

40A:4-45.3 and 40A:4-45.4

LEGISLATIVE HISTORY CHECKLIST

40A:4-45.3 and 40A:4-45.4; 40A:4-45.6 repealed

LAWS OF 1977 CHAPTER 10 ("Caps Law-exempt certain contractual obligations")

Bill No. S1657

Sponsor(s) Merlino

Date Introduced Sept. 16, 1976

Committee: Assembly Appropriations

Senate -----

Amended during passage Yes Amendments during passage denoted by asterisks

Date of Passage: Assembly February 1, 1977

Senate Sept. 30, 1976

Date of approval February 3, 1977

Following statements are attached if available:

Sponsor statement	Yes	<input checked="" type="checkbox"/>
Committee Statement: Assembly	Yes	<input checked="" type="checkbox"/> 11-8-76 and 12-6-76
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

9/1/78

[SECOND OFFICIAL COPY REPRINT]

SENATE, No. 1657

STATE OF NEW JERSEY

INTRODUCED SEPTEMBER 16, 1976

By Senator MERLINO

(Without Reference)

AN ACT to amend "An act to place limits on expenditures by counties and municipalities and supplementing Title 40A of the New Jersey Statutes," approved August 18, 1976 (P. L. 1976, c. 68) and to repeal section 6 of said act.

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of 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% over the previous year's final
5 appropriations subject to the following **[modifications]** *exceptions:*

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

10 b. Capital expenditures funded by any source other than the local
11 property tax, and programs funded wholly or in part by Federal or
12 State funds in which the financial share of the municipality is not
13 required to increase the final appropriations by more than 5%;

14 c. An increase based upon **[an ordinance declaring]** ***[a resolu-**
15 **tion making]** * *an ordinance declaring* * an emergency **[situation]**
16 ***[appropriation]** * *situation* * according to the definition provided
17 in N. J. S. 40A:4-46 approved by at least two-thirds of the govern-
18 ing body and ***[, except as to an emergency appropriation for a**
19 **purpose referred to in d. or j. below,]** * approved by the Local
20 Finance Board; provided, however, ***[any]** * *that all* * such emer-

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

21 agency **[authorization]** **authorizations** shall not exceed*, in the
 22 aggregate,* 3% of current and utility operating appropriations
 22A made in the budget adopted for that year*, and provided further
 22B that nothing herein provided shall be applicable to any emergency
 22C appropriation resolution adopted pursuant to N. J. S. 40A:4-46
 22D for a purpose referred to in d. or j. below*; **[or]***

23 d. All debt service, including that of a Type I school district;
 24 e. Amounts required for funding a preceding year's deficit;
 25 f. Amounts reserved for uncollected taxes;
 26 g. Expenditures mandated after the effective date of this act
 27 pursuant to State or Federal law;
 28 h. Expenditure of amounts derived from new or increased service
 29 fees imposed by ordinance, or derived from the sale of municipal
 30 assets**[.]**;

31 i. When approved by referendum**[.]**; **or**

32 j. *Amounts required to be paid pursuant to any contract with*
 33 *respect to use, services or provision of any project, facility or public*
 34 *improvement *for water, sewer, solid waste, parking*****[****,*
 35 *housing**]**[***** ***senior citizen housing*** or any similar pur-*
 36 *pose, or payments on account of debt service therefor*, between*
 37 *a municipality and any other municipality, county, school or other*
 38 *district, agency, authority, commission, instrumentality, public*
 39 *corporation, body corporate and politic or political subdivision of*
 40 *this State. ***With respect to the amounts required to be paid*
 41 *for senior citizen housing in the above cited political subdivisions*
 42 *or bodies, the exceptions shall be subject to the review and approval*
 43 *of the Local Finance Board.****

1 2. Section 4 of P. L. 1976, c. 68 (C. 40A:4-45.4) is amended to
 2 read as follows:

3 4. In the preparation of its budget, a county may not increase
 4 the county tax **[levies]** **levy** to be apportioned among its con-
 5 stituent municipalities in excess of 5% of the previous year's
 6 **county** tax levy, subject to the following **[modifications]**
 6A *exceptions*:

7 a. The amount of revenue generated by the increase in valuations
 8 within the county based solely on applying the preceding year's
 9 county tax rate to the apportionment valuation of new construction
 10 or improvements within the county and such increase shall be
 11 levied in direct proportion to said valuation;

