article delivered or tendered which
 2 fails to comply with the standards and specifications applicable to such
 3 article.

1 9. Each using agency shall, at all times, in the form and for the periods
 2 prescribed by the director, present to him detailed applications and schedules

3 for all articles to be purchased. The director shall then arrange such sched-
4 ules or parts thereof for purchase and contract, in the manner best calcu-
5 lated to attract competition and advantageous prices. He shall award con-
6 tracts or orders for purchase to the lowest responsible bidder meeting all
7 specifications and conditions. He shall have authority to reject any or all bids
8 or to award in whole or in part if deemed to the best interest of the State to
9 do so. In case of tie bids, he shall have authority to award orders or con-
10 tracts to the vendor or vendors best meeting all specifications and condi-
11 tions. Public bids shall not be waived except with the written approval of
12 the commissioner and except after notice in writing to the State Auditor.
13 The director shall prescribe the terms and conditions for delivery, inspec-
14 tion, payment and all other detail whatsoever.

15 Upon the award of contracts or orders for purchase, the director shall
16 thereupon make an encumbrance request to the commissioner for the amount
17 necessary to defray the cost thereof, indicating the appropriations or author-
18 izations to spend funds against which the contract or purchase order will be
19 charged.

20 The bills for such purchases shall be apportioned by the director among
21 the using agencies in proportion to the purchases made therefor, and certi-
22 fied as apportioned to the commissioner, to be charged against the respective
23 appropriations or authorizations to spend as indicated by the certificate of
24 the director. The bills therefor shall be paid by warrant check of the com-
25 missioner and State Treasurer.

26 Nothing in this article shall be construed to repeal or otherwise affect
27 any law of this State relating to the purchase or use of the products of the
28 labor of the inmates of a charitable, reformatory or penal institution of this
29 State.

1 10. The director shall, subject to the approval of the commissioner,
2 effect and maintain insurance against loss or damage by fire upon the State
3 House and the contents thereof in such sum as may be deemed necessary.
4 The director is hereby authorized, and it shall be his duty, after consultation

5 with the heads of State departments and agencies, to purchase and secure all
 6 necessary casualty insurance, marine insurance, fire insurance, fidelity bonds,
 7 and any other insurance necessary for the safeguarding of the interest of
 8 the State. He is hereby authorized, subject to the commissioner's supervi-
 9 sion and approval, to establish, in the Division of Purchase and Property, a
 10 bureau to administer a centralized system of insurance for all departments
 11 and agencies of the State Government.

1 11. All contracts and purchase orders heretofore awarded by the State
 2 Purchase Commissioner and all operative State insurance contracts, which
 3 are outstanding and uncompleted when this act takes effect, shall continue
 4 and be completed under the terms thereof by the director of the Division of
 5 Purchase and Property.

1 12. The powers and duties vested in the State House Commission by
 2 sections 52:20-7, 52:20-13, 52:20-14, 52:20-20 and 52:20-25 of the Revised
 3 Statutes are hereby transferred to the Division of Purchase and Property and
 4 to the director thereof.

5 The director, with the commissioner's approval, shall to every practicable
 6 extent arrange, and from time to time rearrange, the office space assigned
 7 to the various departments and other agencies of the State Government in a
 8 manner to provide for the most efficient conduct of the business of such
 9 departments and agencies.

1 13. Whenever land is acquired by the State pursuant to any law and the
 2 owner of any portion of the land adjacent thereto has not a prescribed right-
 3 of-way from his land: and over the land so acquired by the State to any
 4 public highway, the owner of the lands and the State Treasurer and the com-
 5 missioner, representing the State, may agree upon a right-of-way, which
 6 agreement shall be reduced to writing and signed by the parties thereto and
 7 filed and recorded in the office of the county clerk as deeds and mortgages
 8 are filed and recorded.

1 14. The director may, with the approval of the commissioner, sell any
 2 personal property in the possession of the State which is perishable in

3 character and from which no revenue is derived, at public sale, after the
4 same shall have been advertised at least ten days in a newspaper published
5 in the city of Trenton and all persons claiming any lien or interest in such
6 property shall take notice of the same at their peril. If any person shall
7 thereafter establish a claim to any interest in the goods so sold according to
8 law, the fund received from such sale shall be liable for the space of one
9 year from the date of the sale for such interest or claim. All claims and
10 interest in such property, other than that provided in this section, shall be
11 forever barred. The sum realized from the sale shall, after the expiration of
12 the period of one year, be covered into the State treasury.

1 15. Whenever, in the opinion of the director, any personal property in the
2 custody and control of any State department, institution, commission, board,
3 body, or other agency of the State is deemed surplus, obsolete or not longer
4 suitable for the purpose for which it was intended, he may make a transfer
5 of the custody and control of such personal property to any other State
6 department, institution, commission, board, body, or other agency of the State
7 by which the property so reported may be advantageously used.

8 Whenever such property so reported cannot be used by any State
9 department, institution, commission, board, body or other agency of the
10 State, the director may, with the commissioner's approval and after notifica-
11 tion in writing to the State Auditor, dispose thereof, and thereupon the
12 director shall pay the proceeds arising from such disposition into the general
13 fund of the State.

1 16. The director shall provide by rule and regulation, subject to the
2 commissioner's approval, for the use and disposal of property which,
3 pursuant to any law of this State, has been seized and forfeited and which
4 has been turned over to the director. Whenever such seized and forfeited
5 property has been turned over to the director, he may, by order, retain the
6 property for the benefit of State institutions and other boards, commissions,
7 agencies and instrumentalities of the State Government; but if, in the opinion
8 of the commissioner, the property can to the greater advantage of the State

9 be sold, the director may cause the same to be sold at public auction at a time
 10 and place to be designated by the director, notice of which sale shall be given
 11 at least three days before the sale, by publication at least once in a news-
 12 paper published in the city of Trenton. The proceeds of any such sale shall
 13 be turned over to the treasurer of the State for the use of the State.

ARTICLE 7

DIVISION OF LOCAL GOVERNMENT

1 1. The State Department of Local Government as heretofore constituted
 2 and provided for by law shall be the Division of Local Government in the
 3 State Department of Taxation and Finance.

1 2. The administrative head of the Division of Local Government shall be
 2 the director who shall be appointed by the commissioner, with the advice and
 3 consent of the Governor, to serve until the next Governor shall be elected and
 4 qualified and until the director's successor shall be appointed and qualified,
 5 but the Governor shall have the power to remove the director for cause.

1 3. The director shall receive an annual compensation, fixed by the
 2 commissioner, of not exceeding ten thousand dollars (\$10,000.00).

1 4. The compensation of each member of the Local Government Board
 2 shall be the sum of twenty-five dollars (\$25.00) a day for each day he shall
 3 attend a meeting of the board.

