

S2459 (continued)

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT: Yes

LEGISLATIVE FISCAL ESTIMATE: No

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: Yes

FOLLOWING WERE PRINTED:

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REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: No

Rwh/cl

P.L. 2019, CHAPTER 335, *approved January 13, 2020*
Assembly, No. 3832 (*First Reprint*)

1 AN ACT concerning ¹**[arts and culture funding and]** the municipal
2 tax levy and local government issuance of non-recourse bonds,
3 amending P.L.2011, c.187,¹ supplementing Title 40 of the
4 Revised Statutes ¹, and making an appropriation.¹
5

6 **BE IT ENACTED** by the Senate and General Assembly of the State
7 of New Jersey:
8

9 1. As used in P.L. , c. (C.) (pending before the
10 Legislature as this bill):

11 “Arts and culture” means creative and cultural activities,
12 including but not limited to, performing, visual, and fine arts,
13 music, dance, graphic design, film, digital media and video,
14 architecture and urban design, humanities, literature, arts and
15 culture education, historic preservation, museum curation, crafts,
16 and folk arts.

17 “Arts and culture trust fund” means a fund established pursuant
18 to section 2 of P.L. , c. (C.) (pending before the Legislature
19 as this bill), for the purpose of supporting local arts and culture.

20 “Local arts council” means an entity, often referred to as a local
21 arts agency, arts commission, or cultural affairs office, that:

22 a. is either a municipal or county government agency, or a
23 private entity exempt from federal income taxation under paragraph
24 (3) of subsection (c) of section 501 of the federal Internal Revenue
25 Code of 1986 (26 U.S.C. s.501(c)(3)); and

26 b. maintains a mission that generally involves making arts and
27 culture more accessible to the public, and supporting local artists,
28 art programming, or local organizations focused on arts and culture.
29

30 2. (New section) a. The governing body of a municipality
31 may, by ordinance, submit to the voters of the municipality, in a
32 general or special election, a proposition authorizing an annual
33 levy, in an amount or at a rate that the governing body deems
34 appropriate, to be established for the purpose of supporting arts and
35 culture ¹**[**, or any subset of activities within the definition of “arts
36 and culture” under section 1 of P.L. , c. (C.) (pending
37 before the Legislature as this bill)**]**¹. Upon approval of 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.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate floor amendments adopted June 27, 2019.

1 proposition by a majority of the votes cast by the voters of the
2 municipality, the governing body of the municipality may annually
3 raise by taxation a sum not to exceed the amount or rate set forth in
4 the proposition approved by the voters for the purposes specified
5 therein. ¹The arts and culture levy shall become effective in the
6 next budget year following the year in which the levy has been
7 approved by the voters.¹

8 b. ¹~~[(1)~~ The amount or rate of the annual levy may be
9 subdivided in the proposition to reflect the relative portions of the
10 levy to be allocated to any respective arts and culture purpose.

11 (2) If the amount or rate set forth in the proposition is not
12 subdivided among its various purposes, then the governing body of
13 the municipality may, by ordinance, determine the appropriate
14 amount or rate to be allocated to each purpose at a later time. By
15 ordinance, the governing body of the municipality may also adjust
16 any previously-determined allocation of funds among each purpose,
17 so long as the adjustment is in accordance with the terms of the levy
18 allocation submitted to the voters.

19 c. ¹~~]~~ Amounts raised by the levy imposed pursuant to this section
20 shall be deposited into an "arts and culture trust fund" to be created
21 by the municipality, and shall be used exclusively for ¹~~[the~~
22 ~~purposes authorized by the voters of the municipality]~~ arts and
23 culture, except that the municipality may deposit such amounts into
24 the current fund of that municipality for uses not related to arts and
25 culture if the Director of the Division of Local Government
26 Services in the Department of Community Affairs finds that the
27 municipality is in fiscal distress¹. Any interest or other income
28 earned on monies deposited into the arts and culture trust fund shall
29 be credited to the fund to be used for the same purposes as the
30 principal. ¹~~[Separate accounts may be created within the arts and~~
31 ~~culture trust fund for the deposit of revenue that is to be expended~~
32 ~~for each respective purpose, as specified in the proposition~~
33 ~~approved by the voters of the municipality.]~~¹ A municipality may
34 deposit other funds into the arts and culture trust fund, as it may,
35 from time to time, deem appropriate.

36 ¹~~[d.]~~ c.¹ The governing body of a municipality may, by
37 ordinance, submit to the voters of the municipality in a general or
38 special election a proposition amending, supplementing, or
39 repealing, a proposition previously submitted, approved, and
40 implemented as provided pursuant to this section. The proposition
41 may propose to eliminate the annual levy ¹~~[,]~~ or¹ change the
42 amount or rate of the annual levy ¹~~[,]~~ or add or remove purposes
43 authorized pursuant to this section for which the levy may be
44 expended¹. Upon approval of an amendatory or supplementary
45 proposition by a majority of the votes cast by the voters of the
46 municipality, the governing body of the municipality shall
47 implement it in the same manner as set forth in

1 P.L. , c. (C.) (pending before the Legislature as this bill)
2 for implementation of the original proposition.

3 ¹~~1~~¹ ~~1~~¹ Upon petition to the governing body of a municipality
4 signed by the voters of the municipality equal in number to at least
5 15 percent of the votes cast therein at the last preceding general
6 election, filed with the governing body at least 90 days before a
7 general or special election, the governing body of the municipality
8 shall submit to the voters of the municipality in the general or
9 special election the proposition otherwise authorized pursuant to
10 subsection a. or subsection ¹~~1~~¹ ~~1~~¹ of this section, as the case may
11 be.

