ASSEMBLY CONCURRENT RESOLUTION No. 107

STATE OF NEW JERSEY
216th LEGISLATURE

INTRODUCED FEBRUARY 6, 2014

Sponsored by:
Assemblyman BOB ANDRZEJCZAK
District 1 (Atlantic, Cape May and Cumberland)

SYNOPSIS
Proposes constitutional amendment to establish annual State appropriations cap.

CURRENT VERSION OF TEXT
As introduced.
A CONCURRENT RESOLUTION proposing to amend Article VIII, Section II of the Constitution of the State of New Jersey.

BE IT RESOLVED by the General Assembly of the State of New Jersey (the Senate concurring):

1. The following proposed amendments to the Constitution of the State of New Jersey are agreed to:

PROPOSED AMENDMENTS

Amend Article VIII, Section II, paragraph 2 to read as follows:

2. a. No money shall be drawn from the State treasury but for appropriations made by law. All moneys for the support of the State government and for all other State purposes as far as can be ascertained or reasonably foreseen, shall be provided for in one general appropriation law covering one and the same fiscal year; except that when a change in the fiscal year is made, necessary provision may be made to effect the transition. No annual general appropriation law or other law appropriating money for any State purpose shall be enacted if the [appropriation] appropriations contained therein, together with all prior appropriations made for the same fiscal period, shall exceed the total amount of revenue on hand and anticipated which will be available to meet such appropriations during such fiscal period, as certified by the Governor. Any law appropriating money for any State purpose shall display all appropriations as line-item appropriations designating a specific amount of money expressed as a specific numerical figure for a particular purpose and not by means of general language committing funds in an unspecified, conditional or contingent amount for any purpose.

b. In each State fiscal year commencing after approval of this amendment by the voters, no annual appropriation law or supplemental appropriation law or other law appropriating money from any source, for any State purpose for that fiscal year shall be enacted if the appropriation or appropriations contained therein, together with all prior appropriations made for the same fiscal year, exceeds the amount of total State appropriations enacted for the prior fiscal year by four percent.

The following shall not be subject to the fiscal year appropriation limit established in this subparagraph:

(1) appropriations of State aid for school districts, municipalities and counties;

(2) appropriations for the purpose of providing property tax

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.
relief or for the purpose of reducing or offsetting property taxes; and

(3) appropriations for the purpose of supporting emergency service personnel and equipment.

The appropriation limit for the first State fiscal year commencing after approval of the amendment adding subparagraphs b. through e. of this paragraph shall be determined based upon the amount of all appropriations enacted in the prior fiscal year, exclusive of appropriations listed as exceptions in (1) through (3) of this subparagraph b., but converting all appropriations that were made during that prior fiscal year by means of general language committing funds in an unspecified, conditional or contingent amount to specific amounts of money expressed as specific numerical figures.

c. Notwithstanding the provisions of subparagraph b. of this paragraph, the Legislature may, from time to time, provide by law for an appropriation or appropriations in excess of the appropriation limit provided in subparagraph b. of this paragraph if the bill that proposes to enact such excess appropriation or appropriations is passed by the Legislature as a fiscal emergency measure by the affirmative vote of two-thirds of the authorized membership of each house of the Legislature, notwithstanding the provisions of Article IV, Section IV, paragraph 6 of this Constitution to the contrary.

Appropriations enacted as fiscal emergency measures pursuant to subparagraph c. of this paragraph shall not be used in determining the base amount of enacted appropriations for the prior fiscal year for the purpose of determining an annual appropriation limit for any fiscal year.

d. No transfer of an item of appropriation or other budgetary mechanism shall allow for an appropriation in excess of the appropriation limit provided in subparagraph b. of this paragraph except under the procedure in subparagraph c. of this paragraph.

e. If any function or service performed by the State is transferred to, or its costs of operation or performance are assumed by, any agency or instrumentality of the State or of any county or municipality with the power to issue bonds to finance the undertaking of any function or the performance of any service, the decrease in State appropriations in the fiscal year in which the transfer or assumption occurred shall be deemed to have occurred in the prior fiscal year in order to decrease the prior year appropriations as the base upon which the appropriation limit shall be calculated. "Bonds" as used in this subsection means bonds that do not constitute a debt or liability of the State or of any of its counties or municipalities or a pledge of the faith and credit of the State or of any of its counties or municipalities.

(cf: Art.VIII, Section II, par.2, January 1, 1948)

2. When this proposed amendment to the Constitution is finally
agreed to pursuant to Article IX, paragraph 1 of the Constitution, it shall be submitted to the people at the next general election occurring more than three months after the final agreement and shall be published at least once in at least one newspaper of each county designated by the President of the Senate, the Speaker of the General Assembly and the Secretary of State, not less than three months prior to the general election.

3. This proposed amendment to the Constitution shall be submitted to the people at that election in the following manner and form:

   There shall be printed on each official ballot to be used at the general election, the following:

   a. in every municipality in which voting machines are not used, a legend which shall immediately precede the question as follows:

      If you favor the proposition printed below make a cross (X), plus (+), or check (✓) in the square opposite the word "Yes." If you are opposed thereto make a cross (X), plus (+) or check (✓) in the square opposite the word "No."

   b. In every municipality the following question:

| YES | ESTABLISHES AN ANNUAL STATE APPROPRIATIONS CAP
|     | Do you approve amending the Constitution to adopt an annual State appropriation cap set at four percent over the prior year’s appropriations. All appropriations would be line-items made in fixed dollar amounts. The amendment would exempt some types of appropriations from the cap. It also would establish a procedure for the Legislature to exceed the cap as a fiscal emergency measure. |
| NO | INTERPRETIVE STATEMENT
|     | This proposed constitutional amendment caps the amount that the State can appropriate in a fiscal year to four percent above the amount appropriated in the prior year. Appropriations made by the Legislature are permission for State government to spend money. All appropriations must be line-items made in fixed dollar amounts. Three types of appropriations are not capped: 1) State aid to local governments; 2) property tax relief; and 3) support of emergency personnel and equipment. The cap may be exceeded by the Legislature by a two-thirds majority vote. |
This constitutional amendment shall apply to the fiscal year beginning on July 1 next following its approval by the people pursuant to Article IX, paragraph 1 of the Constitution, and each fiscal year thereafter.

STATEMENT

This concurrent resolution proposes to amend the New Jersey Constitution to establish an annual State appropriation cap. The annual growth in appropriations may not exceed four percent of appropriations made in the prior State fiscal year.

Also under this amendment, all State government appropriations must be made as line-items in dollar amounts so that all operating costs will be counted under this limit. This will require the full disclosure through line-item display of all "off-budget" expenditures that are typically authorized by the several hundred language provisions in the annual appropriations act.

The only exceptions to the appropriations limit are categories of appropriations that are: (1) for State aid to school districts, municipalities and counties, (2) for the purpose of providing property tax relief and for the purpose of reducing or offsetting property taxes, and (3) for the purpose of supporting emergency service personnel and equipment.

The annual State appropriations limit may only be exceeded upon passage by the Legislature of a fiscal emergency measure by the affirmative vote of two-thirds of the authorized membership of each house of the Legislature.

These changes shall first apply during the next State fiscal year after approval of the amendment by the voters.