1 5. The powers and duties of the Local Government Board shall be the
 2 same as heretofore, and the powers and duties of the director shall be the
 3 same as those heretofore vested in the Commissioner of Local Government,
 4 except that the board and the director shall be under the general super-
 5 visory authority of the Commissioner of Taxation and Finance.

1 6. The director and the board shall make an annual report to the com-
 2 missioner of the work of the division and the financial condition of counties
 3 and municipalities. The report shall include such recommended changes
 4 and legislation pertaining to local government as may seem proper and desir-
 5 able. The director shall also publish annually a report of comparative
 6 financial statistics of local government tabulated to show the costs of govern-

7 ment, the costs of principal services, the amount of debt and other pertinent
8 data.

9 The annual report and the report of local financial statistics shall be pub-
10 lished for general distribution. The director may make a reasonable charge
11 for copies of the annual reports to cover costs of printing.

12 The director shall make such special reports as the commissioner may
13 request.

ARTICLE 8

GENERAL AND TRANSFER PROVISIONS

1 1. The director of each division in the Department of Taxation and
2 Finance shall have authority to appoint such clerical and other assistants as
3 he may deem necessary to the division's work and to fix their duties, all of
4 whom shall be subject to the provisions of Title 11, Civil Service.

1 2. Any power which may be vested in a director of any division in the
2 Department of Taxation and Finance may be exercised by the commissioner.
3 To the extent that the commissioner exercises such power the power of the
4 director shall be superseded.

1 3. Before entering upon his duties, the commissioner and each division
2 director shall make and subscribe an oath, to be filed in the office of the
3 Secretary of State, that he will faithfully, impartially and without fear,
4 favor or prejudice discharge the duties of his office and carefully preserve all
5 records, papers, writings, or property intrusted to him by virtue of his office,
6 and make such disposition of them as may be required by law.

7 The commissioner and each division director shall give bond conditioned
8 upon the faithful performance of his duties. Each bond shall be approved
9 by the Governor and shall be in an amount, fixed by the Governor, not ex-
10 ceeding fifty thousand dollars (\$50,000.00). The Governor shall have author-
11 ity to require any other employee of the department to give bond condi-
12 tioned upon the faithful performance of his duties, which bond shall be
13 approved by the Governor and the amount thereof fixed by him. The
14 premiums on bonds provided for herein shall be paid by the State.

1 4. Unless specifically provided otherwise in this act or by any operative
2 law, whenever, pursuant to existing law, reports and certifications are re-
3 quired to be made to a department, board or officer whose powers and du-
4 ties are herein transferred, such reports and certifications shall hereafter
5 be required to be filed with the director of the appropriate division, in the
6 Department of Taxation and Finance, through whom such transferred pow-
7 ers and duties are to be exercised pursuant to this act.

1 5. All persons employed, when this act takes effect, in a department or
2 other agency which is transferred, or whose powers, duties and functions
3 are transferred, to the Department of Taxation and Finance by this act are
4 hereby transferred to the Department of Taxation and Finance. Persons so
5 transferred shall be assigned to such duties as the commissioner shall deter-
6 mine.

1 6. Nothing in this act shall be construed to deprive any persons of any
2 rights or protection provided them by Title 11 of the Revised Statutes or by
3 any pension law or retirement system or any other law.

1 7. All files, books, papers, records, equipment and other property of de-
2 partments or other agencies which are transferred to the Department of
3 Taxation and Finance by this act shall, to the extent that the powers and
4 duties of such departments or other agencies are herein transferred, be
5 transferred to the Department of Taxation and Finance upon the effective
6 date of this act.

1 8. To the extent necessary to carry out the intent and provisions of this
2 act, the commissioner, with the approval of the Governor, may make trans-
3 fers of appropriations, in whole or in part, made to any department, board,
4 officer or other agency affected by the provisions of this act.

1 9. In the event that a person appointed and serving as commissioner or
2 as a director shall hold another State office or position, his salary as commis-
3 sioner or director shall be reduced by the amount paid to him as the holder
4 of such other office or position.

1 **10. The following sections of the Revised Statutes, as amended, are re-**
2 **pealed: 52:18-22, 52:18-23; 52:19-16 to 52:19-36, inclusive; 52:20-3, 52:20-8,**
3 **52:20-9, 52:20-10, 52:20-11, 52:20-12, 52:20-16; 52:22-1 to 52:22-22, inclu-**
4 **sive; 52:23-1 to 52:23-16, inclusive; 52:25-7, 52:25-8, 52:25-9, 52:25-10,**
5 **52:25-15, 52:25-17, 52:25-18, 52:25-19, 52:25-20, 52:25-21, 52:25-22, 52:25-24;**
6 **52:31-1, 52:31-7, 52:31-9, 52:31-10, 52:31-11; 54:1-3, 54:1-4, 54:1-5.**

7 **Sections eight and twelve of an act entitled "An act creating a State**
8 **department of local government, prescribing its powers and duties, and**
9 **transferring to it certain powers and duties vested in the State Auditor,"**
10 **approved May ninth, one thousand nine hundred and thirty-eight (P. L. 1938,**
11 **c. 156), are repealed.**

1 **11. This act shall take effect July first, one thousand nine hundred and**
2 **forty-four. Any appointment and any confirmation of any appointment per-**
3 **mitted by this act may be made after the enactment thereof.**

STATE OF NEW JERSEY

INTRODUCED MARCH 27, 1944

By Mr. ARMSTRONG

Referred to Committee on Economy and Reorganization

AN ACT relating to taxation and finance, providing for the establishment, organization and functions of a State Department of Taxation and Finance, repealing the following sections of the Revised Statutes: 52:18-22, 52:18-23; 52:19-16 to 52:19-36, inclusive; 52:20-3, 52:20-8, 52:20-9, 52:20-10, 52:20-11, 52:20-12, 52:20-16; 52:22-1 to 52:22-22, inclusive; 52:23-1 to 52:23-16, inclusive; 52:25-7, 52:25-8, 52:25-9, 52:25-10, 52:25-15, 52:25-17, 52:25-18, 52:25-19, 52:25-20, 52:25-21, 52:25-22, 52:25-24; 52:31-1, 52:31-7, 52:31-9, 52:31-10, 52:31-11; 54:1-3, 54:1-4, 54:1-5; and repealing sections eight and twelve of an act entitled "An act creating a State Department of Local Government, prescribing its powers and duties, and transferring to it certain powers and duties vested in the State Auditor," approved May ninth, one thousand nine hundred and thirty-eight (P. L. 1938, c. 158).

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

ARTICLE 1

DEFINITIONS

- 1** 1. As used in this act, unless the context clearly indicates otherwise:
- 2** "Department" means the State Department of Taxation and Finance
3 herein established.
- 4** "Commissioner" means the commissioner and head of the State Depart-
5 ment of Taxation and Finance.

6 "Director" means the director of an indicated division, herein estab-
7 lished, in the State Department of Taxation and Finance.

