

40:54-15

LEGISLATIVE HISTORY CHECKLIST

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LAWS OF: 2008 **CHAPTER:** 8

NJSA: 40:54-15 (Permits municipal board of library trustees to transfer surplus funds to municipality for tax relief under certain conditions)

BILL NO: A1265 (Substituted for S429)

SPONSOR(S) Moriarty and Others

DATE INTRODUCED: January 8, 2008

COMMITTEE: **ASSEMBLY:** Housing and Local Government
 SENATE: Community and Urban Affairs

AMENDED DURING PASSAGE: Yes

DATE OF PASSAGE: **ASSEMBLY:** February 7, 2008
 SENATE: March 17, 2008

DATE OF APPROVAL: April 7, 2008

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL (First reprint enacted)

A1265

SPONSOR'S STATEMENT: (Begins on page 3 of original bill)	Yes
COMMITTEE STATEMENT:	ASSEMBLY: Yes
	SENATE: Yes
FLOOR AMENDMENT STATEMENT:	No
LEGISLATIVE FISCAL NOTE:	No

S429

SPONSOR'S STATEMENT: (Begins on page 2 of original bill)	Yes
COMMITTEE STATEMENT:	ASSEMBLY: No
	SENATE: Yes
FLOOR AMENDMENT STATEMENT:	No
LEGISLATIVE FISCAL ESTIMATE:	No

(continued)

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: No

FOLLOWING WERE PRINTED:

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REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: No

LAW

P.L. 2008, CHAPTER 8, *approved April 7, 2008*
Assembly, No. 1265 (*First Reprint*)

1 AN ACT concerning amounts expended for municipal free library
2 purposes, amending R.S.40:54-15 and supplementing chapter 4 of
3 Title 40A of the New Jersey Statutes.

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

7
8 1. R.S.40:54-15 is amended to read as follows:

9 40:54-15. a. The board of trustees shall make an annual report
10 to the chief financial officer of the municipality which shall include
11 a statement setting forth in detail all public revenues received by the
12 library, all State aid received by the library, all expenditures made
13 by the library and the balance of funds available. ¹~~['The]~~
14 Notwithstanding the requirements of R.S.40:54-8 pertaining to the
15 amount required to be raised and appropriated for library purposes,
16 the¹ annual report may identify excess funds that the board intends
17 to approve and transfer to the municipality as miscellaneous
18 revenue. The excess funds intended for transfer may be any amount
19 that exceeds the sum of the amount of the audited operating
20 expenditures of the library for the most recent available year, plus
21 an additional 25% of those operating expenditures, excluding funds
22 restricted for capital projects and grants, to be maintained as
23 surplus. The annual report shall also include an analysis of the state
24 and condition of the library and shall be sent to the municipal
25 governing body and to the State Library. The State Librarian shall
26 prescribe by regulation the form of all such reports.

27 b. (1) The board of trustees of a municipal free library may
28 adopt a resolution of its intent to transfer excess funds to the
29 municipality, as identified in its annual report pursuant to
30 subsection a. of this section.

31 (2) The board of trustees of a municipal free library established
32 after the effective date of P.L. , c. shall not adopt a resolution
33 of intent pursuant to this subsection before the eighth budget year
34 following its establishment.

35 c. Once the board of trustees has adopted a resolution of intent
36 pursuant to subsection b. of this section, it shall forward the
37 resolution to the State Librarian for approval, along with any other
38 information required by the State Librarian and in accordance with
39 procedures and forms promulgated by the State Librarian in
40 consultation with the Director of the Division of Local Government

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:

¹Assembly AHO committee amendments adopted January 24, 2008.