12 b. Capital expenditures funded by any source other than the
 13 county tax levy;

14 c. An increase based upon **[an ordinance declaring]** *a resolution*
15 *making an emergency appropriation* according to the definition
16 provided in N. J. S. 40A:4-46 approved by at least two-thirds of
17 the board of chosen freeholders of the county and, *except as to an*
18 *emergency appropriation for a purpose referred to in d. or f. below,*
19 where pertinent, approved by the county executive;

20 d. All debt service;

21 e. Expenditures mandated after the effective date of this act
22 pursuant to State or Federal law**[.]**;

23 *f. Amounts required to be paid pursuant to any contract with*
24 *respect to use, services or provision of any project, facility or*
25 *public improvement *for water, sewer, solid waste, parking**,*
26 *****[housing]******* ****senior citizen housing*** or any similar*
27 *purpose, or payments on account of debt service therefor*, between*
28 *a county, and any other county, municipality, school or other dis-*
29 *trict, agency, authority, commission, instrumentality, public cor-*
30 *poration, body corporate and politic or political subdivision of this*
31 *State. ***With respect to the amounts required to be paid for*
32 *senior citizen housing in the above cited political subdivisions or*
33 *bodies, the exceptions shall be subject to the review and approval*
34 *of the Local Finance Board.****

1 3. Section 6 of P. L. 1976, c. 68 is repealed.

1 4. This act shall take effect immediately and be applicable to the
2 tax years beginning in 1977 and shall expire December 31, 1979.

SENATE, No. 1657

STATE OF NEW JERSEY

INTRODUCED SEPTEMBER 16, 1976

By Senator MERLINO

(Without Reference)

AN ACT to amend "An act to place limits on expenditures by counties and municipalities and supplementing Title 40A of the New Jersey Statutes," approved August 18, 1976 (P. L. 1976, c. 68) and to repeal section 6 of said act.

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of 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% over the previous year's final
5 appropriations subject to the following **【modifications】** *exceptions:*

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

10 b. Capital expenditures funded by any source other than the local
11 property tax, and programs funded wholly or in part by Federal or
12 State funds in which the financial share of the municipality is not
13 required to increase the final appropriations by more than 5%;

14 c. An increase based upon **【an ordinance declaring】** *a resolution*
15 *making an emergency 【situation】 appropriation* according to the
16 definition provided in N. J. S. 40A:4-46 approved by at least
17 two-thirds of the governing body and, *except as to an emergency*
18 *appropriation for a purpose referred to in d. or j. below,* approved
19 by the Local Finance Board; provided, however, any such emer-
20 gency authorization shall not exceed 3% of current and utility
21 operating appropriations made in the budget adopted for that year;
22 or

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

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

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

- 25 f. Amounts reserved for uncollected taxes;
- 26 g. Expenditures mandated after the effective date of this act
- 27 pursuant to State or Federal law;
- 28 h. Expenditure of amounts derived from new or increased service
- 29 fees imposed by ordinance, or derived from the sale of municipal
- 30 assets[.];
- 31 i. When approved by referendum[.];
- 32 j. *Amounts required to be paid pursuant to any contract with*
- 33 *respect to use, services or provision of any project, facility or public*
- 34 *improvement, between a municipality and any other municipality,*
- 35 *county, school or other district, agency, authority, commission,*
- 36 *instrumentality, public corporation, body corporate and politic or*
- 37 *political subdivision of this State.*

1 2. Section 4 of P. L. 1976, c. 68 (C. 40A:4-45.4) is amended to

2 read as follows:

3 4. In the preparation of its budget, a county may not increase

4 the county tax levies to be apportioned among its constituent

5 municipalities in excess of 5% of the previous year's tax levy,

6 subject to the following [modifications] exceptions:

7 a. The amount of revenue generated by the increase in valuations

8 within the county based solely on applying the preceding year's

9 county tax rate to the apportionment valuation of new construction

10 or improvements within the county and such increase shall be

11 levied in direct proportion to said valuation;

12 b. Capital expenditures funded by any source other than the

13 county tax levy;

