

40A: 9-140.1

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(Municipal chief
financial officer--
practices)

LAWS OF: 1991

CHAPTER: 175

Bill No: S3227

Sponsor(s): Lynch

Date Introduced: January 14, 1991

Committee: Assembly: Municipal Government

Senate: County & Municipal Government

Amended during passage: Yes Amendments denoted by asterisks.

Date of Passage: Assembly: March 4, 1991 re-enacted 6-20-91

Senate: January 24, 1991 re-enacted 5-20-91

Date of Approval: June 26, 1991

Following statements are attached if available:

Sponsor statement: Yes

Committee Statement: Assembly: Yes

Senate: Yes

Fiscal Note: No

Veto Message: Yes

Message on signing: No

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[FIRST REPRINT]
SENATE, No. 3227

STATE OF NEW JERSEY

INTRODUCED JANUARY 14, 1991

By Senator LYNCH

1 AN ACT concerning the chief financial officers of municipalities,
2 amending various parts of the statutory law, and repealing
3 section 5 of P.L.1971, c.413 and section 1 of P.L.1977, c.39.

4

5 BE IT ENACTED *by the Senate and General Assembly of the*
6 *State of New Jersey:*

7 1. Section 1 of P.L.1971, c.413 (C.40A:9-140.1) is amended to
8 read as follows:

9 1. As used in this act:

10 a. "Director" means the Director of the Division of Local
11 Government Services.

12 b. "Municipal finance officer" means a municipal director of
13 finance, assistant director of finance, fiscal officer, municipal
14 comptroller, assistant comptroller, [supervisor accounts payable,]
15 municipal treasurer, assistant municipal treasurer or deputy
16 treasurer who is not a member of the governing body of a
17 municipality.

18 c. "Local unit" means a municipality or a utility owned by a
19 single municipality or owned jointly by one or more
20 municipalities, which together do not comprise a county.

21 d. "Chief financial officer" means the [person who is a
22 certified municipal finance officer appointed by a municipality
23 under section 8 of P.L.1988, c.110 (C.40A:9-140.13) to carry out
24 the responsibilities set forth under P.L.1947, c.151 (C.52:27BB-26
25 et seq.)] the official appointed pursuant to section 5 of P.L.1988,
26 c.110 (C.40A:9-140.10) to be responsible for the proper financial
27 administration of the municipality under the "Local Government
28 Supervision Act (1947)," P.L.1947, c.151 (C.52:27BB-1 et seq.);
29 the "Local Bond Law," (N.J.S.40A:2-1 et seq.); the "Local Budget
30 Law," (N.J.S.40A:4-1 et seq.); the "Local Fiscal Affairs Law,"
31 (N.J.S.40A:5-1 et seq.); the "Local Public Contracts Law,"
32 P.L.1971, c.198 (C.40A:11-1 et seq.) and such other statutes, and
33 such rules and regulations promulgated by the Director of the
34 Division of Local Government Services, the Local Finance Board,
35 or any other State agency, as may pertain to the financial
36 administration of the municipality.

37 (cf: P.L.1988, c.110, s.1)

38 2. Section 2 of P.L.1971, c.413 (C.40A:9-140.2) is amended to
39 read as follows:

40 2. a. The director shall hold examinations semi-annually, and

EXPLANATION--Matter enclosed in bold-faced brackets [thus] in the
above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Senate amendments adopted in accordance with Governor's
recommendations May 9, 1991.

1 at such times as he may determine appropriate for certification
2 of municipal finance officers. An applicant for examination shall
3 present to the director written application on forms provided by
4 the Division of Local Government Services, showing that the
5 applicant is not less than 21 years of age, is a citizen of the
6 United States, is of good moral character, has obtained a
7 certificate or diploma issued after at least four years of study in
8 an approved secondary school or has received an academic
9 education considered and accepted by the Commissioner of
10 Education of this State as fully equivalent, and has graduated
11 from a four-year course at a college of recognized standing with
12 a major course of study in business administration, accounting or
13 equivalent subject.

14 b. An applicant who does not [meet the college education
15 requirement] possess the college degree required under subsection
16 a. above may [substitute] qualify to take the examination by
17 furnishing proof of four years of full-time experience in a
18 position as a municipal director of finance, assistant director of
19 finance, fiscal officer, municipal comptroller, assistant
20 comptroller, [supervisor accounts payable,] municipal treasurer,
21 assistant municipal treasurer or deputy treasurer in any local unit
22 [on a year-for-year basis]. An applicant who does not possess
23 four years of full-time experience in such a position may
24 substitute one year of college education for one year of
25 experience, up to a maximum of two years of college education.
26 For the purpose of this section, one full year of college education
27 is equal to 30 college credits.