8 "Request Officer" means the principal officer of a department or board
9 in the Executive Branch of the State Government.

ARTICLE 2

STATE DEPARTMENT OF TAXATION AND FINANCE; COMMISSIONER

1 1. There is hereby established, in the Executive Branch of the State
2 Government, the State Department of Taxation and Finance.

1 2. The following are hereby established as divisions in the department:

2 The Division of Budget and Accounting.

3 The Division of Purchase and Property.

4 The Division of Local Government.

5 The Division of Taxation.

6 The Division of Tax Appeals.

1 3. The administrator and head of the department shall be the State Com-
2 missioner of Taxation and Finance. The commissioner shall be appointed
3 by the Governor by and with the advice and consent of the Senate and shall
4 hold his office until the next Governor shall be elected and qualified and until
5 the commissioner's successor shall be appointed and qualified. The Gover-
6 nor, however, shall have power to remove the commissioner for cause.

1 4. The commissioner shall receive an annual compensation of twelve
2 thousand dollars (\$12,000.00).

1 5. The commissioner, in addition to powers and duties specifically con-
2 ferred and imposed upon him, shall have the following general powers and
3 duties, to:

4 a. Maintain suitable headquarters for the department and such other
5 quarters within the State as he may deem necessary to the depart-
6 ment's proper functioning;

7 b. Have general responsibility for all of the department's operations
8 under this act;

9 c. Supervise the organization of the department and changes in the or-
 10 ganization thereof except that the divisions and bureaus of the de-
 11 partment herein specifically provided shall be maintained; formulate
 12 and adopt rules and regulations for the efficient conduct of the work
 13 and general administration of the department, its officers and em-
 14 ployees;

15 d. Make an annual report to the Governor and to the Legislature of the
 16 department's operations, and render such other reports as the Gov-
 17 ernor shall from time to time request.

1 6. The commissioner may, in consultation with the heads of other de-
 2 partments or branches of the State Government, and subject to section six,
 3 article eight, of this act, arrange for the interdepartmental and intradepart-
 4 mental transfer of personnel with a view to the greatest possible efficiency
 5 of departmental operations.

1 7. The commissioner shall have authority to organize and maintain in
 2 his offices an Administrative Division and to employ therein such secreta-
 3 rial, clerical and other assistants as his office and the internal operations of
 4 the department shall require.

1 8. The commissioner shall designate as deputy commissioner one of the
 2 directors who shall exercise the powers and perform the duties of the com-
 3 missioner during his disability or absence, which designation, in writing,
 4 shall be filed with the Secretary of State.

ARTICLE 3

DIVISION OF BUDGET AND ACCOUNTING

1 1. The Division of Budget and Accounting shall be headed by a director
 2 who shall be the Commissioner of Taxation and Finance.

1 2. The commissioner shall have authority to organize the division for the
 2 effective performance of its functions and purposes herein set forth.

1 3. There is hereby established in the Division of Budget and Account-
 2.ing the Bureau of the Budget. The commissioner, through the Bureau of

3 the Budget, shall carry into effect and execute the formulation of the annual
 4 budget submitted by the Governor to the Legislature and shall control the
 5 execution of the budget through a system of allotments by work programs.

1 4. The commissioner, through the Bureau of the Budget, shall follow
 2 the provisions and procedures set forth in sections five through twenty-three,
 3 inclusive, of this article.

1 5. On or before October first in each year each department of the State
 2 Government, board, commission, officer or other State agency, hereinafter
 3 in this article called "spending agency," shall file with the commissioner a
 4 request for appropriation or permission to spend, as the case may be, which
 5 shall specify all expenditures proposed to be made by such spending agency
 6 during the next ensuing fiscal year.

1 6. A request provided in section five shall be made by the request offi-
 2 cer. In the case of the judiciary, the request officer shall be the clerk of the
 3 Court of Errors and Appeals, under the direction of the Chancellor and the
 4 Chief Justice of the Supreme Court and, in the case of the Legislature, the
 5 request officer shall be the secretary of the Senate and the clerk of the
 6 House of Assembly, respectively.

1 7. Said request shall be made on forms to be furnished by the commis-
 2 sioner and subject to such rules and regulations as he shall prescribe from
 3 time to time and shall show in detail:

- 4 a. A statement exhibiting for the next ensuing fiscal year all estimated
 5 revenues; the estimate of revenues for the current fiscal year and the
 6 actual revenues for the past completed fiscal year;
- 7 b. The several purposes and itemized amounts for which appropriations
 8 or permissions to spend are requested, without deductions for esti-
 9 mated revenues allocated to such spending agency;
- 10 c. A statement exhibiting for the last preceding fiscal year the amounts
 11 of the annual and supplemental appropriations, transfers of appro-
 12 priations, allotments from the emergency fund, dedicated receipts,
 13 if any, and of all expenditures made thereunder and the unexpended

14 balance, if any, and the extent to which the same is obligated or en-
15 cambered;

16 d. A statement indicating how much of the requested appropriation will
17 be spent in each quarter of the fiscal year.

18 In case an appropriation is requested for a project which cannot be com-
19 pleted within the next ensuing fiscal year, the request shall set forth in de-
20 tail a complete description of the whole project and the estimated and de-
21 tailed cost thereof, and shall show separately the part of the project which
22 has been completed, if any, and the actual cost thereof; the part remaining
23 to be completed and the estimated cost thereof, and the part proposed to be
24 completed within the ensuing fiscal year and the estimated cost thereof.

1 8. On or before the first of October in each year, the State High-
2 way Commissioner shall submit to the commissioner the schedule and pro-
3 gram for which he proposes to expend or use the amounts appropriated to
4 said department for the ensuing fiscal year, according to purposes, routes
5 and sections of routes.

6 Such program may include alternate projects which may be substituted
7 for other projects included in the program, should it be found impossible
8 or impracticable to construct or carry on any one or more of said projects
9 in the program. This schedule shall become a part of the request for appro-
10 priation made by the State Highway Commissioner.

11 On or before December tenth of each year the State Highway Commis-
12 sioner shall notify the clerk of the board of chosen freeholders of each county
13 as to the amount of county and township and borough aid appropriated and
14 available for the county and each municipality within the county applicable
15 to the ensuing calendar year, and it shall be lawful for the several coun-
16 ties and municipalities to include such amount in their respective budgets,
17 and said amounts shall be available to the State Highway Commissioner
18 for allotment to the said counties and municipalities at the beginning of
19 said ensuing calendar year, and commitments may be made against said
20 amounts by said counties and municipalities, subject to the approval of the

21 State Highway Commissioner, immediately after the beginning of said ensu-
22 ing calendar year.

1 9. Upon the receipt of requests for appropriations, the commissioner,
2 or a member of the department designated by him, shall examine such
3 requests and determine the necessity or advisability thereof, and for that
4 purpose may hold hearings thereon which shall be open to the public, and
5 may summon and examine the request officers and any witnesses and order
6 the production of any State records for his examination, and make any
7 investigation which he deems necessary or advisable for the purpose of mak-
8 ing such determination.