1 Services in the Department of Community Affairs. The State
2 Librarian shall approve any resolution upon a determination that
3 'all of the following provisions are met:

4 (1)¹ the municipal free library will still retain a sum equal to the
5 amount of the audited operating expenditures of the library for the
6 most recent available year plus an additional 25% of that amount,
7 excluding funds restricted for capital projects and grants, to be
8 maintained as surplus ¹;

9 (2) the municipality and the municipal free library are in
10 compliance with all conditions imposed by rule or regulation
11 promulgated by the State Librarian for per capita library aid to
12 public libraries according to the "state library aid law,"
13 N.J.S.18A:74-1 et seq., and pertaining to appropriations for the
14 maintenance of a municipal free library according to R.S.40:54-8 or
15 section 2 of P.L.1959, c.155 (C.40:54-29.4) in the case of a joint
16 free public library;

17 (3) there are sufficient funds remaining in the municipal free
18 library's operating budget for the maintenance of the library for the
19 balance of the fiscal year in which the transfer of funds to the
20 municipality occurs; and

21 (4) the library board of trustees has a written plan of at least
22 three years that reflects that the long-term funding needs of the
23 library will be met, and that any capital expense will contribute to
24 the provision of efficient and effective library services, and that the
25 written plan has been approved by the State Librarian ¹.

26 d. Upon approval of its resolution of intent by the State
27 Librarian pursuant to subsection c. of this section, the board of
28 trustees may cause the amount of the excess funds identified in its
29 resolution to be transferred to the municipality.

30 (cf: P.L.2001, c.137, s.55)

31

32 2. (New section) Monies approved by the State Librarian for
33 transfer to a municipality by the board of trustees of its municipal
34 free library, pursuant to subsection c. of R.S.40:54-15 (as amended
35 by section 1 of this bill), may be anticipated by the municipality as
36 a miscellaneous revenue; provided, however, that the monies shall
37 be used solely and exclusively by the municipality for the purposes
38 of reducing the amount the municipality is required to raise by local
39 property tax levy for municipal purposes. The director shall certify
40 that each municipality has complied with this section. If the
41 director finds that monies transferred to a municipality by its
42 municipal free library pursuant to subsection d. of R.S.40:54-15 (as
43 amended by section 1 of this bill) are not used by that municipality
44 solely and exclusively to reduce the amount required to be raised by
45 the local property tax levy, then the director shall correct the
46 municipal budget, pursuant to N.J.S.40A:4-86, to ensure that the
47 transferred funds are used for that purpose only.

1 3. This act shall take effect immediately.

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6 Permits municipal board of library trustees to transfer surplus
7 funds to municipality for tax relief under certain conditions.

ASSEMBLY, No. 1265

STATE OF NEW JERSEY 213th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2008 SESSION

Sponsored by:

Assemblyman PAUL D. MORIARTY

District 4 (Camden and Gloucester)

Assemblyman DAVID C. RUSSO

District 40 (Bergen, Essex and Passaic)

SYNOPSIS

Permits municipal board of library trustees to transfer surplus funds to municipality for tax relief under certain conditions.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 1/25/2008)

A1265 MORIARTY, RUSSO

2

1 AN ACT concerning amounts expended for municipal free library
2 purposes, amending R.S.40:54-15 and supplementing chapter 4 of
3 Title 40A of the New Jersey Statutes.

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

7
8 1. R.S.40:54-15 is amended to read as follows:

9 40:54-15. a. The board of trustees shall make an annual report
10 to the chief financial officer of the municipality which shall include
11 a statement setting forth in detail all public revenues received by the
12 library, all State aid received by the library, all expenditures made
13 by the library and the balance of funds available. The annual report
14 may identify excess funds that the board intends to approve and
15 transfer to the municipality as miscellaneous revenue. The excess
16 funds intended for transfer may be any amount that exceeds the sum
17 of the amount of the audited operating expenditures of the library
18 for the most recent available year, plus an additional 25% of those
19 operating expenditures, excluding funds restricted for capital
20 projects and grants, to be maintained as surplus. The annual report
21 shall also include an analysis of the state and condition of the
22 library and shall be sent to the municipal governing body and to the
23 State Library. The State Librarian shall prescribe by regulation the
24 form of all such reports.

25 b. (1) The board of trustees of a municipal free library may
26 adopt a resolution of its intent to transfer excess funds to the
27 municipality, as identified in its annual report pursuant to
28 subsection a. of this section.

29 (2) The board of trustees of a municipal free library established
30 after the effective date of P.L. , c. shall not adopt a resolution
31 of intent pursuant to this subsection before the eighth budget year
32 following its establishment.