28 c. Every applicant shall [also] furnish proof that he has
29 received certificates indicating satisfactory completion of[, or
30 has been the instructor of,] complete training courses in
31 municipal finance administration, municipal current fund
32 accounting I and II, municipal capital and trust fund accounting,
33 municipal utility fund accounting, municipal budget preparation
34 and control, and principles of financial management, [or such
35 other training courses] as are [certified as their equivalent]
36 provided by the Division of Local Government Services or
37 Rutgers, The State University, [and approved by] with the
38 approval of the Division of Local Government Services.

39 d. Every applicant submitting an application after January 1,
40 1992 shall also furnish proof that he has received a certificate
41 indicating satisfactory completion of a complete training course
42 in the preparation of annual financial statements as provided by
43 the Division of Local Government Services, or Rutgers, The State
44 University, with the approval of the Division of Local
45 Government Services.

46 e. Each completed application form shall be accompanied by a
47 fee in the amount of [\$25.00] \$50, payable to the State Treasurer
48 and shall be filed with the director at least 30 days prior to the
49 date of examination. Examinations shall be written, or both
50 written and oral, and shall be of such character as fairly to test

1 and determine the ability of the person tested to perform the
2 duties of [municipal finance] chief financial officer.

3 (cf: P.L.1988, c.110, s.2)

4 3. Section 3 of P.L.1971, c.413 (C.40A:9-140.3) is amended to
5 read as follows:

6 3. Upon finding by the director that the applicant has
7 successfully completed the examination, a municipal finance
8 officer certificate shall be issued to the applicant, upon the
9 payment of a fee of [\$25.00] \$50 to the order of the Treasurer of
10 the State of New Jersey.

11 (cf: P.L.1988, c.110, s.3)

12 4. Section 4 of P.L.1971, c.413 (C.40A:9-140.4) is amended to
13 read as follows:

14 4. Notwithstanding the qualifications established in section 2
15 of this act, a municipal finance officer certificate shall be issued
16 to any person who is licensed as a registered municipal
17 accountant in the State of New Jersey who shall make application
18 as required in section 2 of this act, and who shall furnish proof
19 that he has received a certificate indicating satisfactory
20 completion or instruction of a training course in principles of
21 financial management, [or such other training course as is
22 certified as its equivalent] as provided by the Division of Local
23 Government Services or Rutgers, The State University, [and
24 approved by] with the approval of the Division of Local
25 Government Services of the State, upon payment of a fee of
26 [\$25.00] \$50 to the order of the Treasurer of the State of New
27 Jersey.

28 (cf: P.L.1988, c.110, s.4)

29 5. Section 6 of P.L.1971, c.413 (C.40A:9-140.6) is amended to
30 read as follows:

31 6. No person shall serve as [a municipal finance] the chief
32 financial officer of any municipality [who is] in which he serves
33 as a member of the governing body [of a municipality].

34 (cf: P.L.1971, c.413, s.6)

35 6. Section 2 of P.L.1977, c.39 (C.40A:9-140.8) is amended to
36 read as follows:

37 2. a. Notwithstanding the provisions of any other law to the
38 contrary, [every] any person who [is serving as the chief financial
39 officer of any municipality in this State and has served in that
40 position for a period of not less than five consecutive years and
41 who is a holder of a municipal finance officer certificate issued
42 in accordance with P.L.1971, c.413 (C.40A:9-140.1 et seq.), shall
43 be granted tenure of office] has served as the chief financial
44 officer of a municipality for four consecutive years and who is
45 reappointed as that municipality's chief financial officer shall be
46 granted tenure of office upon filing with the clerk of the
47 municipality and with the Division of Local Government Services
48 in the Department of Community Affairs a notification
49 evidencing his compliance with this section.

50 b. Thereafter, the person shall continue to hold office during

1 good behavior and efficiency, and shall not be removed therefrom
2 except for just cause and then only after a public hearing upon a
3 written complaint setting forth the charge or charges against him
4 pursuant to section 3 of P.L.1977, c.39 (C.40A:9-140.9) or upon
5 expiration or revocation of certification by the director [of the
6 Division of Local Government Services] pursuant to section [5 of
7 P.L.1971, c.413 (C.40A:9-140.5)] 7 of P.L.1988, c.110
8 (C.40A:9-140.12).