1 10. On or before December thirty-first of each year, or at such other
2 time or times as the Governor may request, the commissioner shall certify
3 and transmit to the Governor and Governor-elect the requests of the spend-
4 ing agencies, together with his findings, comments and recommendations
5 thereon.

1 11. The Governor shall examine and consider all requests for appro-
2 priations, together with the findings and recommendations of the commis-
3 sioner, and shall formulate his budget recommendations which shall be
4 transmitted to the Legislature as a budget message on the third Tuesday
5 of January in each year, except a year in which a Governor shall be inaugu-
6 rated, when he shall do so on or before February fifteenth following the
7 commencement of his term.

8 The budget message shall embody the proposed complete financial pro-
9 gram of the State Government for the next ensuing fiscal year, and shall
10 set forth in columnar form detailed as to each source of anticipated rev-
11 enue and the purposes to which the recommended appropriations and per-
12 missions to spend shall apply for each spending agency in substantially the
13 following form:

14 A. Revenues for the General State Fund, State Highway System Fund,
15 all other dedicated funds, Federal aid funds, and trust funds:

16 (1) An estimate of all balances to be on hand on the first of July
17 next ensuing which are to be available for appropriations, sup-
18 ported by the calculations used in arriving at the estimated
19 figures;

20 (2) An estimate of the anticipated revenues from all sources appli-
21 cable to the budget period, together with the actual amount
22 earned from each source during the last completed fiscal year,
23 and the estimate of revenues expected to be earned from each
24 source for the current fiscal year.

25 **B. Mandatory dedications:**

26 (1) **Debt service:**

27 The amount reserved for the payment of interest and prin-
28 cipal of any State bonds heretofore or hereafter issued dedicated
29 and payable from State revenue.

30 The amount reserved for payments to the State Highway
31 Sinking Fund as provided by chapter two hundred sixty-two of
32 the laws of one thousand nine hundred and twenty-two and chap-
33 ter one hundred eighty-one of the laws of one thousand nine hun-
34 dred and twenty-seven.

35 (2) State aid projects as follows:

36 (a) \$6,000,000.00 for the construction, reconstruction, mainte-
37 nance and repair, operation, policing and lighting of county
38 roads and bridges; for the payment of principal and inter-
39 est of obligations heretofore incurred for any of such pur-
40 poses, and for the extension of the county highway system
41 under the following formula:

42 Percentage of population of each county to the total
43 population of the State, according to the last Federal census,

44 Percentage of each county road mileage as against total
45 county road mileage in the State;

46 Percentage of each county in area as against total area
47 in the State;

48 (b) \$2,100,000.00 to be expended pursuant to the provisions of
49 chapter fifteen of Title 27 "Highways" of the Revised Stat-
50 utes.

51 (c) \$735,000.00 to be expended pursuant to the provisions of sec-
52 tion 27:14-1 of the Revised Statutes.

53 (d) \$210,000.00 to be expended pursuant to sections 27:15-10 to
54 27:15-13, inclusive, of the Revised Statutes.

55 (3) Inland Waterways:

56 \$90,000.00 to the Board of Commerce and Navigation for the
57 construction, reconstruction and maintenance and improvement
58 of the inland waterways as provided by section 54:39-74 of the
59 Revised Statutes.

60 C. Appropriations. The total of the appropriations recommended for
61 the ensuing fiscal year in substantially the following form:

62 Detailed Budget:

- 63 (1) An itemized statement of all appropriation requests and requests
64 for permission to spend from the General State Fund, State High-
65 way System Fund, other dedicated funds and Federal aid and
66 trust funds;
- 67 (2) An itemized statement of the amounts recommended by the Gov-
68 ernor with respect to item "1" above;
- 69 (3) An itemized statement of all amounts appropriated and permis-
70 sions granted for the current fiscal year with respect to item
71 "1" above;
- 72 (4) An itemized statement of all amounts appropriated and permis-
73 sions granted for the last preceding fiscal year with respect to
74 item "1" above detailed as to annual and supplemental appro-
75 priations, transfers of appropriations, State Emergency Fund
76 allotments, and permission to spend, as the case may be, and

77 showing also total expenditures, reserves, lapses and unencum-
78 bered balances;

79 (5) In addition, such other statistical information as may more fully
80 show comparisons and costs of the several departments.

1 12. The Governor may recommend in connection with his budget message
2 and under separate head new or additional sources of revenue, and set
3 forth in connection therewith his recommendations as to the purpose or pur-
4 poses to which such proposed new or additional revenue may be appropri-
5 ated. The total of the recommendations in the budget shall not be in excess
6 of the estimate of all funds available for disbursement during the fiscal year
7 to which such recommendations are applicable.

1 13. All applications for supplemental appropriations not included in the
2 budget message shall be made, in the first instance, to the commissioner in
3 substantially the same form as is required for regular requests, setting
4 forth how much of the amount requested will be expended in each quarter
5 of the fiscal year. The commissioner shall certify and transmit forthwith
6 such application to the Governor, together with his findings, comments and
7 recommendations thereon. The Governor shall transmit to the chairman of
8 the joint appropriations committee such applications as he shall approve in
9 whole or in part with his recommendations thereon, but the Governor shall
10 not approve and recommend any appropriation in excess of the total antici-
11 pated funds available for disbursement during the fiscal year to which such
12 recommendations are applicable.

1 14. The commissioner shall cause copies of the budget message to be
2 printed forthwith and a copy thereof shall be presented to each member of
3 the Legislature, public libraries in the State and each newspaper in the
4 State, and shall be available for distribution to any citizen on request.

1 15. The commissioner shall have authority, after consultation with the
2 various spending agencies concerned, to revise and amend quarterly allot-
3 ment requests to the end that each such request, as revised and amended by
4 the commissioner, shall not exceed the amount appropriated for the spend-
5 ing agency.

1 16. Not later than the first day of June following the passage of an
2 annual appropriation act, the commissioner shall submit to each spending
3 agency his allotment by quarters of such appropriation. In the case of a
4 supplemental appropriation, the commissioner shall submit his allotment by
5 quarters within two weeks after passage of such appropriation.

1 17. In order to protect against and meet emergencies that may arise dur-
2 ing each fiscal year, the commissioner shall have the power to set aside a
3 reserve out of each appropriation, the exact amount of which shall be de-
4 termined by him. Any time during the fiscal year that occasion may require
5 this reserve or any portion of it may be returned to the appropriation to
6 which it belongs, providing the commissioner finds such action necessary.

7 Whenever it appears to the satisfaction of the Governor that revenues
8 have fallen seriously below those anticipated, the commissioner, on order of
9 the Governor, shall have the power to revise the quarterly allotments.

