

# ASSEMBLY, No. 1427

## STATE OF NEW JERSEY 217th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2016 SESSION

**Sponsored by:**

**Assemblyman GORDON M. JOHNSON**

**District 37 (Bergen)**

**Assemblyman JOHN J. BURZICHELLI**

**District 3 (Cumberland, Gloucester and Salem)**

**Assemblyman JOE DANIELSEN**

**District 17 (Middlesex and Somerset)**

**Co-Sponsored by:**

**Assemblywoman Jasey, Assemblymen McKeon and Ciattarelli**

**SYNOPSIS**

Permits increase in municipal free public library tax upon voter approval.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 5/13/2016)**

1 AN ACT concerning municipal free public library funding,  
2 amending R.S.40:54-8 and P.L.1959, c.155, and supplementing  
3 chapter 54 of Title 40 of the Revised Statutes.

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

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

9 40:54-8. a. Within every municipality governed by this article  
10 there shall annually be raised by taxation a sum equal to one-third  
11 of a mill, unless a higher rate is approved by the voters pursuant to  
12 subsection b. of this section, on every dollar of assessable property  
13 within such municipality based on the equalized valuation of such  
14 property as certified by the Director of the Division of Taxation in  
15 the Department of the Treasury in accordance with the provisions of  
16 R.S.54:4-49. The amount to be raised by taxation for a free public  
17 library pursuant to this subsection shall be assessed, levied, and  
18 collected in the same manner and at the same time as other  
19 municipal purposes taxes are assessed, levied, and collected therein  
20 and shall be paid from the disbursing officer to the treasurer of the  
21 free public library on a quarterly basis.

22 b. (1) The governing body of a municipality may by resolution  
23 submit to the voters of the municipality, at a general election, a  
24 proposition to change the rate of the tax required to annually be  
25 raised pursuant to subsection a. of this section, as deemed  
26 appropriate for the proper maintenance of a free public library;  
27 provided, however, that the rate in the proposition shall not be  
28 lower than one-third of a mill. Upon approval of the proposition by  
29 a majority of the votes cast by the voters of the municipality, the  
30 governing body of the municipality shall implement it in the manner  
31 set forth in subsection a. of this section. If the majority of votes  
32 cast are against the proposition, the existing rate of the tax to  
33 annually be raised for a free public library shall remain unchanged.

34 (2) Upon petition to the governing body of a municipality signed  
35 by qualified voters of the municipality equal in number to at least  
36 15 percent of the votes cast therein at the last preceding general  
37 election, filed with the clerk of the municipality at least 90 days  
38 before a general election, the governing body shall submit to the  
39 voters of the municipality, at the general election, a proposition  
40 otherwise authorized pursuant to paragraph (1) of this subsection.

41 (3) A proposition under this subsection shall not be submitted to  
42 the voters of a municipality more than once in any three-year  
43 election period.

44 (4) An additional sum raised by taxation for a free public library  
45 required by a proposition approved pursuant to this subsection shall,

**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 for the first tax year in which the proposition is implemented, be  
2 exempt from the limitation set forth in section 5 of P.L.1985, c.541  
3 (C.40:54-8.1), and shall not be considered excess funds as set forth  
4 in R.S.40:54-15.

5 (5) If a proposition is approved pursuant to this subsection, the  
6 information required to be printed upon the property tax bill  
7 pursuant to R.S.54:4-65 shall be adjusted accordingly and shall be  
8 reflected on a single line of the property tax bill.

9 (6) A proposition approved pursuant to this subsection  
10 establishing a tax rate higher than one-third of a mill shall expire  
11 after 10 tax years or after the tax year in which a new proposition  
12 establishing a different tax rate is approved, whichever occurs first.  
13 The tax rate shall revert to one-third of a mill upon the expiration of  
14 a higher tax rate.

15 c. Following enactment of P.L.2011, c.38, the [director]  
16 Director of the Division of Local Government Services in the  
17 Department of Community Affairs shall decrease the municipality's  
18 adjusted tax levy pursuant to subsection d. of section 11 of  
19 P.L.2007, c.62 (C.40A:4-45.46) by the amount raised by taxation  
20 for a free public library pursuant to this section, so that there is no  
21 net impact on the amount of the adjusted tax levy available to the  
22 municipality for non-library purposes pursuant to section 9 of  
23 P.L.2007, c.62 (C.40A:4-45.44).

24 d. Such additional sum, as in the judgment of the municipal  
25 governing body or appropriate board of the municipality, is  
26 necessary for the proper maintenance of a free public library, may  
27 be appropriated in the municipal budget from the general purposes  
28 municipal tax levy.