33 c. Once the board of trustees has adopted a resolution of intent
34 pursuant to subsection b. of this section, it shall forward the
35 resolution to the State Librarian for approval, along with any other
36 information required by the State Librarian and in accordance with
37 procedures and forms promulgated by the State Librarian in
38 consultation with the Director of the Division of Local Government
39 Services in the Department of Community Affairs. The State
40 Librarian shall approve any resolution upon a determination that the
41 municipal free library will still retain a sum equal to the amount of
42 the audited operating expenditures of the library for the most recent
43 available year plus an additional 25% of that amount, excluding
44 funds restricted for capital projects and grants, to be maintained as
45 surplus.

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.

1 d. Upon approval of its resolution of intent by the State
2 Librarian pursuant to subsection c. of this section, the board of
3 trustees may cause the amount of the excess funds identified in its
4 resolution to be transferred to the municipality.

5 (cf: P.L.2001, c.137, s.55)

6
7 2. (New section) Monies approved by the State Librarian for
8 transfer to a municipality by the board of trustees of its municipal
9 free library, pursuant to subsection c. of R.S.40:54-15 (as amended
10 by section 1 of this bill), may be anticipated by the municipality as
11 a miscellaneous revenue; provided, however, that the monies shall
12 be used solely and exclusively by the municipality for the purposes
13 of reducing the amount the municipality is required to raise by local
14 property tax levy for municipal purposes. The director shall certify
15 that each municipality has complied with this section. If the
16 director finds that monies transferred to a municipality by its
17 municipal free library pursuant to subsection d. of R.S.40:54-15 (as
18 amended by section 1 of this bill) are not used by that municipality
19 solely and exclusively to reduce the amount required to be raised by
20 the local property tax levy, then the director shall correct the
21 municipal budget, pursuant to N.J.S.40A:4-86, to ensure that the
22 transferred funds are used for that purpose only.

23
24 3. This act shall take effect immediately.

25
26
27 STATEMENT

28
29 This bill is intended to permit a municipal board of library
30 trustees to transfer to the municipality any excess library funds
31 beyond the amount it needs to operate the library and maintain a
32 reasonable library surplus. The amount available for transfer would
33 be any excess funds over the sum of (1) the amount expended to
34 operate the library in the last previous audited year, and (2) 25% of
35 that expended amount (to be maintained by the library trustees as
36 library surplus). Due to the inflexibility of the 1/3 mill municipal
37 library tax requirement of R.S.40:54-8, some municipal free
38 libraries receive a lot more tax revenue than they need, or can use,
39 for their annual operating expenses. This is especially true in low-
40 population municipalities that are experiencing ratable growth for
41 their non-residential properties. These amendments will permit the
42 unneeded funds to be annually redirected back to the municipality
43 to be used for property tax relief. Municipal free libraries
44 established after the effective date of this bill would not have the
45 excess funds transfer option available until their eighth budget year.

ASSEMBLY HOUSING AND LOCAL GOVERNMENT
COMMITTEE

STATEMENT TO
ASSEMBLY, No. 1265

with committee amendments

STATE OF NEW JERSEY

DATED: JANUARY 24, 2008

The Assembly Housing and Local Government Committee reports favorably Assembly Bill No. 1265 with committee amendments.

This bill is intended to permit a municipal board of library trustees to transfer to the municipality any excess library funds beyond the amount it needs to operate the library and maintain a reasonable library surplus. The amount available for transfer would be any excess funds over the sum of (1) the amount expended to operate the library in the last previous audited year, and (2) 25% of that expended amount (to be maintained by the library trustees as library surplus). A board of library trustees would need the approval of the State Librarian to effect the transfer. As amended, the bill would condition the State Librarian's approval on: (1) after the transfer the municipal free library will still retain a sum equal to the amount of the audited operating expenditures of the library for the most recent available year plus an additional 25% of that amount as surplus; (2) the municipality and municipal free library being in compliance with all rules and regulations promulgated by the State Librarian regarding the "state library aid law" (per capita library aid) and compliance with the statutes authorizing the collection of the municipal free library tax; (3) sufficient funds remaining in the municipal free library's operating budget for the balance of the fiscal year in which the transfer is made; and (4) approval by the State Librarian of a written plan by the board of library trustees reflecting the long-term funding needs of the library for at least three years into the future.