1 18. A request officer, whenever he deems it necessary by reason of
2 changed conditions or for some other cogent reason, may request the com-
3 missioner to revise the work program of quarterly allotments. The commis-
4 sioner shall examine such request for revision, shall promptly make a
5 determination thereon, and shall advise such request officer as to his de-
6 termination with respect thereto; and, if the request is granted, the neces-
7 sary amendment to the quarterly allotments shall be made by the commis-
8 sioner.

1 19. In order to afford reasonable flexibility, any spending agency receiv-
2 ing an appropriation may make written application to the commissioner for
3 leave to transfer a part of any item granted or allowed to such spending
4 agency to any other item in such appropriation, and such application shall
5 indicate the quarter or quarters affected as to both items. Such application
6 shall be made only during the current year for which the appropriation was
7 granted. No transfer shall be authorized or made after the close of any
8 fiscal year. The commissioner shall have authority to make such transfers
9 of appropriation.

1 20. All allotments from the State Emergency Fund to an appropriation
2 shall be authorized and allowed by the commissioner, with the approval of
3 the Governor, but no such allotment shall be authorized until the commis-
4 sioner shall have been served with a copy of the application therefor, and
5 shall have had two days after his receipt of said application within which to
6 submit his written recommendation thereon, together with his reasons there-
7 for, to the Governor. All allotments thus made to an appropriation from
8 the emergency fund shall indicate which quarterly allotment or allotments
9 shall be increased.

10 The warrant checks for payment of all expenditures to be made from
11 appropriations shall be drawn on the basis of the quarterly allotments.

1 21. In order effectually to discharge and execute his duties in relation
2 to the quarterly allotment system, the commissioner, or a member of the
3 department designated by him, shall make continuous studies of all depart-
4 mental requirements including personnel. All requests for additional per-
5 sonnel made by request officers to the civil service agency in the State
6 Government shall first be approved by the commissioner.

1 22. Whenever, in the case of extravagance, waste or mismanagement, it
2 appears to the satisfaction of the Governor that any appropriation by a
3 spending agency is not in the best interest of the State, he may prohibit and
4 enjoin such expenditure or any future expenditure under the appropriation
5 and prescribe the terms upon which the same may be made, if at all, by
6 making and signing an order to that effect and serving it on the request
7 officer of such spending agency, and also serving a certified copy of the order
8 upon the commissioner and upon the director of purchase and property,
9 whereupon the order shall immediately become operative. Upon such service
10 future expenditures under the appropriation shall be limited according to the
11 terms of the executive order. The Governor, in such cases, may make other
12 and further orders as may be necessary or advisable in his discretion which
13 orders shall become operative upon such service.

1 23. Nothing in this act concerning the work program of quarterly
2 allotments shall apply to the Legislature.

1 24. There is hereby established in the Division of Budget and Accounting
2 the Bureau of Accounting. The commissioner, through the Bureau of Account-
3 ing, shall prescribe the procedures for the collection of revenues; institute
4 and direct prosecution against delinquent officers of the revenue and for just
5 claims and accounts against the State; provide and maintain a uniform
6 system of accounting for the State, its departments, institutions, courts and
7 other State agencies. The commissioner, through the Bureau of Accounting,
8 shall follow the provisions and procedure set forth in sections twenty-five
9 through thirty-eight, inclusive, of this article.

1 25. All State revenue collected by any department, institution, commis-
2 sion, board, committee or official of this State shall, except as otherwise
3 provided by law, be deposited, in the method prescribed by the commissioner,
4 to the credit of the State of New Jersey in such depositories as the State
5 Treasurer shall designate. A report of such moneys collected shall be sub-
6 mitted to the commissioner and the State Treasurer in such form as the com-
7 missioner shall prescribe. Such report shall be submitted not later than the
8 tenth day of the month following that during which such moneys were
9 received. The commissioner, upon receiving such report, shall audit and
10 register all amounts contained therein and make proper accounting thereof.

1 26. The commissioner shall have authority to prescribe uniform forms
2 to be used by all departments or other agencies of the State Government in
3 encumbering any funds appropriated.

4 The commissioner shall prepare the forms upon which shall be rendered
5 all statements of indebtedness against any department, institution, commis-
6 sion, committee, official, board, or body of State Government.

7 The forms, in this section provided, shall, when so prepared, be the
8 only forms used for the evidence and record of such encumbrances and
9 indebtedness.

1 27. The powers and duties heretofore vested by P. L. 1940, c. 35, in
2 the State Comptroller are hereby transferred to the Division of Budget and
3 Accounting and to the commissioner, as the head thereof, to be exercised
4 through the Bureau of Accounting.

1 28. Each department, commission, committee, official, board or body of
2 any institution or organization of the State shall designate the proper officer
3 who shall approve and sign all encumbrance requests and statements of
4 indebtedness. The designation shall be filed in the office of the commissioner;
5 and the requests and statements of indebtedness shall be presented to the
6 commissioner.

7 The commissioner shall examine, audit and adjust all encumbrances and
8 statements of indebtedness so presented. He may administer an oath to the
9 persons presenting the encumbrance or statement of indebtedness and to any
10 witness presented on behalf of such person and may examine such person or
11 witness as to the truth, fairness and correctness of such encumbrance or
12 statement of indebtedness.

13 The commissioner shall execute and register warrant checks in settle-
14 ment of statements of indebtedness, approved by him, and shall transmit them
15 forthwith to the State Treasurer who shall thereupon sign and deliver the
16 same to the payees.

1 29. Checks or drafts used only for the transfer of State funds from one
2 depository to another, drawn to the order of the State of New Jersey and
3 restrictively endorsed by the treasurer in the following manner: "Transfer
4 of State Funds—For Deposit Only," need not be signed by the commissioner.

1 30. Wherever a provision of law relating to the presentation of claims
2 or bills for approval, the drawing of warrants, the countersigning of
3 receipts and checks, the administration of petty cash funds, the apportion-
4 ment of taxes on railroad and canal property, applies to the Comptroller, such
5 provision of law shall when this act takes effect apply instead to the
6 commissioner.

1 31. The commissioner shall have authority to prescribe and enforce, to
2 every extent practicable, a centralized payroll system. For the purposes of
3 the preaudit of all payrolls, the commissioner shall have authority to require
4 of the civil service agency in the State Government notice of payroll changes
5 in the form prescribed by the commissioner, which form the commissioner is
6 hereby authorized to prescribe.

1 32. The Secretary of State shall, when the offices of State Treasurer
2 and commissioner or either of them shall become vacant or the officers or
3 either of them shall no longer be authorized to act as such, respectively, give
4 written notice forthwith to all national banks located in this State and
5 institutions authorized by the State to carry on a banking business of such
6 vacancy or termination of power. No bank shall thereafter pay any check or
7 draft of the State Treasurer, signed or countersigned by any person after
8 his office shall become vacant or after he shall no longer be authorized to
9 act.