12
13 3. (New section) a. The municipality, either through an
14 ordinance adopted pursuant to section 2 of P.L. , c. (C.)
15 (pending before the Legislature as this bill), or through a
16 subsequent ordinance, shall designate a local arts council to
17 ¹~~1~~¹ ~~1~~¹ manage the distribution of monies in the arts and culture trust
18 fund. In distributing arts and culture trust fund monies, the ~~1~~¹ ~~1~~¹ which
19 monies from the arts and culture trust fund shall be appropriated.
20 The¹ local arts council shall comply with the conditions for the use
21 of the funding established ¹~~1~~¹ ~~1~~¹ through the propositions and
22 ordinances adopted pursuant to section 2 of P.L. , c. (C.)
23 (pending before the Legislature as this bill) ~~1~~¹ ~~1~~¹ by ordinance¹.

24 b. An agreement entered into in accordance with this section
25 shall not be subject to the requirements and provisions of the "Local
26 Public Contracts Law," P.L.1971, c.198 (C.40A:11-1 et seq.). If the
27 local arts council is a private entity, then the local arts council shall
28 allow the chief financial officer of the municipality to serve on its
29 board, ex officio, as a non-voting member.

30
31 ¹4. Section 2 of P.L.2011, c.187 (C.40:56-13.1) is amended to
32 read as follows:

33 2. a. Upon application to and approval by the Director of
34 Local Government Services in the Department of Community
35 Affairs, a municipality may adopt an ordinance to establish a
36 program to finance the purchase and installation of renewable
37 energy systems and energy efficiency improvements by property
38 owners and to authorize the issuance at public or private sale of
39 non-recourse bonds as further provided herein. The governing body
40 may apply to a county improvement authority that issues bonds
41 pursuant to paragraph (2) of subsection (j) of section 12 of
42 P.L.1960, c.183 (C.40:37A-55), or may issue bonds to finance the
43 program pursuant to section 3 of P.L.2011, c.187 (C.40:56-13.2).
44 Funds for the purchase and installation of renewable energy systems
45 and energy efficiency improvements shall be loaned to property
46 owners in exchange for a clean energy special assessment on the
47 property pursuant to section 1 of P.L.2011, c.187 (C.40:56-1.4), to

1 be paid quarterly. In the case of financing provided by bonds
 2 issued by a county improvement authority, the clean energy special
 3 assessment shall be used to repay the bonds. The bonds issued by a
 4 county improvement authority pursuant to this section shall be
 5 issued as non-recourse obligations of the authority and shall not be
 6 considered to be direct and general obligations of the authority. In
 7 the case of financing provided by the municipality through the
 8 issuance of municipal bonds, the clean energy special assessment
 9 shall be used to repay the bonds. The bonds issued by a
 10 municipality pursuant to this section shall be issued as non-recourse
 11 obligations of the municipality and shall not be considered to be
 12 direct and general obligations of the municipality. Any bonds
 13 issued or authorized by a municipality pursuant to this section shall
 14 not be considered gross debt of the municipality on any debt
 15 statement filed in accordance with the "Local Bond Law,"
 16 N.J.S.40A:2-1 et seq. A property owner who purchases and installs
 17 a renewable energy system under the program may also assign any
 18 solar renewable energy certificates or other renewable energy
 19 credits that accrue to the property owner from the operation of the
 20 system to the municipality or the county improvement authority to
 21 repay the loan for the system. The Director of Local Government
 22 Services in the Department of Community Affairs shall coordinate
 23 efforts with the Board of Public Utilities to ensure that the amount
 24 of financing made available by local programs authorized pursuant
 25 to this act is in accordance with limits set from time to time by the
 26 Board of Public Utilities in order to ensure that local programs
 27 further the goals of the Office of Clean Energy in the Board of
 28 Public Utilities.

29 b. As used in this section, "solar renewable energy certificate"
 30 shall have the same meaning as set forth in section 3 of P.L.1999,
 31 c.23 (C.48:3-51).¹
 32 (cf: P.L.2011, c.187, s.2)

33
 34 ¹5. (New section) There is appropriated from the General Fund
 35 to the Division of Local Government Services in the Department of
 36 Community Affairs \$100,000 to fund the expenses of implementing
 37 P.L. c. (C.) (pending before the Legislature as this bill).¹

38
 39 ¹**[4.] 6.**¹ This act shall take effect immediately.

40
 41
 42
 43
 44 Authorizes municipal tax levy through public question for certain
 45 purposes; clarifies ability of local government entities to issue non-
 46 recourse bonds; appropriates \$100,000.

ASSEMBLY, No. 3832

STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED APRIL 12, 2018

Sponsored by:

Assemblyman RAJ MUKHERJI

District 33 (Hudson)

Assemblywoman ANGELA V. MCKNIGHT

District 31 (Hudson)

Assemblyman NICHOLAS CHIARAVALLOTI

District 31 (Hudson)

Co-Sponsored by:

**Assemblywoman Jones, Assemblyman Caputo, Assemblywomen Vainieri
Huttle and Murphy**

SYNOPSIS

Authorizes municipal tax levy dedicated to arts and culture through public question.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 2/1/2019)

1 AN ACT concerning arts and culture funding and supplementing
2 Title 40 of the Revised Statutes.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. As used in P.L. , c. (C.) (pending before the
8 Legislature as this bill):

9 “Arts and culture” means creative and cultural activities,
10 including but not limited to, performing, visual, and fine arts,
11 music, dance, graphic design, film, digital media and video,
12 architecture and urban design, humanities, literature, arts and
13 culture education, historic preservation, museum curation, crafts,
14 and folk arts.

15 “Arts and culture trust fund” means a fund established pursuant
16 to section 2 of P.L. , c. (C.) (pending before the Legislature
17 as this bill), for the purpose of supporting local arts and culture.

18 “Local arts council” means an entity, often referred to as a local
19 arts agency, arts commission, or cultural affairs office, that:

20 a. is either a municipal or county government agency, or a
21 private entity exempt from federal income taxation under paragraph
22 (3) of subsection (c) of section 501 of the federal Internal Revenue
23 Code of 1986 (26 U.S.C. s.501(c)(3)); and

24 b. maintains a mission that generally involves making arts and
25 culture more accessible to the public, and supporting local artists,
26 art programming, or local organizations focused on arts and culture.

