

40A: 9-140.6

LEGISLATIVE FACT SHEET

N.J.R.S. 40A: 9-140.6

ON *Members of governing body of Municipality as municipal finance officer; prohibition*
(Amendment)

LAWS OF 1971

CHAPTER 413 Jan. 20, 1972

SENATE

ASSEMBLY 873

INTRODUCED *Apr. 6, 1970*

BY *Kraverik, Macrae, Hadley, Pfaltz*

STATEMENT

YES

NO

AMENDED DURING PASSAGE

YES

NO

HEARING

VETO *Cond. veto 11/15/71*

STATEMENT to A 873, 1970

The financial operation of all the municipalities in the State has become so complex that it requires a competent, trained finance officer to supervise and carry out the financial operations efficiently. It is essential that municipal governments be operated as economically and efficiently as possible to keep the burden of local taxes as light as possible. Professional personnel are the greatest factor in insuring competent financial management of the fiscal affairs of every municipality. Courses now offered by Rutgers University are designed to train the finance officer in the duties of his position. This bill would grant a certification to municipal finance officers who successfully complete these Rutgers courses to qualify them professionally in the management of municipal financial affairs, and give them the recognition of a professional certification, and would authorize the governing body of a municipality to create the office of municipal finance officer.

DEPOSITORY COPY
Do Not Remove From Library

Ret'd. with
Gov. Recomm'd. 11-15-71

ASSEMBLY, No. 873

STATE OF NEW JERSEY

INTRODUCED APRIL 6, 1970

By Assemblymen KRAVARIK, MACRAE and HAELIG

Referred to Committee on County and Municipal Government

AN ACT to provide for the qualification and certification of municipal finance officers, authorizing the creation by ordinance of the office of municipal finance officer, and supplementing chapter 46 of Title 40 of the Revised Statutes.

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

1 1. As used in this act:

2 a. "Director" means the Director of the Division of Local
3 Finance.

4 b. "Municipal finance officer" means a municipal director of
5 finance, municipal comptroller or municipal treasurer who is not
6 a member of the governing body of a municipality.

1 2. Commencing on the effective date of this act, the Director
2 of the Division of Local Finance, hereinafter referred to as the
3 director, shall accept applications for certification as municipal
4 finance officer. An applicant shall present to the director written
5 application on forms provided by the Division of Local Finance,
6 showing that the applicant is not less than 21 years of age, is a
7 citizen of the United States, is of good moral character, has obtained
8 a certificate or diploma issued after at least 4 years of study in an
9 approved secondary school or has received an academic education
10 considered and accepted by the Commissioner of Education of this
11 State as fully equivalent, and has graduated from a 4-year course
12 at a college of recognized standing, with a major course of study
13 in business administration, accounting or some related subject. An
14 applicant who does not meet the college education requirement may
15 substitute experience in a position as director of finance, comp-
16 troller or treasurer in any municipality on a year-for-year basis.
17 Every applicant shall also furnish proof that he has received cer-
18 tificates indicating satisfactory completion of, or has been the
19 instructor of, complete training courses in municipal current fund

20 accounting, municipal capital and trust fund accounting, municipal
21 utility fund accounting, municipal budget preparation and control,
22 and principles of financial management, or such other training
23 courses as are certified as their equivalent by Rutgers University,
24 The State University of New Jersey, and approved by the Division
25 of Local Finance.

1 3. Upon finding by the director that the applicant has met the
2 qualifications as set forth in section 1 of this act, a municipal
3 finance officer certificate shall be issued to the applicant, upon the
4 payment of a fee of \$25.00 to the order of the Treasurer of the
5 State of New Jersey.

1 4. Notwithstanding the qualifications established in section 1 of
2 this act, a municipal finance officer certificate shall be issued to
3 any person who is licensed as a registered municipal accountant in
4 the State of New Jersey who shall make application as required
5 in section 1 of this act, and who shall furnish proof that he has
6 received a certificate indicating satisfactory completion or instruc-
7 tion of a training course in principles of financial management,
8 or such other training course as is certified as its equivalent by
9 Rutgers University, The State University of New Jersey, and
10 approved by the Division of Local Finance of the State, upon pay-
11 ment of a fee of \$25.00 to the order of the Treasurer of the State
12 of New Jersey.