14 c. An increase based upon [an ordinance declaring] *a resolution*

15 *making an emergency appropriation* according to the definition

16 provided in N. J. S. 40A:4-46 approved by at least two-thirds of

17 the board of chosen freeholders of the county and, *except as to an*

18 *emergency appropriation for a purpose referred to in d. or f. below,*

19 where pertinent, approved by the county executive;

20 d. All debt service;

21 e. Expenditures mandated after the effective date of this act

22 pursuant to State or Federal law[.];

23 f. *Amounts required to be paid pursuant to any contract with*

24 *respect to use, services or provision of any project, facility or*

25 *public improvement, between a county and any other county,*

26 *municipality, school or other district, agency, authority, commis-*

27 *sion, instrumentality, public corporation, body corporate and*

28 *politic or political subdivision of this State.*

1 3. Section 6 of P. L. 1976, c. 68 is repealed.

1 4. This act shall take effect immediately and be applicable to the

2 tax years beginning in 1977 and shall expire December 31, 1979.

STATEMENT

This amendment to the act imposing limits on expenditures by counties and municipalities would except emergency appropriations to meet contract obligations with other counties, municipalities, school districts or authorities, such as sewer and utility authorities, to meet deficits in income or revenues for operating and debt service costs.

The aforementioned contract provisions are a main strength and point of reliance by holders of revenue boards of local authorities. The exception proposed by this bill directly affects the marketability of authority bonds.

[OFFICIAL COPY REPRINT]

SENATE, No. 1657

STATE OF NEW JERSEY

INTRODUCED SEPTEMBER 16, 1976

By Senator MERLINO

(Without Reference)

AN ACT to amend "An act to place limits on expenditures by counties and municipalities and supplementing Title 40A of the New Jersey Statutes," approved August 18, 1976 (P. L. 1976, c. 68) and to repeal section 6 of said act.

1 BE IT ENACTED by the Senate and General Assembly of the State
2 of 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% over the previous year's final
5 appropriations subject to the following **[modifications]** exceptions:

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

10 b. Capital expenditures funded by any source other than the local
11 property tax, and programs funded wholly or in part by Federal or
12 State funds in which the financial share of the municipality is not
13 required to increase the final appropriations by more than 5%;

14 c. An increase based upon **[an ordinance declaring]** ***[a resolu-**
15 **tion making]*** ***an ordinance declaring*** an emergency **[situation]**
16 ***[appropriation]*** ***situation*** according to the definition provided
17 in N. J. S. 40A:4-46 approved by at least two-thirds of the govern-
18 ing body and **[, except as to an emergency appropriation for a**
19 **purpose referred to in d. or j. below,]*** approved by the Local
20 Finance Board; provided, however, ***[any]*** ***that all*** such emer-
21 gency ***[authorization]*** ***authorizations*** shall not exceed*, in the
22 aggregate,* 3% of current and utility operating appropriations
22A made in the budget adopted for that year*, and provided further
22B that nothing herein provided shall be applicable to any emergency

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

22c appropriation resolution adopted pursuant to N. J. S. 40A:4-46
 22d for a purpose referred to in d. or j. below*; ***[or]***

- 23 d. All debt service, including that of a Type I school district;
 24 e. Amounts required for funding a preceding year's deficit;
 25 f. Amounts reserved for uncollected taxes;
 26 g. Expenditures mandated after the effective date of this act
 27 pursuant to State or Federal law;
 28 h. Expenditure of amounts derived from new or increased service
 29 fees imposed by ordinance, or derived from the sale of municipal
 30 assets**[.]**;
 31 i. When approved by referendum**[.]**; *or*
 32 j. *Amounts required to be paid pursuant to any contract with*
 33 *respect to use, services or provision of any project, facility or public*
 34 *improvement *for water, sewer, solid waste, parking of any similar*
 35 *purpose, or payments on account of debt service therefor*, between*
 36 *a municipality and any other municipality, county, school or other*
 37 *district, agency, authority, commission, instrumentality, public*
 38 *corporation, body corporate and politic or political subdivision of*
 39 *this State.*

1 2. Section 4 of P. L. 1976, c. 68 (C. 40A:4-45.4) is amended to
 2 read as follows:

3 4. In the preparation of its budget, a county may not increase
 4 the county tax ***[levies]*** *levy** to be apportioned among its con-
 5 stituent municipalities in excess of 5% of the previous year's
 6 *county** tax levy, subject to the following **[modifications]**
 6A *exceptions*:

- 7 a. The amount of revenue generated by the increase in valuations
 8 within the county based solely on applying the preceding year's
 9 county tax rate to the apportionment valuation of new construction
 10 or improvements within the county and such increase shall be
 11 levied in direct proportion to said valuation;
 12 b. Capital expenditures funded by any source other than the
 13 county tax levy;
 14 c. An increase based upon **[an ordinance declaring]** *a resolution*
 15 *making an emergency appropriation* according to the definition
 16 provided in N. J. S. 40A:4-46 approved by at least two-thirds of
 17 the board of chosen freeholders of the county and, *except as to an*
 18 *emergency appropriation for a purpose referred to in d. or f. below,*
 19 where pertinent, approved by the county executive;
 20 d. All debt service;
 21 e. Expenditures mandated after the effective date of this act
 22 pursuant to State or Federal law**[.]**;

23 *f. Amounts required to be paid pursuant to any contract with*
24 *respect to use, services or provision of any project, facility or*
25 *public improvement *for water, sewer, solid waste, parking or any*
26 *similar purpose, or payments on account of debt service therefor*,*
27 *between a county and any other county, municipality, school or*
28 *other district, agency, authority, commission, instrumentality,*
29 *public corporation, body corporate and politic or political sub-*
30 *division of this State.*

1 3. Section 6 of P. L. 1976, c. 68 is repealed.

1 4. This act shall take effect immediately and be applicable to the
2 tax years beginning in 1977 and shall expire December 31, 1979.

SENATE COMMITTEE AMENDMENTS TO
SENATE, No. 1657

STATE OF NEW JERSEY

ADOPTED SEPTEMBER 30, 1976

Amend page 1, section 1, lines 14 and 15, omit "a resolution making", insert "an ordinance declaring".

Amend page 1, section 1, line 15, omit "appropriation", insert "situation".

Amend page 1, section 1, lines 17 and 18, omit ", except as to an emergency appropriation for a purpose referred to in d. or j. below,".

Amend page 1, section 1, line 19, omit "any", insert "that all".

Amend page 1, section 1, line 20, omit "authorization", insert "authorizations"; after "exceed", insert ", in the aggregate,".

Amend page 1, section 1, line 21, after "year", insert ", and provided further that nothing herein provided shall be applicable to any emergency appropriation resolution adopted pursuant to N. J. S. 40A:4-46 for a purpose refererd to in d. or j. below".

Amend page 1, section 1, line 22, omit in its entirety.

Amend page 2, section 1, line 31, after ";", insert "or".

Amend page 2, section 1, line 34, after "improvement", insert "for water, sewer, solid waste, parking or any similar purpose, or payments on account of debt service therefor".

Amend page 2, section 2, line 4, omit "levies", insert "levy".

Amend page 2, section 2, line 5, after "year's", insert "county".

Amend page 2, section 2, line 25, after "improvement", insert "for water, sewer, solid waste, parking or any similar purpose, or payments on account of debt service therefor".

[SECOND ASSEMBLY REPRINT]

SENATE, No. 1657

[OFFICIAL COPY REPRINT]

with Assembly committee amendments adopted November 8, 1976
and Assembly committee amendments adopted December 6, 1976

STATE OF NEW JERSEY

INTRODUCED SEPTEMBER 16, 1976

By Senator MERLINO

(Without Reference)

AN ACT to amend "An act to place limits on expenditures by counties and municipalities and supplementing Title 40A of the New Jersey Statutes," approved August 18, 1976 (P. L. 1976, c. 68) and to repeal section 6 of said act.

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2 of New Jersey:

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4 increase in said budget to 5% over the previous year's final
5 appropriations subject to the following **[modifications]** exceptions:

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7 tions based solely on applying the preceding year's general tax
8 rate of the municipality to the assessed value of new construction
9 or improvements;

10 b. Capital expenditures funded by any source other than the local
11 property tax, and programs funded wholly or in part by Federal or
12 State funds in which the financial share of the municipality is not
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14 c. An increase based upon **[an ordinance declaring]** ***[a resolu-**
15 **tion making]*** **an ordinance declaring** an emergency **[situation]**
16 ***[appropriation]*** **situation** according to the definition provided
17 in N. J. S. 40A:4-46 approved by at least two-thirds of the govern-
18 ing body and***[, except as to an emergency appropriation for a**
19 **purpose referred to in d. or j. below,]*** approved by the Local
20 Finance Board; provided, however, ***[any]*** **that all** such emer-