9 (cf: P.L.1988, c.110, s.13)

10 7. Section 3 of P.L.1977, c.39 (C.40A:9-140.9) is amended to
11 read as follows:

12 3. The complaint shall be filed with the municipal clerk and
13 the [Director of the Division of Local Government Services]
14 director and a certified copy thereof shall be served upon the
15 person so charged, with notice of a designated]. The director
16 shall thereafter designate a hearing date before the director or
17 his designee, which shall be not less than 30 days nor later than
18 60 days from the date of service of the complaint. The hearing
19 date may be extended by the Superior Court for good cause shown
20 upon the application of either party.

21 The person so charged and the complainant shall have the right
22 to be represented by counsel and the power to subpoena witnesses
23 and documentary evidence, together with discovery proceedings.

24 The Superior Court shall have jurisdiction to review the
25 determination of the director, which court shall hear the cause de
26 novo on the record below and affirm, modify or set aside such
27 determination.

28 Either party may supplement the record with additional
29 testimony subject to the rules of evidence.

30 (cf: P.L.1988, c.110, s.14)

31 8. Section 5 of P.L.1988, c.110 (C.40A:9-140.10) is amended to
32 read as follows:

33 5. [The governing body of each municipality shall, by
34 ordinance, create the position of chief financial officer and
35 establish the compensation therefor.] Notwithstanding the
36 provisions of any law to the contrary, in every municipality there
37 shall be a chief financial officer appointed by the governing body
38 of the municipality. The term of office shall be four years, which
39 shall run from January 1 in the year in which the chief financial
40 officer is appointed. The compensation for the chief financial
41 officer shall be separately set forth in a municipal salary
42 ordinance.

43 If a governing body fails or refuses to comply with this
44 subsection, and has received an order from the director to do so,
45 the members of a governing body who willfully fail or refuse to
46 comply shall each be subject to a personal penalty of \$25 for each
47 day after the date fixed for final action that failure or refusal to
48 comply continues. The amount of the penalty may be recovered
49 by the director in the name of the State as a personal debt of the
50 member of the governing body, and shall be paid, upon receipt,

1 into the State Treasury.

2 (cf: P.L. 1988, c.110, s.5)

3 9. Section 6 of P.L.1988, c.110 (C.40A:9-140.11) is amended to
4 read as follows:

5 6. Notwithstanding the qualifications established in section 2
6 of P.L.1971, c.413 (C.40A:9-140.2), a municipal finance officer
7 certificate may be issued without fee by the director to any
8 employee of the Division of Local Government Services, for the
9 sole purpose of enabling that employee to serve as a [municipal
10 finance] chief financial officer on an interim basis in any local
11 unit when so instructed by the director.

12 When an employee of the director is instructed to serve as a
13 chief financial officer for a municipality on an interim basis, the
14 director may establish a fee based upon the time spent and other
15 expenses for such work. The municipality shall, upon request for
16 payment for chief financial officer services, forward a check to
17 the director, payable to the State Treasurer. The amount, if not
18 paid when billed, shall be recoverable in an action at law.

19 (cf: P.L.1988, c.110, s.6)

20 10. Section 7 of P.L.1988, c.110 (C.40A:9-140.12) is amended
21 to read as follows:

22 7. Any municipal finance officer certificate may be revoked or
23 suspended by the director for dishonest practices or willful or
24 intentional failure, neglect or refusal to comply with the
25 Constitution of the State of New Jersey or laws relating to
26 municipal finances or other good cause. The governing body
27 together with the appropriate chief executive officer of any
28 municipality may request a review by the director of the behavior
29 or practices of a certified municipal finance officer. The
30 director may also initiate a review of the behavior or practices of
31 a certified municipal finance officer if he finds it advisable to do
32 so through the normal exercise of his statutory duties and
33 responsibilities. No certificate shall be revoked or suspended
34 except under a proper hearing before the director or his designee
35 after due notice. If the municipal finance officer certificate of a
36 person serving as a chief financial officer or municipal finance
37 officer shall be revoked, such person shall be removed from his
38 office or position by the director, the office or position shall be
39 declared vacant, and the person shall not be eligible to hold that
40 office or position or to make application for recertification for a
41 period of five years from the date of revocation.