Due to the inflexibility of the 1/3 mill municipal library tax requirement of R.S.40:54-8, some municipal free libraries receive a lot more tax revenue than they need, or can use, for their annual operating expenses. This is especially true in low-population municipalities that are experiencing ratable growth for their non-residential properties. This bill, as amended, will permit the unneeded funds to be annually redirected back to the municipality to be used for property tax relief. Municipal free libraries established after the effective date of this bill

would not have the excess funds transfer option available until their eighth budget year.

Committee amendments

The committee amended the bill to clarify that the transfer of surplus funds from the municipal free library to the municipality would be permitted under certain circumstances, notwithstanding the implication in R.S.40:54-8 that all revenues have to be used for library purposes.

The committee also amended the bill, upon the recommendation of the State Librarian, to ensure that resolutions by boards of trustees of municipal libraries are only approved by the State Librarian when the following additional criteria are met: the municipality and municipal free library are in compliance with all rules and regulations promulgated by the State Librarian regarding the "state library aid law" (per capita library aid) and compliance with the statutes authorizing the collection of the municipal free library tax; sufficient funds remain in the municipal free library's operating budget for the balance of the fiscal year in which the transfer is made; and the State Librarian has approved a written plan by the board of library trustees reflecting the long-term funding needs of the library for at least three years.

SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 1265

STATE OF NEW JERSEY

DATED: MARCH 6, 2008

The Senate Community and Urban Affairs Committee reports favorably and with committee amendments Assembly No. 1265 (1R).

This bill would permit a municipal board of library trustees to transfer to the municipality any excess library funds beyond the amount it needs to operate the library and maintain a reasonable library surplus. The amount available for transfer would be any excess funds over the sum of (1) the amount expended to operate the library in the last previous audited year, and (2) 25% of that expended amount (to be maintained by the library trustees as library surplus). A board of library trustees would need the approval of the State Librarian to effect the transfer.

The bill provides that the State Librarian would approve a transfer if after the transfer: (1) the municipal free library retain a sum equal to the amount of the audited operating expenditures of the library for the most recent available year plus an additional 25% of that amount as surplus; (2) the municipality and the municipal free library will comply with all rules and regulations promulgated by the State Librarian under the "state library aid law" (per capita library aid) and with the statutes authorizing the collection of the municipal free library tax; (3) sufficient funds will remain in the municipal free library's operating budget for the balance of the fiscal year in which the transfer is made; and (4) the board of library trustees has a written plan of at least three years reflecting the long-term funding needs of the library.

Municipal free libraries established after the effective date of this bill would not have the excess funds transfer option available until their eighth budget year.

This bill is identical to Senate Bill No. 429 (1R) as reported this date.

SENATE, No. 429

STATE OF NEW JERSEY 213th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2008 SESSION

Sponsored by:

Senator JEFF VAN DREW

District 1 (Cape May, Atlantic and Cumberland)

SYNOPSIS

Permits municipal board of library trustees to transfer surplus funds to municipality for tax relief under certain conditions.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning amounts expended for municipal free library
2 purposes, amending R.S.40:54-15 and supplementing chapter 4 of
3 Title 40A of the New Jersey Statutes.

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19 operating expenditures, excluding funds restricted for capital
20 projects and grants, to be maintained as surplus. The annual report
21 shall also include an analysis of the state and condition of the
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23 State Library. The State Librarian shall prescribe by regulation the
24 form of all such reports.

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26 adopt a resolution of its intent to transfer excess funds to the
27 municipality, as identified in its annual report pursuant to
28 subsection a. of this section.

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30 after the effective date of P.L. , c. shall not adopt a resolution
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32 following its establishment.

33 c. Once the board of trustees has adopted a resolution of intent
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36 information required by the State Librarian and in accordance with
37 procedures and forms promulgated by the State Librarian in
38 consultation with the Director of the Division of Local Government
39 Services in the Department of Community Affairs. The State
40 Librarian shall approve any resolution upon a determination that the
41 municipal free library will still retain a sum equal to the amount of
42 the audited operating expenditures of the library for the most recent
43 available year plus an additional 25% of that amount, excluding

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1 funds restricted for capital projects and grants, to be maintained as
2 surplus.

3 d. Upon approval of its resolution of intent by the State
4 Librarian pursuant to subsection c. of this section, the board of
5 trustees may cause the amount of the excess funds identified in its
6 resolution to be transferred to the municipality.