27

28 2. a. The governing body of a municipality may, by ordinance,
29 submit to the voters of the municipality, in a general or special
30 election, a proposition authorizing an annual levy, in an amount or
31 at a rate that the governing body deems appropriate, to be
32 established for the purpose of supporting arts and culture, or any
33 subset of activities within the definition of “arts and culture” under
34 section 1 of P.L. , c. (C.) (pending before the Legislature
35 as this bill). Upon approval of the proposition by a majority of the
36 votes cast by the voters of the municipality, the governing body of
37 the municipality may annually raise by taxation a sum not to exceed
38 the amount or rate set forth in the proposition approved by the
39 voters for the purposes specified therein.

40 b. (1) The amount or rate of the annual levy may be subdivided
41 in the proposition to reflect the relative portions of the levy to be
42 allocated to any respective arts and culture purpose.

43 (2) If the amount or rate set forth in the proposition is not
44 subdivided among its various purposes, then the governing body of
45 the municipality may, by ordinance, determine the appropriate
46 amount or rate to be allocated to each purpose at a later time. By
47 ordinance, the governing body of the municipality may also adjust
48 any previously-determined allocation of funds among each purpose,

1 so long as the adjustment is in accordance with the terms of the levy
2 allocation submitted to the voters.

3 c. Amounts raised by the levy imposed pursuant to this section
4 shall be deposited into an "arts and culture trust fund" to be created
5 by the municipality, and shall be used exclusively for the purposes
6 authorized by the voters of the municipality. Any interest or other
7 income earned on monies deposited into the arts and culture trust
8 fund shall be credited to the fund to be used for the same purposes
9 as the principal. Separate accounts may be created within the arts
10 and culture trust fund for the deposit of revenue that is to be
11 expended for each respective purpose, as specified in the
12 proposition approved by the voters of the municipality. A
13 municipality may deposit other funds into the arts and culture trust
14 fund, as it may, from time to time, deem appropriate.

15 d. The governing body of a municipality may, by ordinance,
16 submit to the voters of the municipality in a general or special
17 election a proposition amending, supplementing, or repealing, a
18 proposition previously submitted, approved, and implemented as
19 provided pursuant to this section. The proposition may propose to
20 eliminate the annual levy, change the amount or rate of the annual
21 levy, or add or remove purposes authorized pursuant to this section
22 for which the levy may be expended. Upon approval of an
23 amendatory or supplementary proposition by a majority of the votes
24 cast by the voters of the municipality, the governing body of the
25 municipality shall implement it in the same manner as set forth in
26 P.L. , c. (C.) (pending before the Legislature as this bill)
27 for implementation of the original proposition.

28 e. Upon petition to the governing body of a municipality
29 signed by the voters of the municipality equal in number to at least
30 15 percent of the votes cast therein at the last preceding general
31 election, filed with the governing body at least 90 days before a
32 general or special election, the governing body of the municipality
33 shall submit to the voters of the municipality in the general or
34 special election the proposition otherwise authorized pursuant to
35 subsection a. or subsection d. of this section, as the case may be.

36
37 3. a. The municipality, either through an ordinance adopted
38 pursuant to section 2 of P.L. , c. (C.) (pending before the
39 Legislature as this bill), or through a subsequent ordinance, shall
40 designate a local arts council to manage the distribution of monies
41 in the arts and culture trust fund. In distributing arts and culture
42 trust fund monies, the local arts council shall comply with the
43 conditions for the use of the funding established through the
44 propositions and ordinances adopted pursuant to section 2 of P.L. ,
45 c. (C.) (pending before the Legislature as this bill).

46 b. An agreement entered into in accordance with this section
47 shall not be subject to the requirements and provisions of the "Local
48 Public Contracts Law," P.L.1971, c.198 (C.40A:11-1 et seq.). If the

1 local arts council is a private entity, then the local arts council shall
2 allow the chief financial officer of the municipality to serve on its
3 board, ex officio, as a non-voting member.

4

5 4. This act shall take effect immediately.

6

7

8

STATEMENT

9

10 This bill would authorize a municipality to adopt an ordinance,
11 allowing the establishment of an annual tax levy dedicated to arts
12 and culture funding, if approved by a majority of voters in the
13 municipality through a public question in a general or special
14 election.

15 The public question permitted by the bill would specify the sum
16 or rate of the annual tax levy, and whether the levy will support arts
17 and culture in the municipality broadly, or a subset of specific
18 activities within the bill's definition of "arts and culture." The bill
19 defines "arts and culture" as creative and cultural activities,
20 including but not limited to, performing, visual, and fine arts,
21 music, dance, graphic design, film, digital media and video,
22 architecture and urban design, humanities, literature, arts and
23 culture education, historic preservation, museum curation, crafts,
24 and folk arts.

25 Under the bill, the amount or rate of the annual levy could be
26 subdivided in the public question to reflect the relative portions of
27 the levy to be allocated to any respective arts and culture purpose.
28 If the public question does not subdivide the amount or rate of the
29 levy among its various purposes, then the bill allows the
30 municipality to determine by ordinance the appropriate amount or
31 rate to be allocated to each purpose at a later time. By ordinance,
32 the bill also allows the municipality to adjust any previously-
33 determined allocation of funds among each purpose, so long as the
34 adjustment is consistent with the terms of the levy allocation
35 submitted to the voters.

36 Amounts raised by the levy would be deposited into an "arts and
37 culture trust fund," and used exclusively for the purposes authorized
38 by the voters of the municipality. The bill allows separate accounts
39 to be created within the arts and culture trust fund for the deposit of
40 revenue to be expended for each of the purposes specified in the
41 public question. The bill also allows the municipality to deposit
42 other funds into the arts and culture trust fund, as it may deem
43 appropriate.

44 Following approval and implementation of one public question
45 submitted under the terms of this bill, a municipality could, by
46 ordinance, submit to the voters another proposition to (1) eliminate
47 the annual levy, (2) change the amount or rate of the annual levy, or
48 (3) add or remove certain purposes of the levy. Upon approval of

1 an amendatory or supplementary proposition by a majority of the
2 voters, this bill allows the municipality to implement it in the same
3 manner as the original proposition.