42 (cf: P.L.1988, c.110, s. 7)

43 11. Section 8 of P.L.1988, c.110 (C.40A:9-140.13) is amended
44 to read as follows:

45 8. a. Commencing January 1, 1991, no person shall be
46 appointed or reappointed as a [municipal finance] chief financial
47 officer unless he holds a municipal finance officer certificate
48 issued pursuant to the provisions of P.L.1971, c.413
49 (C.40A:9-140.1 et seq.) or this act[; or unless on or before the
50 effective date of this act he has been granted tenure pursuant to

1 the provisions of section 2 of P.L.1977, c.39 (C.40A:9-140.8) or
2 this act, or pursuant to the provisions of N.J.S.40A:9-152;
3 provided, however, that a municipal finance officer who has held
4 office continuously for five consecutive years in the same
5 municipality may continue to serve in his current position and
6 shall not be removed from office or denied reappointment for
7 failure to qualify as a certified municipal finance officer
8 pursuant to the provisions of P.L.1971, c.413 (C.40A:9-140.1
9 et seq.) or this act; and further provided, however, that when] .

10 b. Any person who has, on or before the effective date of
11 P.L.1988, c.110 been granted tenure pursuant to the provisions of
12 section 2 of P.L.1977, c.39 (C.40A:9-140.8) or the provisions of
13 N.J.S.40A:9-152, may continue to serve in his current position
14 and shall not be removed from office or denied reappointment
15 except for just cause and then only after a public hearing
16 conducted pursuant to sections 2 and 3 of P.L.1977, c.39
17 (C.40A:9-140.8 and C.40A:9-140.9).

18 c. Any certified municipal finance officer who has been
19 appointed as the chief financial officer of a municipality pursuant
20 to section 5 of P.L.1988, c.110 (C.40A:9-140.10) subsequent to
21 the effective date of P.L.1988, c.110 and who thereafter filed
22 with the clerk of that municipality and with the Division of Local
23 Government Services in the Department of Community Affairs a
24 notification that he had complied with the requirements of
25 section 2 of P.L.1977, c.39 (C.40A:9-140.8) shall be considered to
26 have been granted tenure and shall accordingly be entitled to the
27 protections set forth in subsection b. of section 2 of P.L.1977,
28 c.39 (C.40A:9-140.8).

29 d. Notwithstanding the provisions of any other law to the
30 contrary, any person who has served as a municipal finance
31 officer in the same municipality for a period of not less than five
32 consecutive years while holding a municipal finance officer
33 certificate issued in accordance with P.L.1971, c.413
34 (C.40A:9-140.1 et seq.), and who thereafter is appointed as the
35 chief financial officer of that municipality, shall be granted
36 tenure of office upon the filing with the clerk of the municipality
37 and the Director of the Division of Local Government Services in
38 the Department of Community Affairs a notification evidencing
39 his compliance with this section.

40 e. A municipal finance officer who has held office
41 continuously for five consecutive years in the same municipality
42 may continue to serve in his current position and shall not be
43 removed from office or denied reappointment for failure to
44 qualify as a certified municipal finance officer pursuant to
45 provisions of P.L.1971, c.413 (C.40A:9-140.1 et seq.) or this act.
46 However, any such individual shall not be entitled to be appointed
47 as the chief financial officer of that municipality unless he
48 possesses a municipal finance officer certificate.

49 f. When a vacancy occurs in the [position] office of chief
50 financial officer following the appointment of a certified

1 municipal finance officer to that office, the governing body or
2 chief executive officer, as appropriate, may appoint, for a period
3 not to exceed one year and commencing on the date of the
4 vacancy, a person who does not hold a municipal finance officer
5 certificate to serve as a temporary chief financial officer. Any
6 person so appointed may, with the approval of the director, be
7 reappointed as chief financial officer following the termination
8 of the temporary appointment for one additional year[; provided,
9 however, that no person shall serve as]. No local unit shall have a
10 temporary chief financial officer for more than two consecutive
11 years [in any local unit].

