

40A:4-45.5

**LEGISLATIVE HISTORY CHECKLIST**  
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(County budget--cap--exceptions)

**NJSA:** 40A:4-45.5

**LAWS OF:** 1993 **CHAPTER:** 76

**BILL NO:** A804

**SPONSOR(S)** Shinn

**DATE INTRODUCED:** February 3, 1992

**COMMITTEE:** **ASSEMBLY:** Local Government  
**SENATE:** Community Affairs

**AMENDED DURING PASSAGE:** Yes Amendments during passage  
First reprint enacted denoted by superscript numbers

**DATE OF PASSAGE:** **ASSEMBLY:** December 14, 1992  
**SENATE:** February 18, 1993

**DATE OF APPROVAL:** March 12, 1993

**FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:**

**SPONSOR STATEMENT:** Yes

**COMMITTEE STATEMENT:** **ASSEMBLY:** Yes  
**SENATE:** Yes

**FISCAL NOTE:** No

**VETO MESSAGE:** No

**MESSAGE ON SIGNING:** No

**FOLLOWING WERE PRINTED:**

**REPORTS:** No

**HEARINGS:** No

KBG:pp

[FIRST REPRINT]  
ASSEMBLY, No. 804

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 3, 1992

By Assemblyman SHINN, Assemblywoman Haines  
and Assemblyman Gibson

1 AN ACT concerning exceptions to the county budget cap and  
2 amending P.L.1976, c.68.

3

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

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

8 4. In the preparation of its budget, a county may not increase  
9 the county tax levy to be apportioned among its constituent  
10 municipalities in excess of 5% or the index rate, whichever is  
11 less, of the previous year's county tax levy, subject to the  
12 following exceptions:

13 a. The amount of revenue generated by the increase in  
14 valuations within the county, based solely on applying the  
15 preceding year's county tax rate to the apportionment valuation  
16 of new construction or improvements within the county, and such  
17 increase shall be levied in direct proportion to said valuation;

18 b. Capital expenditures, including appropriations for current  
19 capital expenditures, whether in the capital improvement fund or  
20 as a component of a line item elsewhere in the budget, provided  
21 that any such current capital expenditures would be otherwise  
22 bondable under the requirements of N.J.S.40A:2-21 and 40A:2-22;

23 c. (1) An increase based upon emergency temporary  
24 appropriations made pursuant to N.J.S.40A:4-20 to meet an  
25 urgent situation or event which immediately endangers the  
26 health, safety or property of the residents of the county, and over  
27 which the governing body had no control and for which it could  
28 not plan and emergency appropriations made pursuant to  
29 N.J.S.40A:4-46. Emergency temporary appropriations and  
30 emergency appropriations shall be approved by at least  
31 two-thirds of the governing body and by the Director of the  
32 Division of Local Government Services, and shall not exceed in  
33 the aggregate 3% of the previous year's final current operating  
34 appropriations.

35 (2) (Deleted by amendment, P.L.1990, c.89.)

36 The approval procedure in this subsection shall not apply to  
37 appropriations adopted for a purpose referred to in subsection d.  
38 or f. below;

39 d. All debt service;

40 e. (Deleted by amendment, P.L.1990, c.89.)

41 f. Amounts required to be paid pursuant to (1) any contract

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:

<sup>1</sup> Assembly floor amendments adopted November 12, 1992.

1 with respect to use, service or provision of any project, facility  
 2 or public improvement for water, sewerage, parking, senior  
 3 citizen housing or any similar purpose, or payments on account of  
 4 debt service therefor, between a county and any other county,  
 5 municipality, school or other district, agency, authority,  
 6 commission, instrumentality, public corporation, body corporate  
 7 and politic or political subdivision of this State; and (2) any lease  
 8 of a facility owned by a county improvement authority when the  
 9 lease payment represents the proportionate amount necessary to  
 10 amortize the debt incurred by the authority in providing the  
 11 facility which is leased, in whole or in part;

12 g. That portion of the county tax levy which represents  
 13 funding to participate in any federal or State aid program and  
 14 amounts received or to be received from federal, State or other  
 15 funds in reimbursement for local expenditures. If a county  
 16 provides matching funds in order to receive the federal or State  
 17 or other funds, only the amount of the match which is required by  
 18 law or agreement to be provided by the county shall be excepted;

19 h. (Deleted by amendment, P.L.1987, c.74.)

20 i. (Deleted by amendment, P.L.1990, c.89.)

21 j. (Deleted by amendment, P.L.1990, c.89.)

22 k. (Deleted by amendment, P.L.1990, c.89.)

