

[First Reprint]

**ASSEMBLY, No. 2911**

**STATE OF NEW JERSEY**  
**214th LEGISLATURE**

INTRODUCED JUNE 14, 2010

**Sponsored by:**

**Assemblywoman JOAN M. QUIGLEY**

**District 32 (Bergen and Hudson)**

**Assemblyman VINCENT PRIETO**

**District 32 (Bergen and Hudson)**

**Co-Sponsored by:**

**Senators Sacco and Beach**

**SYNOPSIS**

Requires transfer of municipal free library surplus amounts above 20% to municipality for its general purposes, which may include property tax relief.

**CURRENT VERSION OF TEXT**

As amended by the Senate on June 28, 2010.



**(Sponsorship Updated As Of: 6/29/2010)**

1 AN ACT concerning the transfer of certain municipal free library  
2 surplus amounts to municipalities and amending R.S.40:54-15  
3 and P.L.2007, c.62.

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. Notwithstanding  
14 the requirements of R.S.40:54-8 pertaining to the amount required  
15 to be raised and appropriated for library purposes, the annual report  
16 **[may]** shall identify excess funds that the board **[intends]** is  
17 required to approve and transfer to the municipality as  
18 miscellaneous revenue. The excess funds **[intended for transfer**  
19 **may]** transferred shall be any **[amount that exceeds the sum of the**  
20 **amount of the audited operating expenditures of the library for the**  
21 **most recent available year, plus an additional 25% of those**  
22 **operating expenditures, excluding funds restricted for capital**  
23 **projects and grants, to be maintained as surplus]** undesignated  
24 general fund balance in excess of 20 percent of the audited  
25 operating expenditures for the preceding budget year. The annual  
26 report shall also include an analysis of the state and condition of the  
27 library and shall be sent to the municipal governing body and to the  
28 State Library. The State Librarian shall prescribe by regulation the  
29 form of all such reports.

30 b. (1) The board of trustees of a municipal free library **[may]**  
31 shall adopt a resolution **[of its intent]** to transfer excess funds to the  
32 municipality, as identified in its annual report pursuant to  
33 subsection a. of this section.

34 (2) **[The board of trustees of a municipal free library established**  
35 **after the effective date of P.L.2008, c.8 shall not adopt a resolution**  
36 **of intent pursuant to this subsection before the eighth budget year**  
37 **following its establishment.]** (Deleted by amendment, P.L. , c. )  
38 (pending before the Legislature as this bill)

39 c. Once the board of trustees has adopted a resolution **[of**  
40 **intent]** pursuant to subsection b. of this section, it shall forward the  
41 resolution to the State Librarian **[for approval, along with any other**  
42 **information required by the State Librarian and in accordance with**  
43 **procedures and forms promulgated by the State Librarian in**  
44 **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:**

**<sup>1</sup>Senate floor amendments adopted June 28, 2010.**

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

4 [(1) the] The municipal free library [will still] shall not retain a  
5 sum [equal to] from its received public funds that is greater than 20  
6 percent of the amount of the audited operating expenditures of the  
7 library for the most recent available year [plus an additional 25% of  
8 that amount] as surplus, excluding funds restricted for capital  
9 projects and grants[, to be maintained as surplus;

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

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

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

27 d. Upon [approval] adoption of its resolution [of intent by the  
28 State Librarian pursuant to subsection c. of this section], the board  
29 of trustees [may] shall cause the amount of the excess funds  
30 identified in its resolution to be transferred to the municipality for  
31 its general purposes, which may include property tax relief.

32 (cf: P.L.2008, c.8, s.1)

33

34 [2. Section 10 of P.L.2007, c.62 (C.40A:4-45.45) is amended  
35 to read as follows:

36 10. a. In the preparation of its budget the amount to be raised by  
37 taxation by a local unit shall not exceed the sum of new ratables, the  
38 adjusted tax levy, and the total of waivers approved pursuant to  
39 section 11 of P.L.2007, c.62 (C.40A:4-45.46); provided, however,  
40 that in the case of a county, the amount to be raised by taxation  
41 shall not exceed the amount permitted by section 4 of P.L.1976,  
42 c.68 (C.40A:4-45.4).

43 b. The following exclusions shall be added to the calculation of  
44 the adjusted tax levy:

45 (1) increases in amounts required to be raised for (a) all debt  
46 service and (b) lease payments with county improvement authorities

1 pursuant to leases in effect on the effective date of P.L.2007, c.62  
2 (C.18A:7F-37 et al.);

3 (2) increases in amounts required to be raised to replace State  
4 formula aid due to a reduction in State formula aid from the  
5 previous local budget year;

6 (3) increases in amounts for certain pension contributions set  
7 forth in section 5 of P.L.2003, c.108 (C.40A:4-45.43) for the years  
8 set forth in that section;

9 (4) with respect to municipalities, any increase, greater than four  
10 percent, in the reserve for uncollected taxes that is required by law;

11 (5) increases in health care costs equal to that portion of the  
12 actual increase in total health care costs for the budget year that is  
13 in excess of four percent of the total health care costs in the prior  
14 year, but is not in excess of the product of the total health care costs  
15 in the prior year and the average percentage increase of the State  
16 Health Benefits Program, P.L.1961, c.49 (C.52:14-17.25 et seq.), as  
17 annually determined by the Division of Pensions and Benefits in the  
18 Department of the Treasury;

19 (6) increases in amounts for certain normal and accrued liability  
20 pension contributions set forth in sections 1 and 2 of P.L.2009, c.19  
21 amending section 24 of P.L.1954, c.84 (C.43:15A-24) and section  
22 15 of P.L.1944, c.255 (C.43:16A-15) equal to that portion of the  
23 actual increase in normal and accrued liability pension contributions  
24 for the budget year that is in excess of four percent of the normal  
25 and accrued liability pension contributions in the prior year;

26 (7) surplus amounts transferred from a municipal free library  
27 pursuant to R.S.40:54-15.

28 Notwithstanding the other provisions of this subsection, when  
29 the appropriation for all debt service is less than the amount  
30 appropriated for all debt service in the prior fiscal year, the amount  
31 of the difference shall be deducted from the sum of the exclusions  
32 listed in paragraphs (1) through **[(6)] (7)** of this subsection. If  
33 there are no exclusions, then the amount of the difference shall  
34 reduce the adjusted tax levy by that amount. Any cancelled or  
35 unexpended appropriation for any exclusion pursuant to this  
36 subsection or waiver pursuant to section 11 of P.L.2007, c.62  
37 (C.40A:4-45.46), also shall be deducted from the sum of the  
38 exclusions listed in paragraphs (1) through **[(6)] (7)** or directly  
39 reduce the adjusted tax levy if there are no exclusions.

40 (cf: P.L.2009, c.19, s.4)]<sup>1</sup>

41

42 <sup>1</sup>**[(3.) 2.]** This act shall take effect immediately.