1 5. Any municipal finance officer certificate may be revoked or
2 suspended by the director for dishonest practices or failure, neglect
3 or refusal to comply with the Constitution of the State of New
4 Jersey or the laws relating to local finance, or other just cause.
5 Request may be made to the director by any governing body of any
6 municipality for a review of the behavior or practices of a certified
7 finance officer when the governing body may feel his certificate
8 should be revoked. No certificate shall be revoked or suspended
9 except upon a proper hearing before the director or his designee,
10 after 14 days notice to the finance officer. If the municipal finance
11 officer certificate of a person serving as a director of finance, comp-
12 troller or treasurer in any municipality shall be revoked by the
13 director, he shall not be entitled to any benefits pursuant to this
14 act, nor may he make application for certification for a period of
15 5 years from the date of such revocation.

1 6. The governing body of any municipality, may by ordinance
2 create the office of municipal finance officer, to administer the finan-
3 cial affairs of the municipality and to have such powers and per-
4 form such financial duties other than those required by law to be
5 exercised by the governing body itself or by another officer, board

6 or body; the municipal finance officer shall receive such compensa-
7 tion as the ordinance creating such office shall provide and as may
8 from time to time otherwise be directed by the governing body by
9 ordinance.

1 7. Appointment to the office of municipal finance officer shall
2 be made by the mayor or chief executive officer of the municipality,
3 with the advice and consent of the governing body. In townships,
4 and in municipalities with a commission form of government, the
5 municipal finance officer shall be appointed by majority vote of the
6 governing body. The term of office of the municipal finance officer
7 shall be at the pleasure of the governing body.

1 8. No person shall serve as a municipal finance officer who is a
2 member of the governing body of a municipality.

1 9. This act shall take effect immediately.

STATEMENT

The financial operation of all the municipalities in the State has become so complex that it requires a competent, trained finance officer to supervise and carry out the financial operations efficiently. It is essential that municipal governments be operated as economically and efficiently as possible to keep the burden of local taxes as light as possible. Professional personnel are the greatest factor in insuring competent financial management of the fiscal affairs of every municipality. Courses now offered by Rutgers University are designed to train the finance officer in the duties of his position. This bill would grant a certification to municipal finance officers who successfully complete these Rutgers courses to qualify them professionally in the management of municipal financial affairs, and give them the recognition of a professional certification, and would authorize the governing body of a municipality to create the office of municipal finance officer.

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

November 15, 1971

ASSEMBLY BILL NO. 873

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14(b) of the Constitution, I herewith return Assembly Bill No. 873, with my objections, for reconsideration.

Assembly Bill No. 873 provides for the qualification and certification of municipal finance officers and, additionally, would enable the governing body of a municipality to create the office of municipal finance officer by ordinance. The object of this bill which is to encourage increased professionalism within this key position is highly desirable.

I note, however, in my review of this bill, that sections 6 and 7, while authorizing municipalities to establish the office of municipal finance officer by ordinance failed to provide safeguards for those individuals presently employed in the performance of duties which would belong to the municipal finance officer, if such a position were created. I believe that this might result in a number of highly competent people being unduly prejudiced by the creation of the office of municipal finance officer by ordinance. If at some time in the future the Legislature, in its wisdom, chooses to allow the governing body of a municipality to create by ordinance the office of municipal finance officer, I would respectfully recommend that they provide the necessary safeguards to protect those serving at that time.

Accordingly, I herewith return Assembly Bill No. 873, and respectfully recommend the following changes:

Pages 2 and 3, Section 6, Lines 1 - 9: Omit in its entirety. .

Page 3, Section 7, Lines 1 - 7: Omit in its entirety.

Page 3, Section 8, Line 1: Delete "8." and insert "6."

Page 3, Section 9, Line 1: Delete "9." and insert "7."

[seal]

Respectfully,

/s/ William T. Cahill

GOVERNOR

Attest:

/s/ Jean E. Mulford

Acting Secretary to the Governor