12 g. Upon application by a municipal governing body to the
13 director, an individual without a municipal finance officer
14 certificate may, with the approval of the director, be appointed
15 to serve as the chief financial officer in a municipality in which
16 he is presently employed if that individual meets all of the
17 requirements established under subsection a. of section 2 of
18 P.L.1971, c.413 (C.40A:9-140.2) and further has completed four
19 of the seven training courses identified in subsection b. of section
20 2 of P.L.1971, c.413 (C.40A:9-140.2), at least two of which shall
21 be accounting courses. If any individual appointed as a chief
22 financial officer pursuant to this subsection fails to obtain a
23 municipal finance officer certificate prior to January 1, 1992, his
24 appointment as chief financial officer shall lapse and the
25 municipal governing body shall appoint a certified municipal
26 finance officer as the municipality's chief financial officer.
27 (cf: P.L.1988, c.110, s.8)

28 12. Section 9 of P.L.1988, c.110 (C.40A:9-140.14) is amended
29 to read as follows:

30 9. [The first examinations for certification of municipal
31 finance officers shall take place not less than 180 days from the
32 effective date of this act. No municipal finance officer
33 certificates applied for under the terms of P.L.1971, c.413
34 (C.40A:9-140.1 et seq.) shall be issued on or after 180 days after
35 the effective date of this act.]

36 a. Any person who holds a municipal finance officer
37 certificate prior to the effective date of [this act] P.L.1988,
38 c.110 shall continue to hold the certificate without any further
39 qualifications, except as provided in section 10 of [this act]
40 P.L.1988, c.110 (C.40A:9-140.15).

41 b. Notwithstanding the provisions of this act, on and after the
42 effective date of this act, but not later than one year after the
43 enactment of this act, the director shall issue upon payment of a
44 fee of [~~\$25.00~~] \$50 to the order of the Treasurer of the State of
45 New Jersey a municipal finance officer certificate to any
46 applicant who has successfully completed the training courses
47 provided in section 2 of P.L.1971, c.413 (C.40A:9-140.2) [and who
48 is serving as a municipal finance officer on, and has served as a
49 municipal finance officer for five consecutive years immediately
50 prior to the date of application for certification, but

1 who has not successfully completed the examination required
2 pursuant to this act] and who desires to satisfy the experience
3 requirements set forth in section 2 of P.L.1971, c.413
4 (C.40A:9-140.2) through one or more full years of experience as
5 supervisor of accounts payable and who has successfully
6 completed the examination administered by the director pursuant
7 to section 2 of P.L.1971, c.413 (C.40A:9-140.2).

8 (cf: P.L.1988, c.110, s. 9)

9 13. Section 10 of P.L.1988, c.110 (C.40A:9-140.15) is amended
10 to read as follows:

11 10. a. Commencing January 1, 1991, all municipal finance
12 officer certificates, except those issued pursuant to section 4 of
13 P.L.1971, c.413 (C.40A:9-140.4) or pursuant to section 6 of [this
14 act] P.L.1988, c.110 (C.40A:9-140.11), shall be renewed upon
15 application, payment of the required fee of \$50, and verification
16 that the applicant has met continuing education requirements, all
17 as set forth in this section. Each renewal shall be for a period of
18 two years. The renewal date shall be 30 days prior to the
19 expiration date.

20 b. [All] Each municipal finance officer [certificates]
21 certificate subject to renewal pursuant to this section issued
22 prior to January 1, [1991] 1992 shall [have an expiration date of
23 December 31, 1993] expire on January 1, 1994. [All] Each
24 municipal finance officer [certificates] certificate issued on or
25 after January 1, [1991] 1992 shall [have an expiration date of
26 either June 30 or December 31, whichever is sooner, of the
27 second year following the year in which the certificates were
28 originally issued, provided that no certificate shall expire sooner
29 than two years from the date of original issue] expire two years
30 from the date on which the certificate was originally issued.

31 c. Each applicant for renewal of a municipal finance officer
32 certificate shall, on a form prescribed by the director, furnish
33 proof of having earned at least [2.0] 3.0 continuing education
34 units. For the purposes of this section, 1.0 continuing education
35 unit equals 10 [contract] contact hours. Upon verification of this
36 requirement, and upon payment of a fee of [\$10.00] \$50 to the
37 order of the Treasurer of the State of New Jersey, the director
38 shall renew the municipal finance officer certificate.

39 d. Where the holder of a municipal finance officer certificate
40 has allowed the certificate to lapse by failing to renew the
41 certificate, a new application and certificate shall be required.
42 If application is made within six months of the expiration of the
43 certificate, then application may be made in the same manner as
44 a renewal [but the application shall be accompanied by the fee
45 for a new application].