7 (cf: P.L.2001, c.137, s.55)

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9 2. (New section) Monies approved by the State Librarian for
10 transfer to a municipality by the board of trustees of its municipal
11 free library, pursuant to subsection c. of R.S.40:54-15 (as amended
12 by section 1 of this bill), may be anticipated by the municipality as
13 a miscellaneous revenue; provided, however, that the monies shall
14 be used solely and exclusively by the municipality for the purposes
15 of reducing the amount the municipality is required to raise by local
16 property tax levy for municipal purposes. The director shall certify
17 that each municipality has complied with this section. If the
18 director finds that monies transferred to a municipality by its
19 municipal free library pursuant to subsection d. of R.S.40:54-15 (as
20 amended by section 1 of this bill) are not used by that municipality
21 solely and exclusively to reduce the amount required to be raised by
22 the local property tax levy, then the director shall correct the
23 municipal budget, pursuant to N.J.S.40A:4-86, to ensure that the
24 transferred funds are used for that purpose only.

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26 3. This act shall take effect immediately.

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STATEMENT

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31 This bill is intended to permit a municipal board of library
32 trustees to transfer to the municipality any excess library funds
33 beyond the amount it needs to operate the library and maintain a
34 reasonable library surplus. The amount available for transfer would
35 be any excess funds over the sum of (1) the amount expended to
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37 that expended amount (to be maintained by the library trustees as
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39 library tax requirement of R.S.40:54-8, some municipal free
40 libraries receive a lot more tax revenue than they need, or can use,
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42 population municipalities that are experiencing ratable growth for
43 their non-residential properties. These amendments will permit the
44 unneeded funds to be annually redirected back to the municipality
45 to be used for property tax relief. Municipal free libraries
46 established after the effective date of this bill would not have the
47 excess funds transfer option available until their eighth budget year.

SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

STATEMENT TO

SENATE, No. 429

with committee amendments

STATE OF NEW JERSEY

DATED: MARCH 6, 2008

The Senate Community and Urban Affairs Committee reports favorably and with committee amendments Senate Bill No. 429.

As amended by the committee, this bill would permit a municipal board of library trustees to transfer to the municipality any excess library funds beyond the amount it needs to operate the library and maintain a reasonable library surplus. The amount available for transfer would be any excess funds over the sum of (1) the amount expended to operate the library in the last previous audited year, and (2) 25% of that expended amount (to be maintained by the library trustees as library surplus). A board of library trustees would need the approval of the State Librarian to effect the transfer.

The bill, as amended, provides that the State Librarian would approve a transfer if after the transfer: (1) the municipal free library retain a sum equal to the amount of the audited operating expenditures of the library for the most recent available year plus an additional 25% of that amount as surplus; (2) the municipality and the municipal free library will comply with all rules and regulations promulgated by the State Librarian under the "state library aid law" (per capita library aid) and with the statutes authorizing the collection of the municipal free library tax; (3) sufficient funds will remain in the municipal free library's operating budget for the balance of the fiscal year in which the transfer is made; and (4) the board of library trustees has a written plan of at least three years reflecting the long-term funding needs of the library.

Municipal free libraries established after the effective date of this bill would not have the excess funds transfer option available until their eighth budget year.

The committee amended the bill to clarify that the transfer of surplus funds from the municipal free library to the municipality would be permitted under certain circumstances, notwithstanding the provisions of R.S.40:54-8 which provides that all revenues have to be used for library purposes.

The committee also amended the bill, upon the recommendation of the State Librarian, to ensure that resolutions by boards of trustees of municipal libraries are only approved by the State Librarian when the

following additional criteria are met: the municipality and municipal free library are in compliance with all rules and regulations promulgated by the State Librarian regarding the "state library aid law" (per capita library aid) and compliance with the statutes authorizing the collection of the municipal free library tax; sufficient funds remain in the municipal free library's operating budget for the balance of the fiscal year in which the transfer is made; and the State Librarian has approved a written plan by the board of library trustees reflecting the long-term funding needs of the library for at least three years.

With these amendments, the bill is now identical to Assembly Bill No. 1265 (1R), which bill was also favorably reported by this committee this date.