4 The bill also authorizes a municipality's residents to compel a
5 public question on arts and culture funding through petition.
6 Specifically, through a petition signed by the voters of the
7 municipality equal in number to at least 15 percent of the votes cast
8 therein at the last preceding general election, filed with the
9 municipality at least 90 days before a general or special election,
10 the bill requires the municipality to submit to the voters any
11 proposition otherwise authorized by the bill, in accordance with the
12 terms of the petition.

13 The bill requires the municipality to designate, by ordinance, a
14 local arts council to manage the distribution of monies in the arts
15 and culture trust fund. The bill defines a local arts council as an
16 entity, often referred to as a local arts agency, arts commission, or
17 cultural affairs office, that:

- 18 • is either a municipal or county government agency, or a
19 private entity exempt from federal income taxation under
20 paragraph (3) of subsection (c) of section 501 of the federal
21 Internal Revenue Code of 1986 (26 U.S.C. s.501(c)(3)); and
- 22 • maintains a mission that generally involves making arts and
23 culture more accessible to the public, and supporting local
24 artists, art programming, or local organizations focused on
25 arts and culture.

26 In distributing arts and culture trust fund monies, the bill requires
27 the local arts council to comply with the conditions for the use of
28 the funding established through the one or more propositions and
29 ordinances establishing the fund. An agreement entered into with a
30 local arts council would not be subject to the requirements and
31 provisions of the "Local Public Contracts Law," P.L.1971, c.198
32 (C.40A:11-1 et seq.). However, if the local arts council is a private
33 entity, then the bill requires it to allow the chief financial officer of
34 the municipality to serve on its board, ex officio, as a non-voting
35 member.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3832

STATE OF NEW JERSEY

DATED: JANUARY 28, 2019

The Assembly Appropriations Committee reports favorably Assembly Bill No. 3832.

Assembly Bill No. 3832 would authorize a municipality to adopt an ordinance, allowing the establishment of an annual tax levy dedicated to arts and culture funding, if approved by a majority of voters in the municipality through a public question in a general or special election.

The public question permitted by the bill would specify the sum or rate of the annual tax levy, and whether the levy will support arts and culture in the municipality broadly, or a subset of specific activities within the bill's definition of "arts and culture." The bill defines "arts and culture" as creative and cultural activities, including but not limited to, performing, visual, and fine arts, music, dance, graphic design, film, digital media and video, architecture and urban design, humanities, literature, arts and culture education, historic preservation, museum curation, crafts, and folk arts.

Under the bill, the amount or rate of the annual levy could be subdivided in the public question to reflect the relative portions of the levy to be allocated to any respective arts and culture purpose. If the public question does not subdivide the amount or rate of the levy among its various purposes, then the bill allows the municipality to determine by ordinance the appropriate amount or rate to be allocated to each purpose at a later time. By ordinance, the bill also allows the municipality to adjust any previously-determined allocation of funds among each purpose, so long as the adjustment is consistent with the terms of the levy allocation submitted to the voters.

Amounts raised by the levy would be deposited into an "arts and culture trust fund," and used exclusively for the purposes authorized by the voters of the municipality. The bill allows separate accounts to be created within the arts and culture trust fund for the deposit of revenue to be expended for each of the purposes specified in the public question. The bill also allows the municipality to deposit other funds into the arts and culture trust fund, as it may deem appropriate.

Following approval and implementation of one public question submitted under the terms of this bill, a municipality could, by ordinance, submit to the voters another proposition to (1) eliminate the annual levy, (2) change the amount or rate of the annual levy, or (3) add or remove certain purposes of the levy. Upon approval of an

amendatory or supplementary proposition by a majority of the voters, this bill allows the municipality to implement it in the same manner as the original proposition.

The bill also authorizes a municipality's residents to compel a public question on arts and culture funding through petition. Specifically, through a petition signed by the voters of the municipality equal in number to at least 15 percent of the votes cast therein at the last preceding general election, filed with the municipality at least 90 days before a general or special election, the bill requires the municipality to submit to the voters any proposition otherwise authorized by the bill, in accordance with the terms of the petition.

The bill requires the municipality to designate, by ordinance, a local arts council to manage the distribution of monies in the arts and culture trust fund. The bill defines a local arts council as an entity, often referred to as a local arts agency, arts commission, or cultural affairs office, that:

- is either a municipal or county government agency, or a private entity exempt from federal income taxation under paragraph (3) of subsection (c) of section 501 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.501(c)(3)); and
- maintains a mission that generally involves making arts and culture more accessible to the public, and supporting local artists, art programming, or local organizations focused on arts and culture.

In distributing arts and culture trust fund monies, the bill requires the local arts council to comply with the conditions for the use of the funding established through the one or more propositions and ordinances establishing the fund. An agreement entered into with a local arts council would not be subject to the requirements and provisions of the "Local Public Contracts Law," P.L.1971, c.198 (C.40A:11-1 et seq.). However, if the local arts council is a private entity, then the bill requires it to allow the chief financial officer of the municipality to serve on its board, ex officio, as a non-voting member.

FISCAL IMPACT:

This bill has not been certified as requiring a fiscal note.

STATEMENT TO
ASSEMBLY, No. 3832

with Senate Floor Amendments
(Proposed by Senator CRYAN)

ADOPTED: JUNE 27, 2019

These Senate floor amendments eliminate the ability of a municipality to limit the use of an arts and culture trust fund to only subsets of arts and culture activities, and prohibit the municipality from specifying in a public question that an annual arts and culture levy would only support a subset of arts and culture activities.

The amendments authorize a municipality to reallocate monies from an arts and culture trust fund into its general fund if the Director of the Division of Local Government Services in the Department of Community Affairs determines that the municipality is in fiscal distress.

The amendments remove language that would allow a local arts council to manage the distribution of arts and culture levy proceeds, in order to clarify that any local arts council would be subject to the restrictions that may be established by ordinance.

The amendments appropriate \$100,000 from the general fund to the Division of Local Government Services to fund the expenses necessary for the implementation of the bill, which may include the funding necessary for the division to modify its Financial Automation Submission Tracking system to incorporate the additional levy.