29 (cf: P.L.2011, c.38, s.1)

30

31 2. Section 1 of P.L.1959, c.155 (C.40:54-29.3) is amended to  
32 read as follows:

33 1. a. (1) Any two or more municipalities may unite in the  
34 support, maintenance and control of a joint free public library for  
35 the use and benefit of the residents of such municipalities.

36 (2) Every library established under this chapter shall be  
37 considered a free public library as defined under R. S. 40:54-1 et  
38 seq. and shall have the same benefits, powers, duties and  
39 responsibilities granted to free public libraries and their governing  
40 boards of trustees.

41 b. The combined minimum appropriation for the joint free  
42 public library annually shall be not less than one-third of a mill on  
43 every dollar of assessable property within the participating  
44 municipalities based upon the equalized valuation of such property  
45 within the combined municipalities as certified by the Director of  
46 the Division of Taxation in the Department of the Treasury in  
47 accordance with the provisions of R.S.54:4-49.

48 (cf: P.L.1988, c.38, s.1)

1       3. Section 7 of P.L.1959, c.155 (C.40:54-29.9) is amended to  
2 read as follows:

3       7. a. The joint library agreement may be amended by  
4 agreement among the parties thereto but such amendments shall not  
5 become effective until approved in each of the participating  
6 municipalities by ordinance, which ordinances may incorporate  
7 such amendments by reference.

8       b. (1) The governing body of each municipality shall, by  
9 resolution, submit to the voters of the municipality, at a general  
10 election, a proposition to change the rate of the tax required to  
11 annually be raised to support the joint free public library agreement  
12 and, pursuant to section 15 of P.L.1959, c.155 (C.40:54-29.17), as  
13 deemed appropriate for the proper maintenance of a joint free  
14 public library; provided, however, that the rate in the proposition  
15 shall not be lower than one-third of a mill on every dollar of  
16 assessable property within the participating municipalities based  
17 upon the equalized valuation of such property within the combined  
18 municipalities as certified by the Director of the Division of  
19 Taxation in the Department of the Treasury in accordance with the  
20 provisions of R.S.54:4-49. Upon approval of the proposition by a  
21 majority of the votes cast by the voters of the municipality, the  
22 governing body of the municipality shall implement it in the manner  
23 set forth in section 15 of P.L.1959, c.155 (C.40:54-29.17).

24       (2) Upon petition to the governing body of a municipality signed  
25 by qualified voters of the municipality equal in number to at least  
26 15 percent of the votes cast therein at the last preceding general  
27 election, filed with the clerk of the municipality at least 90 days  
28 before a general election, the governing body shall submit to the  
29 voters of the municipality, at the general election, a proposition  
30 otherwise authorized pursuant to paragraph (1) of this subsection.

31       (3) A proposition under this subsection shall not be submitted to  
32 the voters of a municipality more than once in any three-year  
33 election period.

34       (4) An additional sum raised by taxation for a joint free public  
35 library required by a proposition approved pursuant to this  
36 subsection shall be exempt from the limitation set forth in section 5  
37 of P.L.1985, c.541 (C.40:54-8.1) for the first tax year in which the  
38 proposition is implemented and shall not be considered excess  
39 funds as set forth in R.S.40:54-15.

40       (5) If a proposition is approved pursuant to this subsection  
41 changing the rate of tax required to annually be raised to support the  
42 joint free public library agreement, the information required to be  
43 printed upon the property tax bill pursuant to R.S.54:4-65 shall be  
44 adjusted accordingly and shall be reflected on a single line of the  
45 property tax bill.

46       (6) Whenever one municipality in a joint free public library  
47 system changes the rate of its dedicated joint free public library tax  
48 rate, any of the participating municipalities in that joint free public

1 library system may demand that the joint free public library  
2 agreement be amended or renegotiated.

3 (7) A proposition approved pursuant to this subsection  
4 establishing a tax rate higher than one-third of a mill shall expire  
5 after 10 tax years or after the tax year in which a new proposition  
6 establishing a different tax rate is approved, whichever occurs first.  
7 The tax rate shall revert to one-third of a mill upon the expiration of  
8 a higher tax rate.

9 c. Following the effective date of P.L.2011, c.38 (March 21,  
10 2011), the Director of the Division of Local Government Services  
11 in the Department of Community Affairs shall decrease the  
12 municipality's adjusted tax levy pursuant to subsection d. of section  
13 11 of P.L.2007, c.62 (C.40A:4-45.46) by the amount raised by  
14 taxation for a joint free public library pursuant to this section so that  
15 there is no net impact on the amount of the adjusted tax levy  
16 available to the municipality for non-library purposes pursuant to  
17 section 9 of P.L.2007, c.62 (C.40A:4-45.44).

