

40A: 4-45.3 et al

LEGISLATIVE HISTORY CHECKLIST

NJSA: 40A:4-45.3 et al

("Caps"--municipal--exempt contribution for support of public libraries)

LAWS OF: 1985

CHAPTER: 82

Bill No: A842

Sponsor(s): Palaia and others

Date Introduced: January 30, 1984

Committee: Assembly: Municipal Government

Senate: County and Municipal Government

Amended during passage: Yes Amendments during passage denoted by asterisks

Date of Passage: Assembly: Jul. 30, 1984

Senate: Feb. 14, 1985

Date of Approval: March 15, 1985

Following statements are attached if available:

Sponsor statement: Yes Attached: Assembly committee amendments, adopted 3-15-84 (with statements)

Committee statement: Assembly Yes

Senate Yes

Fiscal Note: Yes

Veto Message: No

Message on Signing: No

Following were printed:

Reports: No

Hearings: No

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ASSEMBLY, No. 842

STATE OF NEW JERSEY

INTRODUCED JANUARY 30, 1984

By Assemblymen PALAIA, VILLANE, BENNETT, Assemblywoman
 MUHLER, Assemblymen HAYTAIAN and FELICE

AN ACT concerning the amounts of money required to be expended
 by municipalities for the support of free public libraries, amend-
 ing P. L. 1976, c. 68 and R. S. 40:54-8.

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

1 1. Section 3 of P. L. 1976, c. 68 (C. 40A:4-45.3) is amended to
 2 read as follows:

3 3. In the preparation of its budget a municipality shall limit any
 4 increase in said budget to 5% or the index rate, whichever is less,
 5 over the previous year's final appropriations subject to the follow-
 6 ing exceptions:

7 a. The amount of revenue generated by the increase in its valua-
 8 tions based solely on applying the preceding year's general tax rate
 9 of the municipality to the assessed value of new construction or
 10 improvements;

11 b. Capital expenditures including appropriations for current
 12 capital expenditures whether in the capital improvement fund, or
 13 as a component of a line item elsewhere in the budget, provided
 14 that any such current capital expenditure would be otherwise bond-
 15 able under the requirements of N. J. S. 40A:2-21 and 40A:2-22;

16 c. An increase based upon: (1) emergency temporary appropria-
 17 tions made pursuant to N. J. S. 40A:4-20 to meet an urgent situa-
 18 tion or event which immediately endangers the health, safety or
 19 property of the residents of the municipality, and over which the
 20 governing body had no control and for which it could not plan; (2)

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 printed in italics *thus* is new matter.

Matter enclosed in asterisks or stars has been adopted as follows:

*—Assembly committee amendments adopted March 15, 1984.

**—Senate committee amendments adopted November 19, 1984.

21 emergency appropriations made pursuant to N. J. S. 40A:4-46 and
22 special emergency appropriations made pursuant to N. J. S.
23 40A:4-53; or (3) special emergency appropriations made pursuant
24 to N. J. S. 40A:4-54, section 1 of P. L. 1961, c. 22 (C. 40A:4-55.1)
25 or section 1 of P. L. 1968, c. 194 (C. 40A:4-55.13). Emergency tem-
26 porary appropriations, special emergency appropriations and emer-
27 gency appropriations under (1) and (2) above shall be approved
28 by at least two-thirds of the governing body and by the Director of
29 the Division of Local Government Services, and shall not exceed
30 in the aggregate 3% of the previous year's final current operating
31 appropriations. Special emergency appropriations under (3) above
32 shall be approved by at least two-thirds of the governing body, and
33 shall not exceed in the aggregate 3% of the previous year's final
34 current operating appropriations. Neither procedure shall apply
35 to appropriations adopted for a purpose referred to in subsection
36 d. or j. below;

37 d. All debt service, including that of a Type I school district;

38 e. Amounts required for funding a preceding year's deficit;

39 f. Amounts reserved for uncollected taxes;

40 g. Expenditures mandated after the effective date of this act
41 pursuant to State or federal law;

42 h. Expenditure of amounts derived from new or increased service
43 fees imposed by ordinance, or derived from the sale of municipal
44 assets;

45 i. When approved by referendum;

46 j. Amounts required to be paid pursuant to any contract with
47 respect to use, service or provision of any project, facility or public
48 improvement for water, sewer, solid waste, parking, senior citizen
49 housing or any similar purpose, or payments on account of debt
50 service therefor, between a municipality and any other municipality,
51 county, school or other district, agency, authority, commission,
52 instrumentality, public corporation, body corporate and politic or
53 political subdivision of this State. With respect to the amounts
54 required to be paid for senior citizen housing in the above cited
55 political subdivisions or bodies, the exceptions shall be subject to
56 the review and approval of the Local Finance Board;

57 k. Amounts required to be paid by any constituent municipality
58 of the Hackensack Meadowlands District established pursuant to
59 article 2 of the "Hackensack Meadowlands Reclamation and
60 Development Act" (P. L. 1968, c. 404; C. 13:17-4), to the inter-
61 municipal account established pursuant to article 9 of said act
62 (C. 13:17-60 through 13:17-76);

63 l. Programs funded wholly or in part by federal or State funds

64 and amounts received or to be received from federal, State or other
65 funds in reimbursement for local expenditures;

66 m. Amounts appropriated to fund any increase in public utility,
67 fuel oil, gasoline or heating oil charges which exceeds by more than
68 10% the amount produced by subtracting from the amount appro-
69 priated in the previous year for these purposes that amount which
70 was excepted pursuant to this subsection in that previous year;

71 n. Increased revenue from payments in lieu of taxes on any prop-
72 erty owned by a tax-exempt public entity, to the extent that the pay-
73 ment received for any single property exceeds the amount of real
74 property taxes received on that property in the year immediately
75 prior to acquisition by the public entity, or, in the case of State
76 property subject to P. L. 1977, c. 272 (C. 54:4-2.2a et seq.), to the
77 extent that the total State payment exceeds the amount of the pay-
78 ment received in the 1982 budget year;

79 o. Any decrease in amounts received pursuant to any federal
80 general purposes aid program from the amounts received in local
81 budget year 1982, after deducting from the decrease any amount of
82 new or increased federal or State general purposes aid explicitly
83 provided for the purpose of replacing the decrease in federal aid; or

84 p. Amounts expended for the conduct of a special election re-
85 quired by law to be held at a time other than the time of the general
86 election or the time of a regular municipal election; or

87 q. *Amounts expended to fund a free public library established*
88 *pursuant to the provisions of R. S. 40:54-1 through 40:54-29,*
89 *inclusive.*

1 2. R. S. 40:54-8 is amended to read as follows:

2 40:54-8. The governing body or appropriate board of every
3 municipality governed by this article shall annually appropriate
4 and raise by taxation a sum equal to one-third of a mill on every
5 dollar of assessable property within such municipality ***[calculated**
6 *on the value of that assessable property for the 1982 tax year]* * *,
7 *provided, however, that no municipality which has implemented a*
8 *reevaluation of real property pursuant to Title 54 of the Revised*
9 *Statutes ****after January 1, 1982**** shall be required to exceed the*
10 *amount it expended pursuant to this section in the year before that*
11 *implementation by more than 10%* ****annually for the first five***
11A *years following the reevaluation**.*

12 Such additional sum, as in the judgment of such body or board
13 is necessary for the proper maintenance of a free public library,
14 may be appropriated and raised by taxation annually.

1 3. This act shall take effect immediately.

64 and amounts received or to be received from federal, State or other
65 funds in reimbursement for local expenditures;

66 m. Amounts appropriated to fund any increase in public utility,
67 fuel oil, gasoline or heating oil charges which exceeds by more than
68 10% the amount produced by subtracting from the amount appro-
69 priated in the previous year for these purposes that amount which
70 was excepted pursuant to this subsection in that previous year;

71 n. Increased revenue from payments in lieu of taxes on any prop-
72 erty owned by a tax-exempt public entity, to the extent that the pay-
73 ment received for any single property exceeds the amount of real
74 property taxes received on that property in the year immediately
75 prior to acquisition by the public entity, or, in the case of State
76 property subject to P. L. 1977, c. 272 (C. 54:4-2.2a et seq.), to the
77 extent that the total State payment exceeds the amount of the pay-
78 ment received in the 1982 budget year;

79 o. Any decrease in amounts received pursuant to any federal
80 general purposes aid program from the amounts received in local
81 budget year 1982, after deducting from the decrease any amount of
82 new or increased federal or State general purposes aid explicitly
83 provided for the purpose of replacing the decrease in federal aid; or

84 p. Amounts expended for the conduct of a special election re-
85 quired by law to be held at a time other than the time of the general
86 election or the time of a regular municipal election; *or*

87 *q. Amounts expended to fund a free public library established*
88 *pursuant to the provisions of R. S. 40:54-1 through 40:54-29,*
89 *inclusive.*

1 2. R. S. 40:54-8 is amended to read as follows:

2 40:54-8. The governing body or appropriate board of every
3 municipality governed by this article shall annually appropriate
4 and raise by taxation a sum equal to one-third of a mill on every
5 dollar of assessable property within such municipality *calculated on*
6 *the value of that assessable property for the 1982 tax year.*

7 Such additional sum, as in the judgment of such body or board
8 is necessary for the proper maintenance of a free public library,
9 may be appropriated and raised by taxation annually.

1 3. This act shall take effect immediately.

Sponsor's STATEMENT

This bill exempts from the "caps law" amounts municipalities are required to contribute to the support of their free public libraries. The bill also put a ceiling on the amount municipalities are required to contribute by R. S. 40:54-8 for the support of the libraries. That

ceiling will be the amount required to be raised based on the value of assessable property in the municipality in 1982. A municipality may, of course, voluntarily exceed the ceiling if it deems such action necessary. The establishment of a ceiling was necessitated by the enormous growth in property value in recent years. This has resulted in mandatory appropriations for library purposes which, in some cases, are far in excess of the reasonable amount needed for the support of the libraries.

ASSEMBLY MUNICIPAL GOVERNMENT COMMITTEE

STATEMENT TO

ASSEMBLY, No. 842

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: MARCH 15, 1984

Assembly Bill No. 842 would amend section 3 of P. L. 1976, c. 68 (C. 40A:4-45.3) to add to the list of municipal "cap" exceptions amounts expended to fund a free public library established pursuant to R. S. 40:54-1 through R. S. 40:54-29. In addition, the bill would set a ceiling on mandatory municipal contributions (R. S. 40:54-8) by freezing the property value base used in computing the mandatory contribution to the value of assessable property for the 1982 tax year.

At the request of the prime sponsor, the committee amended the bill to add to R. S. 40:54-8 the proviso that no municipality which has implemented a property tax revaluation pursuant to Title 54 of the Revised Statutes shall be required to exceed the amount it expended pursuant to that section in the year before the implementation by more than 10%.

At the sponsor's request, the committee amended the bill to provide that, when the value of assessable property increased because of a revaluation, the municipality will not be required to increase its library appropriations by more than 10% over the appropriations made during the year before the revaluation is implemented. The committee notes that, in this type of situation, an increase in the value of assessable property is not reflective of an increased demand for library services.

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Am

Assembly
Committee
Amendments

ADOPTED
MAR 15 1984

to

Assembly Bill No. 842

Amend:

Page	Sec.	Line	
3	2	5	Omit "calculated on"
3	2	6	Omit this line, insert ", provided, however, that no municipality which has implemented a revaluation of real property pursuant to Title 54 of the Revised Statutes shall be required to exceed the amount it expended pursuant to this section in the year before that implementation by more than 10%"
3	3	1	Omit "3." insert "4."

~~STATEMENT~~

The Committee amendments add an additional ceiling on mandatory municipal contributions to free public libraries pursuant to R.S. 40:54-8.

SENATE COUNTY AND MUNICIPAL GOVERNMENT
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 842

[OFFICIAL COPY REPRINT]

with Senate committee amendments

STATE OF NEW JERSEY

DATED: NOVEMBER 19, 1984

Assembly Bill No. 842 (OCR) with Senate committee amendments amends section 3 of P. L. 1976, c. 68 (C. 40A:4-45.3) to add to the list of municipal cap exceptions amounts expended to fund a free public library established pursuant to R. S. 40:54-1 through R. S. 40:54-29. In addition, the bill amends R. S. 40:54-8 to modify the requirement contained in that section for annual municipal contributions for that purpose. Currently, that section mandates an annual appropriation of "a sum equal to one-third of a mill on every dollar of assessable property" within the municipality. As amended by the bill, the section provides that no municipality which has implemented a real property revaluation pursuant to Title 54 of the Revised Statutes shall be required to exceed the amount it expended in the year preceding implementation by more than 10%.

The committee amended the bill to specify that the real property revaluation implementations to which the bill refers are those that occur after January 1, 1982 and that the 10% limitation applies only to the first five years following the revaluation.

FISCAL NOTE TO
ASSEMBLY, No. 842

[OFFICIAL COPY REPRINT]

STATE OF NEW JERSEY

DATED: APRIL 10, 1984

The Official Copy Reprint of Assembly Bill No. 842 of 1984 exempts from the municipal "cap" law amounts appropriated to fund free public libraries. The bill also provides that when a municipality has undergone a revaluation of real property, the municipality will not be required to increase its library appropriation by more than 10% over the appropriation made in the year prior to revaluation.

According to data supplied by the Department of Community Affairs, there are 219 municipalities with free public libraries in 1984. Based on the statutory minimum support level of $\frac{1}{3}$ mill per dollar of assessed valuation (R. S. 40:54-8), the total minimum support for libraries in these municipalities during this year would be \$26.7 million. However, many municipalities appropriate more than the minimum amount required, and since Assembly No. 842 (OCR) would exempt these expenditures from the local "cap," the net result could be an incentive to fund free public libraries at a higher level.

Conversely, Section 2 of the bill serves to limit mandated library expenditures in municipalities whose taxable property wealth has increased solely as a result of a revaluation of real property. Since virtually all revaluations would otherwise produce a greater than 10% increase in minimum library support (based on the statutory formula), this bill will restrain such spending in towns that support free libraries at or near the minimum level.

It is not known how many municipalities would be affected. The Division of Taxation notes that in recent years the number of municipalities undergoing revaluation has varied between 38 and 58 per year. If the 219 municipalities supporting free libraries are representative, then perhaps 20 of these municipalities undergo revaluation in any given year, and some smaller number of these would fall under the minimum support provisions of the bill.

Inasmuch as the fiscal impact of this bill on local library expenditures cannot be precisely stated, there are also varying potential impacts on State library aid under N. J. S. 18A:74-1 et seq.

This fiscal note has been prepared pursuant to P. L. 1980, c. 67.