1 33. The commissioner shall, except as otherwise provided by law, cause
2 suit to be instituted in any competent court of this or any other State for the
3 recovery of any money due the State or any of its institutions, departments,
4 commissions or officers. The suit shall be in the name of the "State of New
5 Jersey" as plaintiff.

1 34. The commissioner shall keep and maintain, at all times, within the
2 division all such books of accounts and other accounting records leading to
3 and including the general ledger as may be necessary for the centralized con-
4 trol of all accounts.

1 35. The commissioner shall install, keep and maintain in the division a
2 complete set of double-entry accounts, which shall reflect directly or through
3 proper controlling accounts, on an accrual basis, all assets, liabilities, rev-
4 enues, and expenditures of the State, and all of its accounting agencies.
5 Such accounts shall reflect all accounts receivable and payable, all balances
6 of all funds, and such other information as is required for a proper statement
7 of the financial conditions and operations of the State.

1 36. The commissioner shall prescribe and enforce the form, manner and
2 content of accounts to be kept by each accounting agency, and the form, man-
3 ner and content of accounting reports and statements to be rendered to him
4 with respect thereto. The commissioner, if he deems such action necessary,
5 may install a system of accounts in an accounting agency of the State Gov-
6 ernment. He shall provide for reports and statements to be submitted to

7 him at least once each month which shall show the complete operation of each
8 accounting agency and such other information as may be necessary in his
9 judgment. This requirement shall not be in limitation of such other reports
10 and statements, at longer or shorter intervals, containing the same or other
11 information, as may be necessary in the judgment of the commissioner.

1 37. The commissioner shall prepare, within thirty days after the end
2 of each month, a complete statement showing:

3 a. Balance sheet of all assets and liabilities for all State funds;

4 b. Statement of accrued revenues as compared with anticipated
5 revenues.

6 c. Summary statement showing the condition of the appropriations,
7 which shall reflect the original appropriation, supplemental appropri-
8 ations, transfers to and from, allotments from the emergency fund and
9 expenditures made against such appropriations.

10 d. Such other information as he may deem necessary and proper.

11 Such statement, certified by the commissioner, shall be transmitted forth-
12 with to the Governor, and shall be and remain a public document on file in
13 the office of the commissioner, subject to inspection by any citizen of the
14 State, who shall have the right to make or obtain copies thereof under such
15 reasonable regulations as the commissioner may prescribe. Copies of said
16 statements shall be transmitted at the same time to the President of the Sen-
17 ate, the Speaker of the House of Assembly, the chairman of the respective
18 appropriation committees, the State Treasurer and the State Auditor.

1 38. If the commissioner should find that any officer or head of a depart-
2 ment of the State Government willfully or negligently fails or refuses to
3 keep or have kept such accounts, render such reports or perform such other
4 duties as may be prescribed by the commissioner under this article, or refuses
5 to conform to any of the provisions of this article, he shall notify such officer
6 or head of a department in writing of such failure or refusal, and the par-
7 ticulars thereof, and shall allow him reasonable opportunity to be heard
8 thereon. If such failure is not explained to the satisfaction of the commis-

9 sioner, he shall prepare written charges against such officer or head of a de-
 10 partment, and submit the same to the Governor forthwith, and serve a copy
 11 thereof upon such officer or head of a department charged with such failure
 12 or refusal. Thereupon the Governor shall fix a time and place for hearing
 13 such charges by giving not less than five days' notice thereof in writ-
 14 ing to such officer or head of a department so charged and to the commis-
 15 sioner. After due hearing, the Governor may take such action as may be
 16 necessary, in his judgment, including the removal of such officer or head of a
 17 department found guilty of such charges, but if the right of removal in any
 18 case is vested exclusively in the Legislature, the Governor shall transmit to
 19 the Legislaturc a written report of his findings with his recommendations
 20 thereon for consideration and action by the Legislature.

ARTICLE 4

DIVISION OF TAXATION

1 1. The powers and duties heretofore vested by law in the State Tax De-
 2 partment and in the State Tax Commissioner are hereby transferred to the
 3 Division of Taxation, and the director thereof, respectively, in the State De-
 4 partment of Taxation and Finance.

1 2. The Division of Taxation shall be headed by a director who shall be
 2 appointed by the Governor by and with the advice and consent of the Senate,
 3 to serve until the next Governor shall be elected and qualified and
 4 until the director's successor shall be appointed and qualified. The Gov-
 5 ernor, however, shall have power to remove the director for cause.

1 3. The director shall receive an annual compensation, fixed by the com-
 2 missioner, of not exceeding ten thousand dollars (\$10,000.00).

1 4. Unless otherwise provided by law, the director of the Division of Tax-
 2 ation shall perform all the acts formerly required by law to be performed by
 3 the State Tax Commissioner.

4 The director shall have authority, subject to the approval of the com-
 5 missioner, to continue, within the division, the various bureaus of the State
 6 Tax Department as they exist on the date this act takes effect; or, subject

7 to the commissioner's approval, to reorganize those bureaus as he may deem
8 desirable.

ARTICLE 5

DIVISION OF TAX APPEALS

1 1. The State Board of Tax Appeals shall continue in all respects as pro-
2 vided by law prior to the time this act shall take effect, but the board is
3 hereby transferred to and constituted the Division of Tax Appeals in the
4 State Department of Taxation and Finance.

ARTICLE 6

DIVISION OF PURCHASE AND PROPERTY

1 1. The Division of Purchase and Property shall be headed by a director
2 who shall be appointed by the Governor by and with the advice and consent of
3 the Senate, to serve until the next Governor shall be elected and qualified
4 and until the director's successor shall be appointed and qualified. The Gov-
5 ernor, however, shall have power to remove the director for cause.

1 2. The director shall receive an annual compensation, fixed by the com-
2 missioner, of not exceeding ten thousand dollars (\$10,000.00).

1 3. The powers and duties heretofore vested by law in the State Pur-
2 chasing Department, and the State Purchase Commissioner, are hereby
3 transferred to the Division of Purchase and Property and to the director,
4 respectively, as the head of that division of the State Department of Tax-
5 ation and Finance.

1 4. The director is hereby vested with the powers, duties, and responsi-
2 bilities involved in the efficient operation of a centralized State purchasing
3 service, and with the custody, operation and maintenance of all State prop-
4 erty not chargeable to a particular department. He shall have authority,
5 subject to the commissioner's approval, to organize the division for the
6 effective performance of its functions and purposes herein set forth.

1 5. The director shall make an annual detailed report to the commis-
2 sioner of his operations under this act and render such other reports as the
3 commissioner shall, from time to time, request.

1 6. The director shall, in consultation with heads of departments, develop
 2 standard specifications for all commodities commonly purchased, and shall
 3 establish and maintain a system of inventories of properties, supplies and
 4 equipment of all State departments and agencies.

