

40A:4-57



LEGISLATIVE HISTORY CHECKLIST

NJSA 40A:4-57

LAWS OF 1977 CHAPTER 164

Bill No. S302 (S821-1974)

Sponsor(s) Pre-filed

Date Introduced Menza, Dunn

Committee: Assembly Municipal Government

Senate County & Municipal Government

Amended during passage Yes ~~XX~~ Amendments during passage denoted by asterisks.

Date of Passage: Assembly April 28, 1977

Senate August 12, 1976

Date of approval July 19, 1977

Following statements are attached if available:

Sponsor statement Yes ~~XX~~

Committee Statement: Assembly ~~Yes~~ ~~XX~~ No

Senate Yes ~~XX~~

Fiscal Note ~~Yes~~ ~~XX~~ No

Veto Message ~~Yes~~ ~~XX~~ No

Message on signing ~~Yes~~ ~~XX~~ No

Following were printed:

Reports ~~Yes~~ ~~XX~~ No

Hearings ~~Yes~~ ~~XX~~ No

Mentioned in:

- 974.90 N.J. Division of Local Government Services.
- M966 Local public contract guidelines and
- 1977 Local public contract regulations. 4-5-77 (p.41)

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9/1/78



SENATE, No. 302

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1976 SESSION

By Senators MENZA and DUNN

AN ACT concerning the Local Budget Law, amending N. J. S. 40A:4-57 and repealing R. S. 40:50-6.

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

1 1. N. J. S. 40A:4-57 is amended to read as follows:

2 40A:4-57. No officer, board, body or commission shall, during  
3 any fiscal year, expend any money (except to pay notes, bonds or  
4 interest thereon), incur any liability, or enter into any contract  
5 which by its terms involves the expenditure of money for any pur-  
6 pose for which no appropriation is provided, or in excess of the  
7 amount appropriated for such purpose.

8 Any contract made in violation hereof shall be null and void,  
9 and no moneys shall be paid thereon.

10 Nothing in this section contained, however, shall prevent the  
11 making of contracts or the spending of money for

12 a. Capital projects to be financed in whole or in part by the  
13 issuance of notes or bonds;

14 b. **[For the]** *The making of contracts of lease, or for services,*  
15 *or for fuel [to be used for heating purposes], or for snow or gar-*  
16 *bage removal for a period exceeding the fiscal year in which such*  
17 *contract is made, when otherwise provided by law[.];*

18 c. *The making of contracts of lease or service of electronic com-*  
19 *munications equipment for a period of 1 year with options by the*  
20 *contracting unit to renew said lease for further periods of 1 year,*  
21 *but in the aggregate not to exceed 5 years, when otherwise provided*  
22 *by law;*

23 **[Provided, further, that nothing in this section, nor in section**  
24 **R. S. 40:50-6 of this Title, shall prevent a municipality from mak-**  
25 **ing a contract for the spending of money for 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.

26     *d. The purchase of the right, title and interest in the right-of-*  
27 *way of any street railway company in the municipality, when said*  
28 *right-of-way extends in, over and along any public street or high-*  
29 *way in this State and the improving or paving of said right-of-*  
30 *way after the same has been acquired.*

31     *Nothing in this section shall apply to the use of funds of depart-*  
32 *ments, for the operation of which budget appropriations are not*  
33 *made, nor to contracts for professional services for the liquidation*  
34 *or foreclosure of tax title liens in such municipalities wherein it is*  
35 *agreed that the cost of the services are to be paid, in all or in part,*  
36 *from the funds derived, or to be derived from the redemption of*  
37 *liened property or the sale of foreclosed property, subject to ap-*  
38 *proval of the Director of the Division of Local Government Ser-*  
39 *vices in the Department of Community Affairs.*

1     2. R. S. 40:50-6 is repealed.

1     3. This act shall take effect immediately.

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#### STATEMENT

This bill amends the Local Budget Law wherein the leasing and servicing of electronic communications equipment is exempted from the provisions of term of contracts exceeding the fiscal year and moves the language of R. S. 40:50-6, which is repealed herein, to the Local Budget Law.

SENATE COMMITTEE AMENDMENTS TO  
**SENATE, No. 302**

—◆—  
**STATE OF NEW JERSEY**  
—◆—

ADOPTED MAY 13, 1976

Amend page 1, section 1, lines 14-15, after "1" on line 14 omit lines in their entirety.

Amend page 1, section 1, line 16, omit "bage removal for a period exceeding", insert "contracts or leases the terms of which exceed".