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

21 gency **[authorization]** **authorizations** shall not exceed*, in the
 22 aggregate,* 3% of current and utility operating appropriations
 22A made in the budget adopted for that year*, and provided further
 22B that nothing herein provided shall be applicable to any emergency
 22C appropriation resolution adopted pursuant to N. J. S. 40A:4-46
 22D for a purpose referred to in d. or j. below*; **[or]***

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

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

25 f. Amounts reserved for uncollected taxes;

26 g. Expenditures mandated after the effective date of this act
 27 pursuant to State or Federal law;

28 h. Expenditure of amounts derived from new or increased service
 29 fees imposed by ordinance, or derived from the sale of municipal
 30 assets**[.]**;

31 i. When approved by referendum**[.]**; **or**

32 j. Amounts required to be paid pursuant to any contract with
 33 respect to use, services or provision of any project, facility or public
 34 improvement **for water, sewer, solid waste, parking***[***,
 35 housing**]*****senior citizen housing**** or any similar pur-
 36 pose, or payments on account of debt service therefor*, between
 37 a municipality and any other municipality, county, school or other
 38 district, agency, authority, commission, instrumentality, public
 39 corporation, body corporate and politic or political subdivision of
 40 this State. ****With respect to the amounts required to be paid*
 41 *for senior citizen housing in the above cited political subdivisions*
 42 *or bodies, the exceptions shall be subject to the review and approval*
 43 *of the Local Finance Board.****

1 2. Section 4 of P. L. 1976, c. 68 (C. 40A:4-45.4) is amended to
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3 4. In the preparation of its budget, a county may not increase
 4 the county tax **[levies]** **levy** to be apportioned among its con-
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 6 **county** tax levy, subject to the following **[modifications]**
 6A exceptions:

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 11 levied in direct proportion to said valuation;

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17 the board of chosen freeholders of the county and, *except as to an*
18 *emergency appropriation for a purpose referred to in d. or f. below,*
19 where pertinent, approved by the county executive;

20 d. All debt service;

21 e. Expenditures mandated after the effective date of this act
22 pursuant to State or Federal law[.];

23 f. Amounts required to be paid pursuant to any contract with
24 respect to use, services or provision of any project, facility or
25 public improvement *for water, sewer, solid waste, parking**,
26 ***[housing]** *** senior citizen housing*** or any similar
27 purpose, or payments on account of debt service therefor*, between
28 a county, and any other county, municipality, school or other dis-
29 trict, agency, authority, commission, instrumentality, public cor-
30 poration, body corporate and politic or political subdivision of this
31 State. ***With respect to the amounts required to be paid for
32 senior citizen housing in the above cited political subdivisions or
33 bodies, the exceptions shall be subject to the review and approval
34 of the Local Finance Board.***

1 3. Section 6 of P. L. 1976, c. 68 is repealed.

1 4. This act shall take effect immediately and be applicable to the
2 tax years beginning in 1977 and shall expire December 31, 1979.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 1657

[OFFICIAL COPY REPRINT]

with Assembly committee amendment

STATE OF NEW JERSEY

DATED: NOVEMBER 8, 1976

Senate Bill No. 1657 OCR amends the county and municipal expenditures limit act by exempting certain contractual costs from the cap. Specifically, this amendment is intended to exempt contractual obligations between municipal and regional authorities, e.g., sewer and water, and their participant counties or municipalities. The amendment is designed to provide assurance to the bond market that an authority's revenue to operate and meet debt service costs will not be jeopardized by a participant county's or municipality's inability to meet its contractual obligations because of expenditure limitations imposed by the law.

The Assembly committee amendment adds housing to the specific list of contractual obligations that are exempted from the expenditure cap limitations.

ASSEMBLY COMMITTEE AMENDMENTS TO

SENATE, No. 1657

[OFFICIAL COPY REPRINT]

STATE OF NEW JERSEY

ADOPTED NOVEMBER 8, 1976

Amend page 2, section 1, line 34, after "parking", insert ", housing".

Amend page 3, section 2, line 25, after "parking", insert ", housing".