46 (cf: P.L.1988, c.110, s.10)

47 14. N.J.S.40A:9-165 is amended to read as follows:

48 40A:9-165. The governing body of a municipality, by
49 ordinance, unless otherwise provided by law, shall fix and
50 determine the salaries, wages or compensation to be paid to the

1 officers and employees of the municipality, including the
2 members of the governing body and the mayor or other chief
3 executive, who by law are entitled to salaries, wages, or
4 compensation.

5 Salaries, wages or compensation fixed and determined by
6 ordinance may, from time to time, be increased, decreased or
7 altered by ordinance. No such ordinance shall reduce the salary
8 of, or deny without good cause an increase in salary given to all
9 other municipal officers and employees to, any tax assessor, chief
10 financial officer, tax collector or municipal clerk during the term
11 for which he shall have been appointed. Except with respect to
12 an ordinance or a portion thereof fixing salaries, wages or
13 compensation of elective officials or any managerial, executive
14 or confidential employee as defined in section 3 of the "New
15 Jersey Employer-Employee Relations Act" P.L.1941, c.100
16 (C.34:13A-3), as amended, the ordinance shall take effect as
17 provided therein. In municipalities wherein the provisions of Title
18 11 (Civil Service) of the Revised Statutes are in operation, this
19 section shall be subject thereto.

20 Where any such ordinance shall provide for increases in
21 salaries, wages or compensation of elective officials or any
22 managerial, executive or confidential employee, the ordinance or
23 that portion thereof which provides an increase for such elective
24 or appointive officials shall become operative in 20 days after the
25 publication thereof, after final passage, unless within said 20
26 days, a petition signed by voters of such municipality, equal in
27 number to at least 5% of the registered voters of the
28 municipality, protesting against the passage of such ordinance, be
29 presented to the governing body, in which case such ordinance
30 shall remain inoperative unless and until a proposition for the
31 ratification thereof shall be adopted at an election by a majority
32 of the voters voting on said proposition. The question shall be
33 submitted at the next general election, occurring not less than 40
34 days from the date of the certification of the petition. The
35 submission of the question to the voters shall be governed by the
36 provisions of Title 19 (Elections) of the Revised Statutes, as in
37 the case of public questions to be voted upon in a single
38 municipality.

39 (cf: P.L.1985, c.374, s.10)

40 15. N.J.S.40A:5-2 is amended to read as follows:

41 40A:5-2. As used in this chapter and any act amendatory to
42 and supplementary thereto unless the context indicates
43 otherwise: "local unit" means any county, municipality, special
44 district or any public body corporate and politic created or
45 established under any law of this State by or on behalf of any one
46 or more counties or municipalities, or any board, commission,
47 department or agency of any of the foregoing having custody of
48 funds, but shall not include a school district;

49 "governing body" means the governing body of a county or the
50 commission, council, board or body having control of the finances

1 of a municipality or any other local unit as defined herein;

2 "chief financial officer" means, except in the case of a
3 municipality, the director of revenue and finance, comptroller,
4 treasurer, collector or other financial officer of a local unit . In
5 the case of a municipality, the chief financial officer means the
6 person appointed pursuant to section 5 of P.L.1988, c.110
7 (C.40A:9-140.10);

8 "chief executive officer" means the county executive, county
9 manager, county supervisor or president of the board of chosen
10 freeholders, as appropriate to the form of government of a
11 county, or the mayor, manager or commissioner, as appropriate
12 to the form of government of a municipality, or the chairman,
13 president, director or other chief executive officer of any other
14 local unit;

15 "warrant" means the draft or check of any local unit used in
16 warranting disbursement of moneys and shall, in every instance,
17 be evidenced by the issuance of a check of the local unit. In no
18 instance shall it be necessary for the local unit to refer to, or
19 issue, a check separate and distinct from the warrant;

20 "check" means the instrument by which moneys of any local
21 unit are disbursed.

22 (cf: P.L.1983, c.8, s.1)

23 16. Section 5 of P.L.1971, c.413 (C.40A:9-140.5) and section 1
24 of P.L.1977, c.39 (C.40A:9-140.7) are repealed.

25 17. This act shall take effect ¹[immediately] on the 60th day
26 after enactment¹.