The amendments require that an arts and culture levy would become effective in the next budget year following the year in which the levy is approved by the voters.

Finally, the amendments clarify that certain local government entities may issue non-recourse bonds for the purpose of financing the purchase and installation of a renewable energy system and energy efficiency improvements.

SENATE, No. 2459

STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED APRIL 12, 2018

Sponsored by:

Senator JOSEPH P. CRYAN

District 20 (Union)

Senator BRIAN P. STACK

District 33 (Hudson)

Co-Sponsored by:

Senators Cunningham and Ruiz

SYNOPSIS

Authorizes municipal tax levy dedicated to arts and culture through public question.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 5/31/2019)

1 AN ACT concerning arts and culture funding and supplementing
2 Title 40 of the Revised Statutes.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. As used in P.L. , c. (C.) (pending before the
8 Legislature as this bill):

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10 including but not limited to, performing, visual, and fine arts,
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12 architecture and urban design, humanities, literature, arts and
13 culture education, historic preservation, museum curation, crafts,
14 and folk arts.

15 “Arts and culture trust fund” means a fund established pursuant
16 to section 2 of P.L. , c. (C.) (pending before the Legislature
17 as this bill), for the purpose of supporting local arts and culture.

18 “Local arts council” means an entity, often referred to as a local
19 arts agency, arts commission, or cultural affairs office, that:

20 a. is either a municipal or county government agency, or a
21 private entity exempt from federal income taxation under paragraph
22 (3) of subsection (c) of section 501 of the federal Internal Revenue
23 Code of 1986 (26 U.S.C. s.501(c)(3)); and

24 b. maintains a mission that generally involves making arts and
25 culture more accessible to the public, and supporting local artists,
26 art programming, or local organizations focused on arts and culture.

27

28 2. a. The governing body of a municipality may, by ordinance,
29 submit to the voters of the municipality, in a general or special
30 election, a proposition authorizing an annual levy, in an amount or
31 at a rate that the governing body deems appropriate, to be
32 established for the purpose of supporting arts and culture, or any
33 subset of activities within the definition of “arts and culture” under
34 section 1 of P.L. , c. (C.) (pending before the Legislature
35 as this bill). Upon approval of the proposition by a majority of the
36 votes cast by the voters of the municipality, the governing body of
37 the municipality may annually raise by taxation a sum not to exceed
38 the amount or rate set forth in the proposition approved by the
39 voters for the purposes specified therein.

40 b. (1) The amount or rate of the annual levy may be subdivided
41 in the proposition to reflect the relative portions of the levy to be
42 allocated to any respective arts and culture purpose.

43 (2) If the amount or rate set forth in the proposition is not
44 subdivided among its various purposes, then the governing body of
45 the municipality may, by ordinance, determine the appropriate
46 amount or rate to be allocated to each purpose at a later time. By
47 ordinance, the governing body of the municipality may also adjust
48 any previously-determined allocation of funds among each purpose,

1 so long as the adjustment is in accordance with the terms of the levy
2 allocation submitted to the voters.

3 c. Amounts raised by the levy imposed pursuant to this section
4 shall be deposited into an "arts and culture trust fund" to be created
5 by the municipality, and shall be used exclusively for the purposes
6 authorized by the voters of the municipality. Any interest or other
7 income earned on monies deposited into the arts and culture trust
8 fund shall be credited to the fund to be used for the same purposes
9 as the principal. Separate accounts may be created within the arts
10 and culture trust fund for the deposit of revenue that is to be
11 expended for each respective purpose, as specified in the
12 proposition approved by the voters of the municipality. A
13 municipality may deposit other funds into the arts and culture trust
14 fund, as it may, from time to time, deem appropriate.

15 d. The governing body of a municipality may, by ordinance,
16 submit to the voters of the municipality in a general or special
17 election a proposition amending, supplementing, or repealing, a
18 proposition previously submitted, approved, and implemented as
19 provided pursuant to this section. The proposition may propose to
20 eliminate the annual levy, change the amount or rate of the annual
21 levy, or add or remove purposes authorized pursuant to this section
22 for which the levy may be expended. Upon approval of an
23 amendatory or supplementary proposition by a majority of the votes
24 cast by the voters of the municipality, the governing body of the
25 municipality shall implement it in the same manner as set forth in
26 P.L. , c. (C.) (pending before the Legislature as this bill)
27 for implementation of the original proposition.

28 e. Upon petition to the governing body of a municipality signed
29 by the voters of the municipality equal in number to at least 15
30 percent of the votes cast therein at the last preceding general
31 election, filed with the governing body at least 90 days before a
32 general or special election, the governing body of the municipality
33 shall submit to the voters of the municipality in the general or
34 special election the proposition otherwise authorized pursuant to
35 subsection a. or subsection d. of this section, as the case may be.

36
37 3. a. The municipality, either through an ordinance adopted
38 pursuant to section 2 of P.L. , c. (C.) (pending before the
39 Legislature as this bill), or through a subsequent ordinance, shall
40 designate a local arts council to manage the distribution of monies
41 in the arts and culture trust fund. In distributing arts and culture
42 trust fund monies, the local arts council shall comply with the
43 conditions for the use of the funding established through the
44 propositions and ordinances adopted pursuant to section 2 of
45 P.L. , c. (C.) (pending before the Legislature as this bill).

46 b. An agreement entered into in accordance with this section
47 shall not be subject to the requirements and provisions of the "Local
48 Public Contracts Law," P.L.1971, c.198 (C.40A:11-1 et seq.). If the

1 local arts council is a private entity, then the local arts council shall
2 allow the chief financial officer of the municipality to serve on its
3 board, ex officio, as a non-voting member.

4

5 4. This act shall take effect immediately.

6

7

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STATEMENT

9

10 This bill would authorize a municipality to adopt an ordinance,
11 allowing the establishment of an annual tax levy dedicated to arts
12 and culture funding, if approved by a majority of voters in the
13 municipality through a public question in a general or special
14 election.

