

40A:4-45.7 and 40A:4-45.8

LEGISLATIVE HISTORY CHECKLIST

NJSA 40A:4-45.7 and 40A:4-45.8 ("Caps"--Municipal - treat urban aid funds as they were treated in 1980 calculations)

LAWS 1981 CHAPTER 61

Bill No. A3034

Sponsor(s) Jackman and others

Date Introduced Jan. 22, 1981

Committee: Assembly -----

Senate -----

Amended during passage Yes ~~NO~~ Amendments denoted by asterisks

according to Governor's recommendations

Date of Passage: Assembly Feb. 2, 1981

Re-enacted 2-23-81

Senate Feb. 9, 1981

Re-enacted 2-26-81

Date of approval March 13, 1981

Following statements are attached if available:

Sponsor statement Yes ~~NO~~ (Below)

Committee Statement: Assembly Yes ~~NO~~

Senate Yes ~~NO~~

Fiscal Note Yes ~~NO~~

Veto Message Yes ~~NO~~

Message on signing Yes ~~NO~~

Following were printed:

Reports Yes ~~NO~~

Hearings Yes ~~NO~~

Sponsor's statement:

The purpose of this bill is to require each municipality receiving urban aid to treat those funds, for the purpose of calculating increases in its budget as mandated by the "Caps" law, as they did in 1980.

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[OFFICIAL COPY REPRINT]
ASSEMBLY, No. 3034

STATE OF NEW JERSEY

INTRODUCED JANUARY 22, 1981

By Assemblymen JACKMAN, OTLOWSKI, MAYS, ZANGARI,
VISOTCKY, KARCHER, T. GALLO, DOWD, BORNHEIMER,
JANISZEWSKI, LESNIAK and DEVERIN

(Without Reference)

AN ACT concerning aid to certain municipalities and supplementing
Title 40A of the New Jersey Statutes.

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

1 1. Notwithstanding the provisions of P. L. 1976, c. 68 (C.
2 40A:4-45.1 et seq.), each municipality receiving aid as provided
3 in P. L. 1978, c. 14 (C. 52:27D-178 et seq.) shall, for its budget
4 purposes in each year, treat urban aid funds for the purpose of
5 determining expenditure limitations and expenditures exempt from
6 those limitations, in the manner that those funds were treated by
7 that municipality for its budget purposes in 1980 **with the follow-*
8 *ing exception. Any municipality which: (a) included a 1979 appro-*
9 *propriation of urban aid funds within its 1980 final appropriations for*
10 *the purposes of calculating its spending limitations pursuant to*
11 *P. L. 1976, c. 68 (C. 40A:4-45.1 et seq.); and, (b) expended urban*
12 *aid funds as an exception to the spending limitation in its 1980*
13 *budget, shall not include appropriations of urban aid funds made in*
14 *1980 or any year thereafter in its final appropriations for the*
15 *purpose of calculating its spending limitations in its 1981 or any*
16 *subsequent budget.*

1 2. *Any municipality which initially receives urban aid funds in*
2 *1981 or any year thereafter may expend those funds as an excep-*
3 *tion to the spending limitations of P. L. 1976, c. 68 (C. 40A:4-45.1*
4 *et seq.) in the initial year such funds are received. In each year*
5 *following that initial year, appropriations of urban aid funds shall*
6 *be included in the municipality's final appropriations for the pur-*
7 *pose of calculating its spending limitations and shall not be ex-*
8 *pended as an exception to those spending limitations.**

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

1 ***[2.]*** *3.* All actions taken by any municipality with respect to
2 the treatment of urban aid funds for the purpose of determining ex-
3 penditure limitations and expenditures exempt from those limita-
4 tions under P. L. 1976, c. 68 (C. 40A:4-45:1 et seq.) in any budget
5 heretofore adopted by the municipality are ratified, validated and
6 confirmed.

1 ***[3.]*** *4.* This act shall take effect immediately, and shall be
2 retroactive to January 1, 1981.

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

February 19, 1981

ASSEMBLY BILL NO. 3034

To the General Assembly:

Pursuant to Article V, Section 1, Paragraph 14(b) of the Constitution, I am returning Assembly Bill No. 3034, with my objections for reconsideration.

Assembly Bill No. 3034 would validate the past treatment of urban aid in regard to the municipal budget expenditure restrictions set forth in P.L. 1976, c.68. In addition, the bill provides that in the future urban aid funds are to be treated with respect to P.L. 1976, c.68 in the same manner that they were treated in 1980. Thus, we must look to the treatment of urban aid in 1980 to determine the rule this bill would impose on future budgets.

In 1980, with two exceptions, all of our urban aid municipalities expended urban aid within the budget limitations of P.L. 1976, c.68 and included urban aid appropriations in the calculation of the expenditure limitations of that statute. This bill would permit those municipalities to continue that practice. I have no problem with that portion of the bill.

In 1980, two municipalities followed language in the appropriations act that permitted urban aid to be expended outside the spending limitations of P.L. 1976, c.68 and yet include 1979 appropriations of urban aid in their 1980 spending limitation. A literal reading of this bill would permit this practice to continue, namely permitting the spending limitations to increase each year by the amount of urban aid expended outside those limitations. Such a policy is not needed in view of the exclusion of urban aid from the spending limitations. To avoid this effect, yet preserve the benefit these municipalities received in 1980, I would (1) permit these municipalities to continue to expend urban aid outside the cap, (2) prohibit a reduction in their existing spending limitations by any amount of urban aid received in the past, and (3) prohibit their spending limitations to be augmented by any additional appropriations of urban aid.

A final point to resolve is the treatment of urban aid funds received by a municipality for the first time in 1981 or thereafter. In order to

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

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treat those newly qualifying municipalities similar to present urban aid municipalities, I recommend the following. In the first year that urban aid funds are received, they may be expended outside the spending limitations of P.L. 1976, c.68. The next year and each year thereafter appropriations of urban aid funds are to be included in the municipality's final appropriations for the purpose of calculating its spending limitations, and urban aid funds are to be expended within those spending limitations.

Accordingly, I herewith return Assembly Bill No. 3034 for reconsideration and recommend that it be amended as follows:

Page 1, Section 1, Line 7: After "1980" insert

"with the following exception. Any municipality which:
(a) included a 1979 appropriation of urban aid funds within its 1980 final appropriations for the purposes of calculating its spending limitations pursuant to P.L. 1976, c.68 (C.40A:4-45.1 et seq.); and, (b) expended urban aid funds as an exception to the spending limitation in its 1980 budget, shall not include appropriations of urban aid funds made in 1980 or any year thereafter in its final appropriations for the purpose of calculating its spending limitations in its 1981 or any subsequent budget.

"2. Any municipality which initially receives urban aid funds in 1981 or any year thereafter may expend those funds as an exception to the spending limitations of P.L. 1976, c.68 (C.40A:4-45.1 et seq.) in the initial year such funds are received. In each year following that initial year, appropriations of urban aid funds shall be included in the municipality's final appropriations for the purpose of calculating its spending limitations and shall not be expended as an exception to those spending limitations."

Page 1, Section 2, Line 1: Delete "2" and insert "3".

Page 1, Section 3, Line 1: Delete "3" and insert "4".

Respectfully,

/s/ Brendan Byrne

GOVERNOR

[seal]

Attest:

/s/ Harold L. Hodes

Chief of Staff, Secretary