5 The director shall:

- 6 a. Determine and establish and from time to time change standards and
 7 specifications according to the needs of all using agencies so far as
 8 their needs are in common, and for groups of using agencies or for
 9 single using agencies so far as their needs differ;
- 10 b. Fix physical or chemical formulæ and otherwise determine the serv-
 11 ice, quality, fitness and suitability of all articles tendered or fur-
 12 nished;
- 13 c. Make use for such purposes of the existing laboratories maintained
 14 by the State;
- 15 d. Establish a list of other public or private laboratories whose tests
 16 and analysis will be accepted; and
- 17 e. Fix the fees required to be paid for tests or analysis made in any
 18 State laboratory.

19 The fees required by any State or other laboratory for any analysis or
 20 test made for any prospective vendor, prior to the award of a contract, shall
 21 be paid by such prospective vendor. Inspection analysis or tests shall be at
 22 the expense of the State.

1 7. In the purchase of all articles, the standards and specifications de-
 2 termined and established pursuant to section six shall be adhered to and
 3 complied with, and no deviation shall be permitted without the written con-
 4 sent of the commissioner first obtained.

1 8. Any using agency may reject any article delivered or tendered which
 2 fails to comply with the standards and specifications applicable to such
 3 article.

1 9. Each using agency shall, at all times, in the form and for the periods
 2 prescribed by the director, present to him detailed applications and schedules

3 for all articles to be purchased. The director shall then arrange such sched-
 4 ules or parts thereof for purchase and contract, in the manner best calcu-
 5 lated to attract competition and advantageous prices. He shall award con-
 6 tracts or orders for purchase to the lowest responsible bidder meeting all
 7 specifications and conditions. He shall have authority to reject any or all bids
 8 or to award in whole or in part if deemed to the best interest of the State to
 9 do so. In case of tie bids, he shall have authority to award orders or con-
 10 tracts to the vendor or vendors best meeting all specifications and condi-
 11 tions. Public bids shall not be waived except with the written approval of
 12 the commissioner and except after notice in writing to the State Auditor.
 13 The director shall prescribe the terms and conditions for delivery, inspec-
 14 tion, payment and all other detail whatsoever.

15 Upon the award of contracts or orders for purchase, the director shall
 16 thereupon make an encumbrance request to the commissioner for the amount
 17 necessary to defray the cost thereof, indicating the appropriations or author-
 18 izations to spend funds against which the contract or purchase order will be
 19 charged.

20 The bills for such purchases shall be apportioned by the director among
 21 the using agencies in proportion to the purchases made therefor, and certi-
 22 fied as apportioned to the commissioner, to be charged against the respective
 23 appropriations or authorizations to spend as indicated by the certificate of
 24 the director. The bills therefor shall be paid by warrant check of the com-
 25 missioner and State Treasurer.

26 Nothing in this article shall be construed to repeal or otherwise affect
 27 any law of this State relating to the purchase or use of the products of the
 28 labor of the inmates of a charitable, reformatory or penal institution of this
 29 State.

1 10. The director shall, subject to the approval of the commissioner,
 2 effect and maintain insurance against loss or damage by fire upon the State
 3 House and the contents thereof in such sum as may be deemed necessary.
 4 The director is hereby authorized, and it shall be his duty, after consultation

5 with the heads of State departments and agencies, to purchase and secure all
6 necessary casualty insurance, marine insurance, fire insurance, fidelity bonds,
7 and any other insurance necessary for the safeguarding of the interest of
8 the State. He is hereby authorized, subject to the commissioner's supervi-
9 sion and approval, to establish, in the Division of Purchase and Property, a
10 bureau to administer a centralized system of insurance for all departments
11 and agencies of the State Government.

1 11. All contracts and purchase orders heretofore awarded by the State
2 Purchase Commissioner and all operative State insurance contracts, which
3 are outstanding and uncompleted when this act takes effect, shall continue
4 and be completed under the terms thereof by the director of the Division of
5 Purchase and Property.

1 12. The powers and duties vested in the State House Commission by
2 sections 52:20-7, 52:20-13, 52:20-14, 52:20-20 and 52:20-25 of the Revised
3 Statutes are hereby transferred to the Division of Purchase and Property and
4 to the director thereof.

5 The director, with the commissioner's approval, shall to every practicable
6 extent arrange, and from time to time rearrange, the office space assigned
7 to the various departments and other agencies of the State Government in a
8 manner to provide for the most efficient conduct of the business of such
9 departments and agencies.

1 13. Whenever land is acquired by the State pursuant to any law and the
2 owner of any portion of the land adjacent thereto has not a prescribed right-
3 of-way from his lands and over the land so acquired by the State to any
4 public highway, the owner of the lands and the State Treasurer and the com-
5 missioner, representing the State, may agree upon a right-of-way, which
6 agreement shall be reduced to writing and signed by the parties thereto and
7 filed and recorded in the office of the county clerk as deeds and mortgages
8 are filed and recorded.

1 14. The director may, with the approval of the commissioner, sell any
2 personal property in the possession of the State which is perishable in

3 character and from which no revenue is derived, at public sale, after the
4 same shall have been advertised at least ten days in a newspaper published
5 in the city of Trenton and all persons claiming any lien or interest in such
6 property shall take notice of the same at their peril. If any person shall
7 thereafter establish a claim to any interest in the goods so sold according to
8 law, the fund received from such sale shall be liable for the space of one
9 year from the date of the sale for such interest or claim. All claims and
10 interest in such property, other than that provided in this section, shall be
11 forever barred. The sum realized from the sale shall, after the expiration of
12 the period of one year, be covered into the State treasury.

1 15. Whenever, in the opinion of the director, any personal property in the
2 custody and control of any State department, institution, commission, board,
3 body, or other agency of the State is deemed surplus, obsolete or not longer
4 suitable for the purpose for which it was intended, he may make a transfer
5 of the custody and control of such personal property to any other State
6 department, institution, commission, board, body, or other agency of the State
7 by which the property so reported may be advantageously used.

8 Whenever such property so reported cannot be used by any State
9 department, institution, commission, board, body or other agency of the
10 State, the director may, with the commissioner's approval and after notifica-
11 tion in writing to the State Auditor, dispose thereof, and thereupon the
12 director shall pay the proceeds arising from such disposition into the general
13 fund of the State.

1 16. The director shall provide by rule and regulation, subject to the
2 commissioner's approval, for the use and disposal of property which,
3 pursuant to any law of this State, has been seized and forfeited and which
4 has been turned over to the director. Whenever such seized and forfeited
5 property has been turned over to the director, he may, by order, retain the
6 property for the benefit of State institutions and other boards, commissions,
7 agencies and instrumentalities of the State Government; but if, in the opinion
8 of the commissioner, the property can to the greater advantage of the State

9 be sold, the director may cause the same to be sold at public auction at a time
 10 and place to be designated by the director, notice of which sale shall be given
 11 at least three days before the sale, by publication at least once in a news-
 12 paper published in the city of Trenton. The proceeds of any such sale shall
 13 be turned over to the treasurer of the State for the use of the State.