15 The public question permitted by the bill would specify the sum
16 or rate of the annual tax levy, and whether the levy will support arts
17 and culture in the municipality broadly, or a subset of specific
18 activities within the bill's definition of "arts and culture." The bill
19 defines "arts and culture" as creative and cultural activities,
20 including but not limited to, performing, visual, and fine arts,
21 music, dance, graphic design, film, digital media and video,
22 architecture and urban design, humanities, literature, arts and
23 culture education, historic preservation, museum curation, crafts,
24 and folk arts.

25 Under the bill, the amount or rate of the annual levy could be
26 subdivided in the public question to reflect the relative portions of
27 the levy to be allocated to any respective arts and culture purpose.
28 If the public question does not subdivide the amount or rate of the
29 levy among its various purposes, then the bill allows the
30 municipality to determine by ordinance the appropriate amount or
31 rate to be allocated to each purpose at a later time. By ordinance,
32 the bill also allows the municipality to adjust any previously-
33 determined allocation of funds among each purpose, so long as the
34 adjustment is consistent with the terms of the levy allocation
35 submitted to the voters.

36 Amounts raised by the levy would be deposited into an "arts and
37 culture trust fund," and used exclusively for the purposes authorized
38 by the voters of the municipality. The bill allows separate accounts
39 to be created within the arts and culture trust fund for the deposit of
40 revenue to be expended for each of the purposes specified in the
41 public question. The bill also allows the municipality to deposit
42 other funds into the arts and culture trust fund, as it may deem
43 appropriate.

44 Following approval and implementation of one public question
45 submitted under the terms of this bill, a municipality could, by
46 ordinance, submit to the voters another proposition to (1) eliminate
47 the annual levy, (2) change the amount or rate of the annual levy, or
48 (3) add or remove certain purposes of the levy. Upon approval of

1 an amendatory or supplementary proposition by a majority of the
2 voters, this bill allows the municipality to implement it in the same
3 manner as the original proposition.

4 The bill also authorizes a municipality's residents to compel a
5 public question on arts and culture funding through petition.
6 Specifically, through a petition signed by the voters of the
7 municipality equal in number to at least 15 percent of the votes cast
8 therein at the last preceding general election, filed with the
9 municipality at least 90 days before a general or special election,
10 the bill requires the municipality to submit to the voters any
11 proposition otherwise authorized by the bill, in accordance with the
12 terms of the petition.

13 The bill requires the municipality to designate, by ordinance, a
14 local arts council to manage the distribution of monies in the arts
15 and culture trust fund. The bill defines a local arts council as an
16 entity, often referred to as a local arts agency, arts commission, or
17 cultural affairs office, that:

- 18 • is either a municipal or county government agency, or a
19 private entity exempt from federal income taxation under
20 paragraph (3) of subsection (c) of section 501 of the federal
21 Internal Revenue Code of 1986 (26 U.S.C. s.501(c)(3)); and
- 22 • maintains a mission that generally involves making arts and
23 culture more accessible to the public, and supporting local
24 artists, art programming, or local organizations focused on
25 arts and culture.

26 In distributing arts and culture trust fund monies, the bill requires
27 the local arts council to comply with the conditions for the use of
28 the funding established through the one or more propositions and
29 ordinances establishing the fund. An agreement entered into with a
30 local arts council would not be subject to the requirements and
31 provisions of the "Local Public Contracts Law," P.L.1971, c.198
32 (C.40A:11-1 et seq.). However, if the local arts council is a private
33 entity, then the bill requires it to allow the chief financial officer of
34 the municipality to serve on its board, ex officio, as a non-voting
35 member.

SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

STATEMENT TO

SENATE, No. 2459

STATE OF NEW JERSEY

DATED: JUNE 25, 2018

The Senate Community and Urban Affairs Committee reports favorably Senate Bill No. 2459.

This bill would authorize a municipality to adopt an ordinance allowing the establishment of an annual property tax levy dedicated to arts and culture funding, if approved by a majority of voters in the municipality through a public question in a general or special election.

The public question permitted by the bill would specify the sum or rate of the annual tax levy, and whether the levy will support arts and culture in the municipality broadly or a subset of specific activities within the bill's definition of "arts and culture." The bill defines "arts and culture" as creative and cultural activities, including, but not limited to, performing, visual, and fine arts, music, dance, graphic design, film, digital media and video, architecture and urban design, humanities, literature, arts and culture education, historic preservation, museum curation, crafts, and folk arts.

Under the bill, the amount or rate of the annual levy could be subdivided in the public question to reflect the relative portions of the levy to be allocated to any respective arts and culture purpose. If the public question does not subdivide the amount or rate of the levy among its various purposes, then the bill allows the municipality to determine by ordinance the appropriate amount or rate to be allocated to each purpose at a later time. The bill also allows the municipality to adjust, by ordinance, any previously-determined allocation of funds among each purpose, so long as the adjustment is consistent with the terms of the levy allocation submitted to the voters.

Amounts raised by the levy would be deposited into an "arts and culture trust fund," and used exclusively for the purposes authorized by the voters of the municipality. The bill allows separate accounts to be created within the arts and culture trust fund for the deposit of revenue to be expended for each of the purposes specified in the public question. The bill also allows the municipality to deposit other funds into the arts and culture trust fund, as it may deem appropriate.

Following approval and implementation of one public question submitted under the terms of this bill, a municipality could, by ordinance, submit to the voters another proposition to (1) eliminate the annual levy, (2) change the amount or rate of the annual levy, or (3) add or remove certain purposes of the levy. Upon approval of an amendatory or supplementary proposition by a majority of the voters,

this bill allows the municipality to implement it in the same manner as the original proposition.

The bill also authorizes a municipality's residents to have a public question authorized by the bill placed on the ballot through a petition. The petition would have to be signed by the voters of the municipality equal in number to at least 15 percent of the votes cast therein at the last preceding general election. The public question would be submitted to the voters at a general or special election at least 90 days after the petition is filed with the municipality.