18 d. Such additional sum, as in the judgment of the municipal  
19 governing body or appropriate board of the municipality, is  
20 necessary for the proper maintenance of a joint free public library,  
21 may be appropriated in the municipal budget from the general  
22 purposes municipal tax levy.

23 (cf: P.L.1959, c.155, s.7)

24

25 4. (New section) a. The officer charged with the duty of  
26 preparing the ballots for an election in which a proposition is to be  
27 submitted to the voters pursuant to subsection b. of R.S.40:54-8 or  
28 pursuant to subsection b. of section 7 of P.L.1959, c.155 (C.40:54-  
29 29.9) shall cause the proposition to be printed on the official ballots  
30 for such election in substantially the following form, as applicable.

31 (1) If the proposition is to increase the rate of the tax to annually  
32 be raised for the support of a free public library established  
33 pursuant to R.S.40:54-1 et seq.:

34 “Shall the rate of the tax annually levied for the support of the  
35 free public library in ..... (name of municipality) be increased  
36 from ..... cents per \$100 of assessed equalized value of real  
37 property to ..... cents per \$100 of assessed equalized value  
38 of real property?”

39 (2) If the proposition is to reduce the rate of the tax to annually  
40 be raised for the support of a free public library established  
41 pursuant to R.S.40:54-1 et seq.:

42 “Shall the rate of the tax annually levied for the support of the  
43 free public library in ..... (name of municipality) be reduced  
44 from ..... cents per \$100 of assessed equalized value of real  
45 property to ..... cents per \$100 of assessed equalized value  
46 of real property?”

47 b. The officer charged with the duty of preparing the ballots for  
48 an election in which a proposition is to be submitted to the voters

1 pursuant to subsection b. of R.S.40:54-8 shall also cause an  
2 accompanying explanatory statement to be printed on the official  
3 ballots for such election, which statement shall include the  
4 following, as applicable:

5 (1) The minimum amount required to annually be raised by  
6 taxation for the support of the free public library pursuant to  
7 subsection a. of R.S.40:54-8;

8 (2) The current amount annually raised by taxation for the  
9 support of the free public library if above the minimum amount  
10 required to annually be raised by taxation pursuant to subsection a.  
11 of R.S.40:54-8;

12 (3) The proposed change in the amount to annually be raised by  
13 taxation for the support of the free public library;

14 (4) The effect of the proposed change on the property taxes of a  
15 residential property assessed at the average assessed value of  
16 residential properties in the municipality; and

17 (5) The length of time that a higher tax rate will be in effect, if  
18 applicable.

19

20 5. This act shall take effect immediately.

21

22

23 STATEMENT

24

25 This bill would allow the voters of a municipality to approve an  
26 increase in the municipal free public library tax. The bill would  
27 provide critical support for struggling free public libraries,  
28 including joint free public libraries, in municipalities.

29 Under current law, a municipality with a free public library is  
30 required to annually raise by taxation a sum equal to one-third of a  
31 mill on every dollar of assessable property according to its  
32 equalized value. An increase in the amount to be raised by taxation  
33 under that formula is limited to no more than 15 percent of the  
34 previous year's total municipal expenditure to maintain a free  
35 public library. Also, any excess funds not intended for use in the  
36 operating budget, or in restricted accounts of capital, grants, gifts or  
37 in the temporarily restricted account equal to 20% of the last  
38 audited operating budget for surplus, are generally required to be  
39 transferred to the municipality.

40 The bill would permit an additional amount to annually be raised  
41 by taxation, for a period of 10 years, to supplement the amount  
42 raised under the one-third of a mill formula applicable under current  
43 law. This additional amount would be exempt from the 15%  
44 increase limit and the 20% excess funds transfer requirement for the  
45 first tax year in which the proposition is implemented.

46 The bill provides that the additional annual levy may only be  
47 authorized upon the approval of a proposition by the voters at a  
48 general election. A proposition would be submitted to the voters

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1 upon either a resolution of the municipal governing body or upon  
2 the submission of a petition signed by qualified voters of the  
3 municipality equal in number to at least 15% of the votes cast at the  
4 last preceding general election in the municipality.

5 The annual levy may be subsequently changed upon approval of  
6 a new proposition submitted to the voters, which may also be  
7 initiated by either the municipal governing body or petition, but the  
8 annual levy may not be lowered to a sum that is less than one-third  
9 of a mill on every dollar of assessable property. If the voters  
10 approve a new proposition that establishes a tax rate that is still  
11 higher than one-third of a mill, the new rate would be in effect for a  
12 new 10-year period following that vote. A higher tax rate may be  
13 continued after a 10-year period has ended by the submission of a  
14 new proposition to the voters. Propositions to change the annual  
15 levy for a free public library may not be submitted to the voters  
16 more than once in a three-year election period.