ARTICLE 7

DIVISION OF LOCAL GOVERNMENT

1 1. The State Department of Local Government as heretofore constituted
 2 and provided for by law shall be the Division of Local Government in the
 3 State Department of Taxation and Finance except that the term of office of
 4 the present members of the Local Government Body shall expire on the
 5 effective date of this act and the board shall consist thereafter of the direc-
 6 tor as chairman, and three members appointed by the Governor by and with
 7 the advice and consent of the Senate. The first members appointed to take
 8 office hereunder shall be appointed to hold office one for three years, one for
 9 four years, and one for five years, and thereafter all appointments shall be
 10 for five years. In case of a vacancy the appointment shall be for the re-
 11 mainder of the unexpired term.

1 2. The administrative head of the Division of Local Government shall be
 2 the director who shall be appointed by the Governor by and with the advice
 3 and consent of the Senate, to serve until the next Governor shall be elected
 4 and qualified and until the director's successor shall be appointed and quali-
 5 fied, but the Governor shall have the power to remove the director for cause.

1 3. The director shall receive an annual compensation, fixed by the
 2 commissioner, of not exceeding ten thousand dollars (\$10,000.00).

1 4. The compensation of each member of the Local Government Board
 2 shall be the sum of forty dollars (\$40.00) a day for each day he shall perform
 3 the duties of his office, but no member shall be paid more than four thousand
 4 dollars (\$4,000.00) for any one year.

1 5. The powers and duties of the Local Government Board shall be the
 2 same as heretofore, and the powers and duties of the director shall be the

3 same as those heretofore vested in the Commissioner of Local Government,
4 except that the board and the director shall be under the general super-
5 visory authority of the Commissioner of Taxation and Finance.

1 6. The director and the board shall make an annual report to the com-
2 missioner of the work of the division and the financial condition of counties
3 and municipalities. The report shall include such recommended changes
4 and legislation pertaining to local government as may seem proper and desir-
5 able. The director shall also publish annually a report of comparative
6 financial statistics of local government tabulated to show the costs of govern-
7 ment, the costs of principal services, the amount of debt and other pertinent
8 data.

9 The annual report and the report of local financial statistics shall be pub-
10 lished for general distribution. The director may make a reasonable charge
11 for copies of the annual reports to cover costs of printing.

12 The director shall make such special reports as the commissioner may
13 request.

ARTICLE 8

GENERAL AND TRANSFER PROVISIONS

1 1. The director of each division in the Department of Taxation and
2 Finance shall have authority to appoint such clerical and other assistants as
3 he may deem necessary to the division's work and to fix their duties, all of
4 whom shall be subject to the provisions of Title 11, Civil Service.

1 2. Any power which may be vested in a director of any division in the
2 Department of Taxation and Finance may be exercised by the commissioner.
3 To the extent that the commissioner exercises such power the power of the
4 director shall be superseded.

1 3. Before entering upon his duties, the commissioner and each division
2 director shall make and subscribe an oath, to be filed in the office of the
3 Secretary of State, that he will faithfully, impartially and without fear,
4 favor or prejudice discharge the duties of his office and carefully preserve all
5 records, papers, writings, or property intrusted to him by virtue of his office,
6 and make such disposition of them as may be required by law.

7 **The commissioner and each division director shall give bond conditioned**
8 **upon the faithful performance of his duties. Each bond shall be approved**
9 **by the Governor and shall be in an amount, fixed by the Governor, not ex-**
10 **ceeding fifty thousand dollars (\$50,000.00). The Governor shall have author-**
11 **ity to require any other employee of the department to give bond condi-**
12 **tioned upon the faithful performance of his duties, which bond shall be**
13 **approved by the Governor and the amount thereof fixed by him. The**
14 **premiums on bonds provided for herein shall be paid by the State.**

1 **4. Unless specifically provided otherwise in this act or by any operative**
2 **law, whenever, pursuant to existing law, reports and certifications are re-**
3 **quired to be made to a department, board or officer whose powers and du-**
4 **ties are herein transferred, such reports and certifications shall hereafter**
5 **be required to be filed with the director of the appropriate division, in the**
6 **Department of Taxation and Finance, through whom such transferred pow-**
7 **ers and duties are to be exercised pursuant to this act.**

1 **5. All persons employed, when this act takes effect, in a department or**
2 **other agency which is transferred, or whose powers, duties and functions**
3 **are transferred, to the Department of Taxation and Finance by this act are**
4 **hereby transferred to the Department of Taxation and Finance. Persons so**
5 **transferred shall be assigned to such duties as the commissioner shall deter-**
6 **mine.**

1 **6. Nothing in this act shall be construed to deprive any persons of any**
2 **rights or protection provided them by Title 11 of the Revised Statutes or by**
3 **any pension law or retirement system or any other law.**

1 **7. All files, books, papers, records, equipment and other property of de-**
2 **partments or other agencies which are transferred to the Department of**
3 **Taxation and Finance by this act shall, to the extent that the powers and**
4 **duties of such departments or other agencies are herein transferred, be**
5 **transferred to the Department of Taxation and Finance upon the effective**
6 **date of this act.**

1 8. To the extent necessary to carry out the intent and provisions of this
2 act, the commissioner, with the approval of the Governor, may make trans-
3 fers of appropriations, in whole or in part, made to any department, board,
4 officer or other agency affected by the provisions of this act.

1 9. In the event that a person appointed and serving as commissioner or
2 as a director shall hold another State office or position, his salary as commis-
3 sioner or director shall be reduced by the amount paid to him as the holder
4 of such other office or position.

1 10. The following sections of the Revised Statutes, as amended, are re-
2 pealed: 52:18-22, 52:18-23; 52:19-16 to 52:19-36, inclusive; 52:20-3, 52:20-8,
3 52:20-9, 52:20-10, 52:20-11, 52:20-12, 52:20-16; 52:22-1 to 52:22-22, inclu-
4 sive; 52:23-1 to 52:23-16, inclusive; 52:25-7, 52:25-8, 52:25-9, 52:25-10,
5 52:25-15, 52:25-17, 52:25-18, 52:25-19, 52:25-20, 52:25-21, 52:25-22, 52:25-24;
6 52:31-1, 52:31-7, 52:31-9, 52:31-10, 52:31-11; 54:1-3, 54:1-4, 54:1-5.

7 Sections eight and twelve of an act entitled "An act creating a State
8 department of local government, prescribing its powers and duties, and
9 transferring to it certain powers and duties vested in the State Auditor,"
10 approved May ninth, one thousand nine hundred and thirty-eight (P. L. 1938,
11 c. 158), are repealed.

1 11. This act shall take effect July first, one thousand nine hundred and
2 forty-four. Any appointment and any confirmation of any appointment per-
3 mitted by this act may be made after the enactment thereof.