40A: 5-16.4 .

LEGISLATIVE HISTORY CHECKLIST Compiled by the NJ State Law Library

NJSA: 40A:5-16.4

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(Local government purchases)

LAWS OF: 1991			CHAPTER: 174						
Bill No:	S2102								
Sponsor(s):	Lipman								
Date Introduced: Pre-filed									
Committee:	Assembly: State Operations								
	Senate:	County & I	Municipal (overn	ment				
Amended during passage:			Yes	Ame	ndments denoted by asterisks.				
Date of Passage: Assembly:			March 7,	1991	re-enacted 6-20-91				
Senate:			January 24, 1991 re-enacted 5-20-91						
Date of Approval: June 26, 1991									
Following statements are attached if available:									
Sponsor statement:			Yes						
Committee S	tatement:	Assembly:	Yes						
		Senate:	Yes						
Fiscal Note:			No						
Veto Message	e:		Yes						
Message on s	igning:		No						
Following we	re printed:								
R eports:			No						

No

KBG/SLJ

Hearings:

[FIRST REPRINT] SENATE, No. 2102

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1990 SESSION

By Senator LIPMAN

AN ACT concerning the issuance of purchase orders by local 1 2 government units for State licenses and permits. 3 BE IT ENACTED by the Senate and General Assembly of the 4 5 State of New Jersey: ¹[Whenever] <u>Except as provided below, whenever</u>¹ a 6 1. department, agency or bureau of the State requires that the fee 7 for issuing a license or permit be paid in advance, a county, 8 municipality, authority, or other subdivision of local government 9 10 shall be deemed to have met that requirement by the issuance of a duly executed purchase order payable pursuant to the provisions 11 of the "Local Fiscal Affairs Law" (N.J.S.40A:5-1 et seq.) 1: 12 a. the Division of Motor Vehicles in the Department of Law 13 and Public Safety shall not be required to accept a duly executed 14 purchase order; and 15 b. the Department of Transportation may accept a duly 16 17 executed purchase order from a county, municipality, authority, or other subdivision of local government for the fee for issuing a 18 license or permit if the department determines that its 19 accounting procedures permit the acceptance of such purchase 20 21 orders¹. ¹2. Each department, agency or bureau of the State may 22 promulgate rules and regulations which it deems necessary for 23 the effective implementation of this act.¹ 24 ¹[2.] <u>3.</u>¹ This act shall take effect immediately. 25 26 27 LOCAL BUDGET AND FINANCE 28 29 Authorizes the State to accept purchase orders from counties and 30 municipalities in prepayment of certain fees. 31 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 <u>thus</u> is new matter. Matter enclosed in superscript numerals has been adopted as follows: Senate amendments adopted in accordance with Governor's recommendations May 9, 1991.

SENATE, No. 2102

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1990 SESSION

By Senator LIPMAN

1	AN ACT	concerning	the	issuance	of	purchase	orders	by	local
2	goverm	ent units for	Stat	te licenses	an	d permits.			

3 4 5

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

6 1. Whenever a department, agency or bureau of the State 7 requires that the fee for issuing a license or permit be paid in 8 advance, a county, municipality, authority, or other subdivision of 9 local government shall be deemed to have met that requirement 10 by the issuance of a duly executed purchase order payable 11 pursuant to the provisions of the "Local Fiscal Affairs Law" 12 (N.J.S.40A:5-1 et seq.).

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2. This act shall take effect immediately.

STATEMENT

This bill permits counties and municipalities to obtain any 18 license or permit they require from the State by issuing a 19 purchase order to the State for the cost of the license or permit 20 21 rather than prepaying for the license or permit by check. There is concern that prepayment for State licenses and permits by a 22 local government unit is a violation of the "Local Fiscal Affairs 23 Law," particularly section N.J.S.40A:5-16 thereof, requiring 24 certification that goods have been received or services rendered 25 before the local unit may pay out any of its moneys. This bill, by 26 authorizing the State to accept a purchase order prior to the 27 issuance of the check, would mean that the transaction would not 28 violate N.J.S. 40A:5-16. 29

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LOCAL BUDGET AND FINANCE

Authorizes the State to accept purchase orders from counties andmunicipalities in prepayment of certain fees.

STATEMENT TO

SENATE, No. 2102

STATE OF NEW JERSEY

DATED: FEBRUARY 28, 1991

The Assembly State Operations and Personnel Committee reports favorably Senate Bill No. 2102.

Senate Bill No. 2102 permits counties and municipalities to obtain any license or permit they require from the State by issuing a purchase order to the State for the cost of the license or permit rather than prepaying for the license or permit by check. There is concern that prepayment for State licenses and permits by a local government unit is a violation of the "Local Fiscal Affairs Law," particularly section N.J.S.40A:5-16 thereof, requiring certification that goods have been received or services rendered before the local unit may pay out any of its moneys. This bill, by authorizing the State to accept a purchase order prior to the issuance of the check, would mean that the transaction would not violate N.J.S.40A:5-16.

STATEMENT TO

SENATE, No. 2102

STATE OF NEW JERSEY

DATED: OCTOBER 15, 1990

The Senate County and Municipal Government Committee reports favorably Senate Bill No. 2102.

Senate Bill No. 2102 permits counties and municipalities to obtain any license or permit they require from the State by issuing a purchase order to the State for the cost of the license or permit rather than prepaying for the license or permit by check. There is concern that prepayment for State licenses and permits by a local government unit is a violation of the "Local Fiscal Affairs Law," particularly section N.J.S.40A:5-16 thereof, requiring certification that goods have been received or services rendered before the local unit may pay out any of its moneys. This bill, by authorizing the State to accept a purchase order prior to the issuance of the check, would mean that the transaction would not violate N.J.S.40A:5-16.

This bill was pre-filed for introduction in the 1990 session pending technical review. As reported, the bill includes the changes required by technical review which has been performed. (

SENATE BILL NO. 2102

To the Senate:

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Pursuant to Article V, Section I, Paragraph 14 of the Constitution, I am returning Senate Bill No. 2102 with my objections, for reconsideration.

Senate Bill No. 2102 would allow local government units to issue purchase orders for State permits and licenses because of the concern that prepaying for such items may contravene the requirements of the "Local Fiscal Affairs Law," specifically the requirement found in P.L.1960, c.169 (C.40A:5-16). As a vehicle to resolve this potential conflict, the State would be required to accept such purchase orders.

While I support the purpose of this legislation, I am concerned about the impact of the legislation upon the State agencies and departments which would be required to accept such purchase orders immediately. Some State agencies which do not currently accept purchase orders would be required to redesign their billing procedures to accommodate purchase orders from counties and municipalities. Accordingly, I am returning the bill with a recommendation that it be amended to exempt the Division of Motor Vehicles because it utilizes an automated accounting and computer system which cannot accommodate purchase orders without significant and costly adjustments. I am also recommending that the Department of Transportation be exempt, but that it examine its current accounting system to determine whether or not it may accept purchase orders in the future.

Therefore, I herewith return Senate Bill No. 2102 and recommend that it be amended as follows:

Page 1, Section 1, Line 6:

After "1." delete "Whenever" insert "Except as provided below, whenever"

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STATE OF NEW JERSEY EXECUTIVE DEPARTMENT

SENATE BILL NO. 2102

To the Senate:

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