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 1657

[OFFICIAL COPY REPRINT]

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 6, 1976

Senate Bill No. 1657 Official Copy Reprint with Assembly committee amendments amends the county and municipal expenditures limit act by exempting certain contractual costs from the cap. Specifically, this amendment is intended to exempt contractual obligations between municipal and regional authorities, e.g., housing, sewer and water, and their participant counties or municipalities. The bill is designed to provide assurance to the bond market that an authority's revenue to operate and meet debt service costs will not be jeopardized by a participant county's or municipality's inability to meet its contractual obligations because of expenditure limitations imposed by the law.

The Assembly Appropriations Committee amendment added housing to the specific list of contractual obligations that are exempted from the expenditure cap limitations.

Further Assembly Appropriations Committee amendments withdrew housing and added senior citizen housing to the specific list of contractual obligations that are exempted from the expenditure cap limitations. Also, any amounts required to be paid for senior citizen housing pursuant to contractual obligations would require review and approval by the Local Finance Board.

ASSEMBLY REPRINT
SENATE, No. 1657

[OFFICIAL COPY REPRINT]

with Assembly committee amendments adopted November 8, 1976

STATE OF NEW JERSEY

INTRODUCED SEPTEMBER 16, 1976

By Senator MERLINO

(Without Reference)

AN ACT to amend "An act to place limits on expenditures by counties and municipalities and supplementing Title 40A of the New Jersey Statutes," approved August 18, 1976 (P. L. 1976, c. 68) and to repeal section 6 of said act.

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18 ing body and ***[, except as to an emergency appropriation for a**
19 *purpose referred to in d. or j. below,]* *** approved by the Local**
20 **Finance Board; provided, however, *any]*** ***that all*** such emer-
21 gency ***[authorization]** ***authorizations*** shall not exceed*, *in the*

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

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 22A *made in the budget adopted for that year*, and provided further*
 22B *that nothing herein provided shall be applicable to any emergency*
 22C *appropriation resolution adopted pursuant to N. J. S. 40A:4-46*
 22D *for a purpose referred to in d. or j. below* ; *or**

- 23 d. All debt service, including that of a Type I school district;
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 34 *improvement *for water, sewer, solid waste, parking**, housing***
 35 *or any similar purpose, or payments on account of debt service*
 36 *therefor*, between a municipality and any other municipality,*
 37 *county, school or other district, agency, authority, commission,*
 38 *instrumentality, public corporation, body corporate and politic or*
 39 *political subdivision of this State.*

1 2. Section 4 of P. L. 1976, c. 68 (C. 40A:4-45.4) is amended to
 2 read as follows:

3 4. In the preparation of its budget, a county may not increase
 4 the county tax **[levies]** **levy** to be apportioned among its con-
 5 stituent municipalities in excess of 5% of the previous year's
 6 **county** tax levy, subject to the following **[modifications]**
 6A *exceptions:*

7 a. The amount of revenue generated by the increase in valuations
 8 within the county based solely on applying the preceding year's
 9 county tax rate to the apportionment valuation of new construction
 10 or improvements within the county and such increase shall be
 11 levied in direct proportion to said valuation;

12 b. Capital expenditures funded by any source other than the
 13 county tax levy;

14 c. An increase based upon **[an ordinance declaring]** *a resolution*
 15 *making an emergency appropriation* according to the definition
 16 provided in N. J. S. 40A:4-46 approved by at least two-thirds of
 17 the board of chosen freeholders of the county and, *except as to an*
 18 *emergency appropriation for a purpose referred to in d. or f. below,*
 19 where pertinent, approved by the county executive;

20 d. All debt service;

21 e. Expenditures mandated after the effective date of this act
22 pursuant to State or Federal law[.];

23 f. *Amounts required to be paid pursuant to any contract with*
24 *respect to use, services or provision of any project, facility or*
25 *public improvement *for water, sewer, solid waste, parking**.*
26 *housing** or any similar purpose, or payments on account of debt*
27 *service therefor*, between a county, and any other county, munic-
28 ipality, school or other district, agency, authority, commission, in-*
29 *strumentality, public corporation, body corporate and politic or*
30 *political subdivision of this State.*

1 3. Section 6 of P. L. 1976, c. 68 is repealed.

1 4. This act shall take effect immediately and be applicable to the
2 tax years beginning in 1977 and shall expire December 31, 1979.