Amend page 1, section 1, line 17, omit "contract is", insert "contracts are"; omit "otherwise".

Amend page 1, section 1, lines 18-22, omit lines in their entirety.

Amend page 2, section 1, line 26, omit "d.", insert "e."

Amend page 2, section 1, line 37, omit ",", insert ". The use of funds of such departments and for such service contracts shall be".

CHAPTER 164 LAWS OF N. J. 1977  
APPROVED 7-19-77

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SENATE, No. 302

# STATE OF NEW JERSEY

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By Senators MENZA and DUNN

AN ACT concerning the Local Budget Law, amending N. J. S. 40A:4-57 and repealing R. S. 40:50-6.

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2 *of New Jersey:*

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4 interest thereon), incur any liability, or enter into any contract  
5 which by its terms involves the expenditure of money for any pur-  
6 pose for which no appropriation is provided, or in excess of the  
7 amount appropriated for such purpose.

8 Any contract made in violation hereof shall be null and void,  
9 and no moneys shall be paid thereon.

10 Nothing in this section contained, however, shall prevent the  
11 making of contracts or the spending of money for

12 a. Capital projects to be financed in whole or in part by the  
13 issuance of notes or bonds;

14 b. **[For the]** \***[The making of contracts of lease, or for services,**  
15 **or for fuel [to be used for heating purposes], or for snow or gar-**  
16 **bage removal for a period exceeding]\*** \**contracts or leases the*  
17 *terms of which exceed\** the fiscal year in which such \***[contract is]\***  
17A \**contracts are\** made, when \***[otherwise]\*** provided by law**[.];**

18 \***[c. The making of contracts of lease or service of electronic com-**  
19 **munications equipment for a period of 1 year with options by the**  
20 **contracting unit to renew said lease for further periods of 1 year,**  
21 **but in the aggregate not to exceed 5 years, when otherwise provided**  
22 **by law;]\***

23 **[Provided, further, that nothing in this section, nor in section**  
24 **R. S. 40:50-6 of this Title, shall prevent a municipality from mak-**  
25 **ing a contract for the spending of money for 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.**

26 \***[d.]**\* \*c.\* *The purchase of the right, title and interest in the*  
27 *right-of-way of any street railway company in the municipality,*  
28 *when said right-of-way extends in, over and along any public street*  
29 *or highway in this State and the improving or paving of said right-*  
30 *of-way after the same has been acquired.*

31 *Nothing in this section shall apply to the use of funds of départ-*  
32 *ments, for the operation of which budget appropriations are not*  
33 *made, nor to contracts for professional services for the liquidation*  
34 *or foreclosure of tax title liens in such municipalities wherein it is*  
35 *agreed that the cost of the services are to be paid, in all or in part,*  
36 *from the funds derived, or to be derived from the redemption of*  
37 *liened property or the sale of foreclosed property\***[.]**\* \*. *The use*  
38 *of funds of such departments and for such service contracts shall*  
39 *be\* subject to approval of the Director of the Division of Local*  
40 *Government Services in the Department of Community Affairs.**

1 2. R. S. 40:50-6 is repealed.

1 3. This act shall take effect immediately.

SENATE COUNTY AND MUNICIPAL GOVERNMENT  
COMMITTEE

STATEMENT TO

**SENATE, No. 302**  
with Senate committee amendments

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**STATE OF NEW JERSEY**

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DATED: MAY 13, 1976

Senate Bill No. 302 has been amended, with the approval of the sponsor, so as to conform to the provisions of P. L. 1975, c. 353, which among other things amends section 15 of the Local Public Contracts Law, governing multi-year contracts.

Under the provisions of section 57 of the Local Budget Law, hereby amended, no local unit of government may incur any liability for which moneys have not been appropriated, except for those goods or services specified in section 57. This bill amends paragraph b. of 57 relating to multiyear contracts so that any goods or services on which multiyear contracts are authorized pursuant to section 15 of the Local Public Contracts Law, shall by reference to said section 15, be exempted from the provisions of section 57.

In addition, Senate Bill No. 302 transfers to section 57 of the Local Bldget Law, hereby amended, the provisions of R. S. 40:50-6. The transferred section provides that the prohibition against expenditures for which appropriations have not been made, shall not apply to the use of department funds for which budget appropriations are not made, including the purchase of professional services for the foreclosure of tax title liens, when such funds are, in whole or in part, to be derived from the redemption of liened property or the sale of foreclosed property.

The bill further provides that the use of such "unappropriated" funds shall be subject to the approval of the Division of Local Government Services in the Department of Community Affairs.