27

28

29

LOCAL GOVERNMENT

30

31 Clarifies practices and procedures regarding municipal chief
32 financial officers.

1 of a municipality or any other local unit as defined herein;

2 "chief financial officer" means, except in the case of a
3 municipality, the director of revenue and finance, comptroller,
4 treasurer, collector or other financial officer of a local unit . In
5 the case of a municipality, the chief financial officer means the
6 person appointed pursuant to section 5 of P.L.1988, c.110
7 (C.40A:9-140.10);

8 "chief executive officer" means the county executive, county
9 manager, county supervisor or president of the board of chosen
10 freeholders, as appropriate to the form of government of a
11 county, or the mayor, manager or commissioner, as appropriate
12 to the form of government of a municipality, or the chairman,
13 president, director or other chief executive officer of any other
14 local unit;

15 "warrant" means the draft or check of any local unit used in
16 warranting disbursement of moneys and shall, in every instance,
17 be evidenced by the issuance of a check of the local unit. In no
18 instance shall it be necessary for the local unit to refer to, or
19 issue, a check separate and distinct from the warrant;

20 "check" means the instrument by which moneys of any local
21 unit are disbursed.

22 (cf: P.L.1983, c.8, s.1)

23 16. Section 5 of P.L.1971, c.413 (C.40A:9-140.5) and section 1
24 of P.L.1977, c.39 (C.40A:9-140.7) are repealed.

25 17. This act shall take effect immediately.

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28 STATEMENT

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30 This bill amends the law that establishes the position,
31 qualifications and duties of the chief financial officer for
32 municipal governments. It clearly defines the responsibility of
33 the chief financial officer and clarifies the requisite experience
34 and education necessary to take the examination to become a
35 certified municipal finance officer. This includes completion of a
36 course in the preparation of annual financial statements.
37 Municipalities that have not met the statutory requirement of
38 having a certified municipal finance officer as chief financial
39 officer by the January 1, 1991 date are granted a year's
40 extension, provided that they meet certain criteria.

41 The bill eliminates the requirement that a municipality must
42 pass a separate ordinance creating the position of chief financial
43 officer and instead requires that the municipality pass a salary
44 ordinance in order to establish a salary for the position. The
45 Director of the Division of Local Government Services in the
46 Department of Community Affairs is provided with enforcement
47 mechanisms to insure compliance with the law if a municipality
48 fails to appoint a chief financial officer as required. The bill also
49 prohibits a member of the governing body in a municipality from
50 serving as chief financial officer in the same municipality.

1 The bill establishes a four-year term of office for an original
2 appointment, and clarifies that tenure for a chief financial
3 officer will occur after four years. The term of office and the
4 service required for tenure are the same as for other municipal
5 finance professionals. The bill also clarifies the circumstances
6 under which individuals who have been serving as chief financial
7 officers since the system was initially established, may continue
8 to do so. The appeal process for hearing a complaint against a
9 tenured individual has been modified by eliminating the role of
10 the Superior Court and directing the Director of the Division of
11 Local Government Services to hear and determine such
12 complaints. The Division of Local Government Services is also
13 empowered to offer the requisite training courses, in addition to
14 Rutgers University.

15 The bill requires that salary increases granted to other
16 municipal employees must also be granted to chief financial
17 officers, unless there is good cause not to do so. This salary
18 increase protection already is provided by law to tax collectors,
19 municipal clerks, and tax assessors. The "Local Fiscal Affairs
20 Law" is also amended to include the definition of "chief financial
21 officer."

22

23

24

LOCAL GOVERNMENT

25

26 Clarifies practices and procedures regarding municipal chief
27 financial officers.

ASSEMBLY MUNICIPAL GOVERNMENT COMMITTEE

STATEMENT TO

SENATE, No. 3227

STATE OF NEW JERSEY

DATED: FEBRUARY 25, 1991

The Assembly Municipal Government committee favorably reports Senate Bill No. 3227.

Senate Bill No. 3227 amends the law that establishes the position, qualifications and duties of the chief financial officer for municipal governments. It clearly defines the responsibility of the chief financial officer and clarifies the requisite experience and education necessary to take the examination to become a certified municipal finance officer. This includes completion of a course in the preparation of annual financial statements. Municipalities that have not met the statutory requirement of having a certified municipal finance officer as chief financial officer by the January 1, 1991 date are granted a year's extension, provided that they meet certain criteria.