The bill also requires the municipality to designate, by ordinance, a local arts council to manage the distribution of monies in the arts and culture trust fund. The bill defines a local arts council as an entity, often referred to as a local arts agency, arts commission, or cultural affairs office, that:

- is either a municipal or county government agency, or a private entity exempt from federal income taxation under paragraph (3) of subsection (c) of section 501 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.501(c)(3)); and
- maintains a mission that generally involves making arts and culture more accessible to the public, and supporting local artists, art programming, or local organizations focused on arts and culture.

In distributing arts and culture trust fund monies, the bill requires the local arts council to comply with the conditions for the use of the funding established through the one or more propositions and ordinances establishing the fund. An agreement entered into with a local arts council would not be subject to the requirements and provisions of the "Local Public Contracts Law," P.L.1971, c.198 (C.40A:11-1 et seq.). However, if the local arts council is a private entity, then the bill requires it to allow the chief financial officer of the municipality to serve on its board, ex officio, as a non-voting member.

STATEMENT TO
SENATE, No. 2459

with Senate Floor Amendments
(Proposed by Senator CRYAN)

ADOPTED: JUNE 27, 2019

These Senate floor amendments eliminate the ability of a municipality to limit the use of an arts and culture trust fund to only subsets of arts and culture activities, and prohibit the municipality from specifying in a public question that an annual arts and culture levy would only support a subset of arts and culture activities.

The amendments authorize a municipality to reallocate monies from an arts and culture trust fund into its general fund if the Director of the Division of Local Government Services in the Department of Community Affairs determines that the municipality is in fiscal distress.

The amendments remove language that would allow a local arts council to manage the distribution of arts and culture levy proceeds, in order to clarify that any local arts council would be subject to the restrictions that may be established by ordinance.

The amendments appropriate \$100,000 from the general fund to the Division of Local Government Services to fund the expenses necessary for the implementation of the bill, which may include the funding necessary for the division to modify its Financial Automation Submission Tracking system to incorporate the additional levy.

The amendments require that an arts and culture levy would become effective in the next budget year following the year in which the levy is approved by the voters.

Finally, the amendments clarify that certain local government entities may issue non-recourse bonds for the purpose of financing the purchase and installation of a renewable energy system and energy efficiency improvements.

Governor Murphy Takes Action on Legislation

01/13/2020

TRENTON – Today, Governor Phil Murphy signed the following bills into law:

A268 (Kean, Egan, Holley/Singer, Gopal) - "P.I.C.K. Awareness Act"; authorizes issuance of special support recovery license plates.

A790 (Andrzejczak, Land, Mosquera, Mukherji, Downey, Zwicker, Mazzeo/Connors, Singleton) - "Combat to College Act"; grants priority course registration to military service members and veterans attending public institutions of higher education.

A791 (Andrzejczak, Land, Mosquera, Danielsen, Mukherji, Downey, Zwicker/Van Drew, Brown) - Requires institution of higher education to award appropriate credit for student's military service.

A1212 (McKeon, Gusciora, Vainieri Huttel/Sweeney, Smith, Bateman, Greenstein) - Clarifies intent of P.L.2007, c.340 regarding NJ's required participation in Regional Greenhouse Gas Initiative.

A1305 (Greenwald/Rice) - Renames Mountainview Youth Correctional Facility as "William H. Fauver Youth Correctional Facility."

A1576 (Conaway, Giblin/Vitale) - Requires certain health care facilities to provide, and employees to receive, annual influenza vaccination.

A1582 (Conaway, Moriarty, Mosquera, Benson, Pinkin, Giblin, Quijano/Weinberg, Ruiz) - Establishes "Dietetics and Nutrition Licensing Act".

A1991 (Sumter, Munoz, Mukherji/Singer, Gordon) - Requires students at institutions of higher education to receive immunization for meningitis in accordance with recommendations of Advisory Committee on Immunization Practices.

A3101 (Egan Jones, Benson, Land/Singleton) - Increases minimum annual amounts for appropriation for certain arts, historical heritage, and tourism purposes from hotel and motel occupancy fee revenues.

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A3160 (Lampitt, Giblin, Murphy/Beach) - Permits cosmetology and hairstyling school clinics to charge certain fees for services rendered to general public.

A3832 (Mukherji, McKnight, Chiaravalloti/Cryan, Stack) - Authorizes municipal tax levy through public question for certain purposes; clarifies ability of local government entities to issue non-recourse bonds; appropriates \$100,000.

A4493 (Pinkin, Conaway, Vainieri Huttel/Vitale) - Authorizes expedited partner therapy, under which sexual partners or patients diagnosed with sexually transmitted disease are treated without prior clinical examination.

A4608 (Zwicker, Downey/Weinberg, Kean) - " Applied Behavior Analyst Licensing Act."

A4710 (Lampitt, Zwicker, Vainieri Huttel/Beach,Turner) - "Strengthening Gifted and Talented Education Act"; establishes school district responsibilities in educating gifted and talented students.

A5037 (Pintor Marin, Speight, Vainieri Huttel/Andrzejczak, Greenstein) - Enhances penalties related to counterfeit drugs.

A5091 (McKeon, Vainieri Huttel, Pinkin/Pou, Singleton) - Establishes "Safeguarding Against Financial Exploitation Act."

A5263 (Tully, Armato/Corrado) - Requires four-year public institution of higher education to award college credits to firefighters for certain courses completed at county fire academies.

A5277 (DeAngelo, Houghtaling/Greenstein) - Eliminates term limits for members of State Board of Examiners of Master Plumbers and State Board of Examiners of Heating, Ventilating, Air Conditioning and Refrigeration Contractors.

A5624 (Pintor Marin, Munoz, Lampitt/Weinberg, Corrado) - Requires that State employee serve as Equal Employment Opportunity and Affirmative Action officer for gubernatorial transitions.

A5625 (Pintor Marin, Munoz, Lampitt/Weinberg, Corrado) - Requires payment of expenses related to background investigations for certain gubernatorial transition positions.

A5628 (Pintor Marin, Munoz, McKnight/Weinberg, Corrado) - Requires Civil Service Commission establish standardize recordkeeping and retention requirements with regard to unclassified State employees.