23 l. Amounts expended to meet the standards established  
 24 pursuant to the "New Jersey Public Employees' Occupational  
 25 Safety and Health Act," P.L.1983, c.516 (C.34:6A-25 et seq.);

26 m. (Deleted by amendment, P.L.1990, c.89.)

27 n. (Deleted by amendment, P.L.1990, c.89.)

28 o. (Deleted by amendment, P.L.1990, c.89.)

29 p. Extraordinary expenses, approved by the Local Finance  
 30 Board, required for the implementation of an interlocal services  
 31 agreement;

32 q. Any expenditure mandated as a result of a natural disaster,  
 33 civil disturbance or other emergency that is specifically  
 34 authorized pursuant to a declaration of an emergency by the  
 35 President of the United States or by the Governor;

36 r. Expenditures for the cost of services mandated by any order  
 37 of court, by any federal or State statute, or by administrative  
 38 rule, directive, order, or other legally binding device issued by a  
 39 State agency which has identified such cost as mandated  
 40 expenditures on certification to the Local Finance Board by the  
 41 State agency;

42 s. That portion of the county tax levy which represents funding  
 43 to a county college in excess of the county tax levy required to  
 44 fund the county college in local budget year <sup>1</sup>[1990] 1992<sup>1</sup>.

45 (cf: P.L.1990, c.89, s.3)

46 2. This act shall take effect immediately.

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51 Provides cap exception for additional county tax levies needed to  
 52 support county colleges.

1 or public improvement for water, sewerage, parking, senior  
2 citizen housing or any similar purpose, or payments on account of  
3 debt service therefor, between a county and any other county,  
4 municipality, school or other district, agency, authority,  
5 commission, instrumentality, public corporation, body corporate  
6 and politic or political subdivision of this State; and (2) any lease  
7 of a facility owned by a county improvement authority when the  
8 lease payment represents the proportionate amount necessary to  
9 amortize the debt incurred by the authority in providing the  
10 facility which is leased, in whole or in part;

11 g. That portion of the county tax levy which represents  
12 funding to participate in any federal or State aid program and  
13 amounts received or to be received from federal, State or other  
14 funds in reimbursement for local expenditures. If a county  
15 provides matching funds in order to receive the federal or State  
16 or other funds, only the amount of the match which is required by  
17 law or agreement to be provided by the county shall be excepted;

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24 Safety and Health Act," P.L.1983, c.516 (C.34:6A-25 et seq.);

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28 p. Extraordinary expenses, approved by the Local Finance  
29 Board, required for the implementation of an interlocal services  
30 agreement;

31 q. Any expenditure mandated as a result of a natural disaster,  
32 civil disturbance or other emergency that is specifically  
33 authorized pursuant to a declaration of an emergency by the  
34 President of the United States or by the Governor;

35 r. Expenditures for the cost of services mandated by any order  
36 of court, by any federal or State statute, or by administrative  
37 rule, directive, order, or other legally binding device issued by a  
38 State agency which has identified such cost as mandated  
39 expenditures on certification to the Local Finance Board by the  
40 State agency;

41 s. That portion of the county tax levy which represents funding  
42 to a county college in excess of the county tax levy required to  
43 fund the county college in local budget year 1990.

44 (cf: P.L.1990, c.89, s.3)

45 2. This act shall take effect immediately.

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#### STATEMENT

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50 This bill is intended to permit counties a cap exception for  
51 additional tax levies that are required to support county colleges  
52 due to decreased State aid since local budget year 1990.

ASSEMBLY LOCAL GOVERNMENT COMMITTEE

STATEMENT TO

ASSEMBLY, No. 804

STATE OF NEW JERSEY

DATED: October 29, 1992

The Assembly Local Government Committee favorably reports Assembly Bill No. 804.

Assembly Bill No. 804 is intended to permit counties a cap exception for additional tax levies that are required to support county colleges due to decreased State aid since local budget year 1990.

SENATE COMMUNITY AFFAIRS COMMITTEE

STATEMENT TO

[FIRST REPRINT]

**ASSEMBLY, No. 804**

**STATE OF NEW JERSEY**

DATED: JANUARY 25, 1993

The Senate Community Affairs Committee favorably reports Assembly Bill No. 804 (1R).

Assembly Bill No. 804 (1R) permits counties a cap exception for additional tax levies that are required to support county colleges due to decreased State aid since local budget year 1990.

For the past thirteen years the "cap" law has been interpreted to permit counties to exclude budget appropriations for the support of community colleges from cap limitations. In September 1991, the Attorney General's office issued an informal opinion stating that county appropriations to community colleges are not cap-exempt. This has happened at a time when the State share of community college funding is declining, necessitating an increase in county contributions to these institutions.

Assembly Bill No. 804 (1R) is identical to Senate Bill No. 655 Sca, which was reported by this committee on January 25, 1993.