

## LEGISLATIVE HISTORY CHECKLIST

NJSA: 40A:4-87

(Municipal  
budgets--amendments)

LAWS OF: 1989

CHAPTER: 226

Bill No: A3290

Sponsor(s): Mendendez and others

Date Introduced: June 2, 1988

Committee: Assembly: Municipal Government

Senate: County &amp; Municipal Government

Amended during passage: Yes Amendments during passage  
denoted by asterisks.

Date of Passage: Assembly: September 28, 1989

Senate: December 11, 1989

Date of Approval: December 29, 1989

## 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

[FIRST REPRINT]  
ASSEMBLY, No. 3290

STATE OF NEW JERSEY

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INTRODUCED JUNE 2, 1988

By Assemblymen MENENDEZ, KENNY,  
Impeveduto and Assemblywoman Bush

1 AN ACT concerning municipal <sup>1</sup>and county<sup>1</sup> budgets and  
amending Title 40A of the New Jersey Statutes.

3

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

1. N.J.S.40A:4-87 is amended to read as follows:

7 40A:4-87. Special items of revenue and appropriations.

The director may approve the insertion of any special item of  
9 revenue in the budget of any local unit when such item shall have  
been made available by <sup>1</sup>[law, or through interlocal service  
11 agreements, grants received from private foundations and other  
13 entities, or donations or contributions received from individuals,  
corporations or others,] any public or private funding source<sup>1</sup> and  
the amount thereof shall not have been determined at the time of  
15 the adoption of the budget, and may approve the insertion of an  
appropriation item of <sup>1</sup>an amount<sup>1</sup> equal <sup>1</sup>[amount for the  
17 purpose of carrying out the purposes of the law] to any such  
special item of revenue<sup>1</sup> making such item of revenue available  
19 for expenditure.

A local unit may borrow money and issue its negotiable notes  
21 to meet such purpose. Such notes shall be authorized by  
resolution adopted by the governing body of the local unit and  
23 shall be designated as "Special (here insert purpose) Aid Notes".

Such notes shall mature not later than 3 months from their  
25 date and may be renewed from time to time until the end of the  
third month after the purpose for which the appropriation was  
27 made shall have been completed, or until the end of 31 days after  
the receipt in full by such local unit of all moneys anticipated  
29 from grants-in-aid or other sources for such purpose, whichever  
shall be later.

31 Any such notes that shall remain unpaid at the close of the  
first full fiscal year after the purpose shall have been completed

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 AMG committee amendments adopted March 20, 1989.

1 shall be included in the budget of the then next succeeding fiscal  
year as an item of appropriation for the payment thereof. The  
3 provisions of this chapter relating to tax anticipation notes shall  
apply to such notes.

5 (cf: P.L.1960, c.169, s.1)

2. This act shall take effect immediately.

7

9

MUNICIPALITIES  
Local Budget and Finance

11

Expands circumstances under which municipality or county can  
13 amend its budget.

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STATE OF NEW JERSEY

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9 revenue in the budget of any local unit when such item shall have  
been made available by law, or through interlocal service  
11 agreements, grants received from private foundations and other  
13 entities, or donations or contributions received from individuals,  
corporations or others, and the amount thereof shall not have  
15 been determined at the time of the adoption of the budget, and  
may approve the insertion of an appropriation item of equal  
17 amount for the purpose of carrying out the purposes of the law  
making such item of revenue available for expenditure.

A local unit may borrow money and issue its negotiable notes  
19 to meet such purpose. Such notes shall be authorized by  
resolution adopted by the governing body of the local unit and  
21 shall be designated as "Special (here insert purpose) Aid Notes".

Such notes shall mature not later than 3 months from their  
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29 Any such notes that shall remain unpaid at the close of the  
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EXPLANATION--Matter enclosed in bold-faced brackets [thus] in the  
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3 (cf: P.L. 1960, c. 169, s. 1)

2. This act shall take effect immediately.

5

7

#### STATEMENT

9 This bill permits a municipality to amend its budget under  
circumstances where it enters into an interlocal service  
11 agreement, receives a grant from a private foundation or other  
entity, or receives donations or contributions from individuals,  
13 corporations or others. Current interpretation of the law does  
not permit amendment under those circumstances.

15

17

#### MUNICIPALITIES

##### Local Budget and Finance

19

Expands circumstances under which municipality can amend its  
21 budget.

ASSEMBLY MUNICIPAL GOVERNMENT COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3290

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with Assembly committee amendments

STATE OF NEW JERSEY

DATED: MARCH 20, 1989

The Assembly Municipal Government Committee favorably reports Assembly Bill No. 3290 with committee amendments.

Assembly Bill No. 3290, as amended by the committee, permits a county or municipality to amend its budget when it receives any special item of revenue from any public or private funding source.

As received by the committee, the bill specified moneys from certain funding sources for which budget amendments could be made. The committee amendments provide that the appropriate budget amendments may be made upon receipt of moneys from any public or private source.

SENATE COUNTY AND MUNICIPAL  
GOVERNMENT COMMITTEE

STATEMENT TO

[FIRST REPRINT]

ASSEMBLY, No. 3290

STATE OF NEW JERSEY

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DATED: NOVEMBER 30, 1989

The Senate County and Municipal Government Committee reports favorably Assembly Bill No. 3290 (1R).

Assembly Bill No. 3290 (1R) amends N.J.S.40A:4-87 to allow the Director of Local Government Services in the Department of Community Affairs to approve the amendment of a county or municipal budget when the local unit receives a special item of revenue from any public or private funding source. The law currently permits the director to approve a budget amendment only when the special item of revenue has been made available by law. This restrictive language prevents local units from amending their budgets to expend monies received after the adoption of their budgets from sources such as gifts, changes in investment strategies, and changes in fee structures.

This bill is identical to Senate Bill No. 3796, SCA, which was also reported by the Senate County and Municipal Government Committee on November 30, 1989.