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A5631 (Pintor Marin, Munoz, Pinkin/Weinberg, Corrado) - Specifies certain requirements for State agency review of complaint of workplace discrimination.

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A5632 (Pintor Marin, Munoz, Reynolds-Jackson/Weinberg) - Requires certain public employees receive additional training to manage harassment or discrimination complaints.

A5917 (Chiaravalloti, McKnight/Cunningham, Weinberg) - Expands DOH oversight of hospital finances.

A6007 (McKeon/Pou) - Requires insurers and insurance groups to submit corporate governance annual disclosure to DOBI Commissioner.

S463 (Singer, Greenstein/Dancer, Calabrese, DeAngelo) - Provides for voluntary contributions by taxpayers on gross income tax returns for Meals on Wheels.

S538 (Oroho, Stack/Wirths, Vaineri Huttie, Bucco) - Allows long term tax exemption extension for certain low-income housing.

S775 (Cunningham, Sacco/Sumter, Caride, Vainieri Huttie) - Establishes Tuition Aid Grant Study Commission to examine New Jersey's Tuition Aid Grant Program and make recommendations regarding improvements to program.

S778 (Cunningham, Kean/Quijano, Jasey, Pintor Marin) - Establishes Campus Sexual Assault Commission.

S1493 (Stack, Singleton/Quijano, Chaparro, Timberlake) - Prohibits landlords from requiring residential tenants to pay rent and other related charges through electronic funds transfer; requires landlords to provide receipts for cash payments.

S1508 (Turner, Singleton/Reynolds-Jackson, Sumter, Wimberly) - Eliminates motor vehicle surcharges following retirement of bonds and debts tied to surcharges.

S1834 (Ruiz, Cunningham/Quijano, Murphy) - Requires each public institution of higher education to post its budget on the institution's website.

S1953 (Oroho, Cruz-Perez/Space, Andrzejcack, Wirths) - Directs Dept. of Agriculture to authorize and advise food hubs.

S1966 (Sweeney, Singleton/Taliaferro) - Increases death benefit of active member of PFRS and SPRS to 50 percent of final compensation for surviving child or children.

S2527 (Ruiz, Turner/Lampitt, Quijano, Timberlake) - Requires Department of Agriculture to promote school meal programs.

S2533 (Greenstein, Cruz-Perez/Vainieri Huttie, Lopez, Timberlake) - Requires Office of Victim-Witness Advocacy to provide services to certain inmates.

S2898 (Madden, Sarlo/Murphy, Mosquera, Vainieri Huttie) - Establishes "New Jersey Fire and EMS Crisis Intervention Services" telephone hotline; provides funding for hotline through fire inspection fees and penalties.

S2980 (Ruiz/Lampitt, McKnight) - Provides that school district may not condition student enrollment in district on fact that MVC does not have name or address of parent or guardian on file.

S2982 (Ruiz/Lampitt, Mukherji, Lopez) - Clarifies that child may not be excluded from public school based on membership in protected category under "Law Against Discrimination" or immigration status.

S2998 (Ruiz/Freiman, Downey) - Requires creditors to make certain disclosures regarding collateral protection insurance to consumer debtors.

S3064 (Ruiz, Singleton/Armato, Conaway, Swain) - Establishes task force to develop State-wide plan to diversify apprenticeships.

S3066 (Ruiz, Singleton/Lampitt, Mukherji, Benson) - Creates five year High-Growth Industry Regional Apprenticeship Development Grant Pilot Program.

S3118 (Ruiz/Speight, Munoz, Tucker) - Establishes public awareness campaign to promote early conversations about advance care planning and end-of-life care.

S3124 (Stack/Mukherji) - Requires landlords to allow tenants to pay rent up to three business days after eviction order or lockout is executed and accept rent payments by any means.

S3206 (Pou, Cruz-Perez/Lopez, McKeon, Murphy) - Establishes "Unbanked and Underbanked Consumers Study Commission."

S3215 (Greenstein, Singleton/Zwicker, Mukherji, Swain) - Requires State to use 20-year time horizon and most recent Intergovernmental Panel on Climate Change Assessment Report when calculating global warming potential to measure global warming impact of greenhouse gases.

S3246 (Sarlo, Singleton, Oroho, Bucco/Benson, Bucco, Freiman) - Establishes elective pass-through entity business alternative income tax and allows corresponding refundable gross income tax and corporation business tax credit.

S3327 (Ruiz, Cruz-Perez/Lopez, Timberlake) - Establishes Commission on Latino and Hispanic Heritage in DOE.

S3348 (Weinberg/Vainieri Huttle, McKnight) - Requires home health agencies and specialty pharmacies providing services related to bleeding episodes associated with hemophilia to comply with certain minimum practice standards.

S3528 (Scutari, Codey/Vainieri Huttle, Quijano, Kennedy) - Establishes process to obtain judgement of adoption for civil union partner or spouse of natural or legal parent of child when that person is named as parent on child's birth certificate.

S3574 (Scutari, Kean, Cryan/Carter, Kennedy, Freiman) - Requires NJT to conduct feasibility study on restoring one-seat ride to Manhattan on Raritan Valley Line.

Governor Murphy conditionally vetoed the following bills:

A2431 (Benson, Jimenez, DeCroce, Eustace/Weinberg, Kean) – Requires health insurers to provide plans that limit patient cost-sharing concerning certain prescription drug coverage.

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A4978 (Timberlake, Zwicker, Vainieri Huttle/Greenstein, Cryan) – Prohibits online education services from using and disclosing certain information, engaging in targeted advertising, and requires deletion of certain information in certain circumstances.

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S3920 (Pou/Wimberly, Sumter) – Concerns provision of energy to certain manufacturing facilities by providing exemptions to certain energy related taxes.

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Governor Murphy absolute vetoed the following bill:

S4139 (Greenstein/Benson) - Makes Fiscal Year 2020 supplemental appropriation of \$250,000 to Rutgers University - New Brunswick for School of Dental Medicine - Special Care Treatment Center.

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