The bill eliminates the requirement that a municipality must pass a separate ordinance creating the position of chief financial officer and instead requires that the municipality pass a salary ordinance in order to establish a salary for the position. The Director of the Division of Local Government Services in the Department of Community Affairs is provided with enforcement mechanisms to insure compliance with the law if a municipality fails to appoint a chief financial officer as required. The bill also prohibits a member of the governing body in a municipality from serving as chief financial officer in the same municipality.

The bill establishes a four-year term of office for an original appointment, and clarifies that tenure for a chief financial officer will occur after four years. The term of office and the service required for tenure are the same as for other municipal finance professionals. The bill also clarifies the circumstances under which individuals who have been serving as chief financial officers since the system was initially established, may continue to do so. The appeal process for hearing a complaint against a tenured individual has been modified by eliminating the role of the Superior Court and directing the Director of the Division of Local Government Services to hear and determine such complaints. The Division of Local Government Services is also empowered to offer the requisite training courses, in addition to Rutgers University.

The bill requires that salary increases granted to other municipal employees must also be granted to chief financial officers, unless there is good cause not to do so. This salary increase protection already is provided by law to tax collectors, municipal clerks, and tax assessors. The "Local Fiscal Affairs Law" is also amended to include the definition of "chief financial officer."

This bill is identical to Assembly Bill Nos. 4186 and 4430.

SENATE COUNTY AND MUNICIPAL
GOVERNMENT COMMITTEE

STATEMENT TO

SENATE, No. 3227

STATE OF NEW JERSEY

DATED: JANUARY 17, 1991

The Senate County and Municipal Government Committee reports favorably Senate Bill No. 3227.

Senate Bill No. 3227 amends the law that establishes the position, qualifications and duties of the chief financial officer for municipal governments. It clearly defines the responsibility of the chief financial officer and clarifies the requisite experience and education necessary to take the examination to become a certified municipal finance officer. This includes completion of a course in the preparation of annual financial statements. Municipalities that have not met the statutory requirement of having a certified municipal finance officer as chief financial officer by the January 1, 1991 date are granted a year's extension, provided that they meet certain criteria.

The bill eliminates the requirement that a municipality must pass a separate ordinance creating the position of chief financial officer and instead requires that the municipality pass a salary ordinance in order to establish a salary for the position. The Director of the Division of Local Government Services in the Department of Community Affairs is provided with enforcement mechanisms to insure compliance with the law if a municipality fails to appoint a chief financial officer as required. The bill also prohibits a member of the governing body in a municipality from serving as chief financial officer in the same municipality.

The bill establishes a four-year term of office for an original appointment, and clarifies that tenure for a chief financial officer will occur after four years. The term of office and the service required for tenure are the same as for other municipal finance professionals. The bill also clarifies the circumstances under which individuals who have been serving as chief financial officers since the system was initially established, may continue to do so. The appeal process for hearing a complaint against a tenured individual has been modified by eliminating the role of the Superior Court and directing the Director of the Division of Local Government Services to hear and determine such complaints. The Division of Local Government Services is also empowered to offer the requisite training courses, in addition to Rutgers University.

The bill requires that salary increases granted to other municipal employees must also be granted to chief financial officers, unless there is good cause not to do so. This salary increase protection already is provided by law to tax collectors, municipal clerks, and tax assessors. The "Local Fiscal Affairs Law" is also amended to include the definition of "chief financial officer."

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

April 25, 1991

SENATE BILL NO. 3227

To the Senate:

Pursuant to Article V, Section I, Paragraph 14, of the Constitution, I am returning Senate Bill No. 3227 with my objections for reconsideration.

Senate Bill No. 3227 would amend the law that establishes the position, qualifications, and duties of the chief financial officer for municipal governments. It defines the responsibility of the chief financial officer and clarifies the requisite experience and educational requirements. In addition, it eliminates the requirement that a municipality must pass a separate ordinance creating the position of chief financial officer and instead requires that the municipality pass a salary ordinance establishing a salary for the position. It also prohibits a member of the local governing body from serving as chief financial officer in that municipality and provides that tenure for a chief financial officer will occur after four years.

While I support the purpose of this legislation, I am concerned that municipalities which may be impacted by the legislation will not have sufficient time to adjust to these changes and plan accordingly. Therefore, I am returning the bill with a recommendation that it be amended to be effective 60 days after enactment.

I herewith return Senate Bill No. 3227 and recommend that it be amended as follows:

