

40A:4-45.14; 40A:4-45.19

LEGISLATIVE HISTORY CHECKLIST

NJSA: 40A:4-45.14; 40A:4-45.19

(Local Caps Law Amends)

LAWS OF: 1983

CHAPTER: 312

Bill No: S3262

Sponsor(s): Lynch

Date Introduced: April 25, 1983

Committee: Assembly: -----

Senate: County and Municipal Government

Amended during passage: NO Substituted for A3372 (not attached since identical to S3262)

Date of Passage: Assembly: July 7, 1983

Senate: June 23, 1983

Date of Approval: August 26, 1983

Following statements are attached if available:

Sponsor statement: YES

Committee statement: Assembly NO

Senate YES

Fiscal Note: NO

Veto Message: NO

Message on Signing: NO

Following were printed:

Reports: NO

Hearings: NO

SENATE, No. 3262
STATE OF NEW JERSEY

INTRODUCED APRIL 25, 1983

By Senator LYNCH

Referred to Committee on County and Municipal Government

AN ACT concerning limitations imposed upon increases in municipal final appropriations and county tax levies, amending P. L. 1983, c. 49, and supplementing P. L. 1976, c. 68 (C. 40A:4-45.1 et seq.).

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

1 1. Section 7 of P. L. 1983, c. 49 (C. 40A:4-45.14) is amended to
2 read as follows:

3 7. Notwithstanding the provisions of section 2, 3 or 4 of P. L.
4 1976, c. 68 (C. 40A:4-45.2, 40A:4-45.3 and 40A:4-45.4) to the
5 contrary, in any year for which the index rate exceeds 5%, a
6 municipality may, by ordinance, or a county may, by ordinance or
7 resolution, as appropriate, provide that in the local budget year to
8 which the ordinance or resolution applies, the final appropriations
9 of the municipality, or the tax levy of the county, shall be increased
10 by a percentage rate, greater than 5% but not to exceed the index
11 rate, over the previous year's final appropriations, or county tax
12 levy, as the case may be.

13 The ordinance or resolution, as appropriate, shall be introduced
14 after January 1 of the local budget year to which it applies and
15 prior to the date provided by law for the introduction and approval
16 of the annual budget of the municipality or county. The ordinance
17 or resolution shall state the greater percentage rate to be adopted
18 and the additional amount of increased final appropriations or tax
19 levy which that greater percentage rate represents over that which
20 the 5% rate represents, and the individual appropriations items to
21 which the additional amount applies setting forth for each appli-

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.

22 cable appropriations item the amount to be appropriated: a. if the
23 greater percentage rate is adopted; and b. if the greater per-
24 centage rate is not adopted. The ordinance or resolution may,
25 thereafter, be adopted, after publication and a public hearing
26 separately afforded upon 10 days' notice duly published, by a
27 majority vote of the authorized membership of the governing body.
28 Any procedures provided in a form of local government for the
29 exercise of veto powers by a mayor or county executive with respect
30 to ordinances generally shall pertain. An ordinance or resolution
31 so adopted shall, notwithstanding any other provision of law, take
32 effect immediately upon adoption.

33 Upon adoption of the ordinance or resolution, the permissible
34 final appropriations of the municipality, or permissible county tax
35 levy of the county, shall be calculated for the year as provided in
36 section 3 or 4 of P. L. 1976, c. 68 (C. 40A:45.3 or 40A:4-45.4),
37 except that the percentage rate so adopted shall be used. The final
38 appropriations or county tax levy so calculated shall be used in the
39 immediately following year for the purposes of section 2 of P. L.
40 1976, c. 68 (C. 40A:4-45.2).

41 A copy of any ordinance or resolution introduced pursuant to
42 this section shall be filed with the Director of the Division of Local
43 Government Services within five days of introduction, and a copy
44 of the ordinance or resolution adopted shall be filed with the
45 director within five days of adoption.

46 In any year for which an ordinance is adopted by a municipality
47 pursuant to this section, no referendum shall be held in that munici-
48 pality pursuant to subsection i. of section 3 of P. L. 1976, c. 68 (C.
49 40A:4-45.3i).

50 No municipality adopting an ordinance pursuant to this section
51 shall, in the year for which that ordinance is adopted, be entitled to
52 **[the]** *an* exception authorized pursuant to subsection m. of section 3
53 of P. L. 1976, c. 68 (C. 40A:4-45.3), *greater than the amount of*
54 *exception to which it would otherwise have been entitled if there*
55 *had been no increase in appropriation in that year over the pre-*
56 *ceding year.*

57 No county adopting an ordinance or resolution, as appropriate,
58 pursuant to this section shall, in the year for which that ordinance
59 or resolution is adopted, be entitled to **[the]** *an* exception au-
60 thorized pursuant to subsection h. of section 4 of P. L. 1976, c. 68
61 (C. 40A:4-45.4), *greater than the amount of exception to which it*
62 *would otherwise have been entitled if there had been no increase in*
63 *appropriation in that year over the preceding year.*

1 2. (New section) a. In the first local budget year in which a county

2 or municipality shall commence to fund a new service or program,
3 which it is required to provide as a result of a binding referendum
4 initiated and approved by the voters of the county or municipality,
5 there shall be added to the final appropriations upon which the
6 permissible municipal expenditures are calculated, or upon which
7 the permissible county tax levy is calculated, the amount determined
8 by the county or municipal governing body to be necessary to fund
9 the service or program in that local budget year.

10 b. Notwithstanding the provisions of any other law to the con-
11 trary, whenever, on or after the effective date of this act, a binding
12 referendum question is required to be submitted in a county or
13 municipality as a result of a petition initiated by the voters thereof,
14 the approval of which by the voters would require the county or
15 municipality to provide a new service or program, the governing
16 body of the county or municipality shall cause to be set forth in an
17 accompanying explanatory statement to the public question to
18 appear on the ballot the amount of appropriations determined by
19 the governing body to be necessary to fund the service or program
20 in the first local budget year following approval of the question,
21 and such other relevant information as the governing body may
22 wish to include therein. The amount so set forth shall be the amount
23 added to the county or municipal final appropriations pursuant to
24 subsection a. of this section in the first local budget year in which
25 the county or municipality shall commence to fund the service or
26 program approved by the voters.

27 c. For the purposes of subsections a. and b. of this section, in
28 determining the amount of appropriations necessary to fund the
29 provision of a new service or program, the county or municipal
30 governing body shall deduct an amount equal to the amount of any
31 revenues anticipated to be derived from service fees to be imposed
32 for the service or program in the first local budget year in which
33 the county or municipality shall commence to fund the service or
34 program. If in any local budget year thereafter, the county or
35 municipality shall impose new service fees or increased service fees
36 for the service or program, the amount of final appropriations
37 upon which the permissible municipal expenditures are calculated,
38 or upon which the permissible county tax levy is calculated, shall
39 be reduced in the first full local budget year to which the new or
40 increased service fees pertain, by the amount to be derived in that
41 year from the new service fees or the increase in service fees.

1 3. This act shall take effect immediately, and apply to the 1983
2 local budget year and thereafter.

STATEMENT

This bill makes two adjustments in the "Local Caps Law" P. L. 1976, c. 68 (C. 40A:4-45.1 et seq.).

The bill clarifies that the prohibition against a county or municipality utilizing the exemption for energy and utility cost increases above 10% in the same year it adopts the index rate applies only to an increase for that year. The prohibition does not deny the local unit any exemption taken for those purposes in previous years.

The bill also provides for a one-year "add-on" to the final appropriations "cap base" for new services or programs counties or municipalities are mandated to provide by a binding referendum, initiated and approved by the local voters. The amount of the "add-on" would be the amount determined by the governing body to be necessary to fund the new service or program in the first year of provision, minus any amount anticipated to be received from services fees from the service or program in that year. The bill requires that the governing body provide a statement of the appropriations necessary to fund a new service or program to be placed in the explanatory statement to accompany the public question on the ballot.

S3262 (1983)

SENATE COUNTY AND MUNICIPAL GOVERNMENT
COMMITTEE

STATEMENT TO

SENATE, No. 3262

STATE OF NEW JERSEY

DATED: APRIL 25, 1983

Senate Bill No. 3262 makes two adjustments in the "Local Caps Law," P. L. 1976, c. 68 (C. 40A:4-45.1 et seq.).

The bill clarifies that the prohibition against a county or municipality utilizing the exemption for energy and utility cost increases above 10% in the same year it adopts the index rate applies only to an increase for that year. The prohibition does not deny the local unit any exemption taken for those purposes in previous years.

The bill also provides for a one-year "add-on" to the final appropriations "cap base" for new services or programs counties or municipalities are mandated to provide by a binding referendum, initiated and approved by the local voters. The amount of the "add-on" would be the amount determined by the governing body to be necessary to fund the new service or program in the first year of provision, minus any amount anticipated to be received from services fees from the service or program in that year. The bill requires that the governing body provide a statement of the appropriations necessary to fund a new service or program to be placed in the explanatory statement to accompany the public question on the ballot.

OFFICE OF THE GOVERNOR

RELEASE: IMMEDIATE

CONTACT: PAUL WOLCOTT

FRIDAY, AUGUST 26, 1983

Governor Thomas H. Kean has signed the following bills:

S-3262, sponsored by State Senator John A. Lynch, D-Middlesex, which amends the county and municipal budget cap law. The bill creates an exception from the cap for new services or programs resulting from a voter initiative and referendum.. It also makes a technical correction in the cap exception for utility costs.

S-3183, also sponsored by Senator Lynch, which makes optional the establishment of the Office of Register of Deeds and Mortgages in counties which do not currently have such an office.

S-3107 sponsored by State Senator Joseph Hirkala, D-Passaic, which provides that county tax board members who were appointed between June 30, 1981 and July 12, 1982, shall have until January 15, 1984, to provide the necessary proof of training required by law.

S-1932, sponsored by State Senator John P. Caufield, D-Essex, which exempts automatic fire suppression systems from local property taxation in residential, commercial and industrial buildings. The exemption is to be equal to the amount of increase in property value created by the installation.

S-1813, also sponsored by Hirkala, which would allow a registered professional nurse to make a determination and pronouncement of death in cases where death occurs in the residence of the deceased, in a hospice or in a long-term care facility or nursing home.