

**SENATE CONCURRENT
RESOLUTION No. 70**

**STATE OF NEW JERSEY
218th LEGISLATURE**

INTRODUCED FEBRUARY 1, 2018

Sponsored by:

Senator BOB ANDRZEJCZAK

District 1 (Atlantic, Cape May and Cumberland)

Senator JEFF VAN DREW

District 1 (Atlantic, Cape May and Cumberland)

SYNOPSIS

Proposes constitutional amendment to prohibit diversion of dedicated State revenue and suspend dedicated revenue collections if not appropriated for dedicated purpose during State fiscal year.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 1/29/2019)

1 A **CONCURRENT RESOLUTION** proposing to amend Article VIII,
2 Section II, paragraph 2 of the Constitution of the State of New
3 Jersey.

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

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8 1. The following proposed amendment to the Constitution of
9 the State of New Jersey is agreed to:

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11 PROPOSED AMENDMENT

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

14 2. No money shall be drawn from the State treasury but for
15 appropriations made by law. All moneys for the support of the State
16 government and for all other State purposes as far as can be
17 ascertained or reasonably foreseen, shall be provided for in one
18 general appropriation law covering one and the same fiscal year;
19 except that when a change in the fiscal year is made, necessary
20 provision may be made to effect the transition. No general
21 appropriation law or other law appropriating money for any State
22 purpose shall be enacted if the appropriation contained therein,
23 together with all prior appropriations made for the same fiscal
24 period, shall exceed the total amount of revenue on hand and
25 anticipated which will be available to meet such appropriations
26 during such fiscal period, as certified by the Governor. Money
27 shall not be drawn from the State treasury under a law that
28 appropriates dedicated State revenue unless the appropriation is for
29 a purpose established for that dedicated State revenue. If dedicated
30 State revenue is not appropriated during a fiscal year, the State tax,
31 fee, fine, interest or surcharge under which the dedicated State
32 revenue is collected shall not be imposed during the following fiscal
33 year and shall not be imposed thereafter unless there is enacted a
34 subsequent fiscal year appropriation of the dedicated State revenue
35 for the purpose established for the dedicated State revenue. For the
36 purpose of this paragraph, "dedicated State revenue" means State
37 revenue collected from a State tax, fee, fine, interest or surcharge
38 that is required by law to be placed in a special or dedicated account
39 or fund established by law for a purpose established therein,
40 enacted heretofore or hereafter, but shall not include a special or
41 dedicated account established by a general appropriation law and
42 any law that only supplements a general appropriation law.
43 (cf: Article VIII, Sec. II, par. 2)

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.

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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	<p>CONSTITUTIONAL AMENDMENT TO PROHIBIT DIVERSION OF DEDICATED STATE REVENUE AND SUSPEND DEDICATED REVENUE COLLECTION IF NOT APPROPRIATED FOR DEDICATED PURPOSE</p> <p>Do you approve amending the Constitution to prevent State revenues dedicated by statute for one purpose from being spent for another purpose? If these revenues are not spent they will not be collected in the next budget year. They will be collected in the future only if spent for their statutory purpose.</p>
	NO	<p>INTERPRETIVE STATEMENT</p> <p>This amendment prohibits State revenues dedicated by statute for one purpose from being spent for another purpose. Failure to appropriate that revenue at all during a State budget year will cause the revenue measure to be suspended for the next budget year. That revenue source could be imposed again only if appropriated for its statutory purpose.</p>

STATEMENT

This concurrent resolution proposes an amendment to the State Constitution to prohibit the diversion of statutorily dedicated revenues. All State revenues heretofore or hereafter dedicated for a purpose established in statutory law may not be diverted to another use by an appropriation law.

This constitutional amendment also will cause a source of dedicated State revenue to be suspended for a State fiscal year if no appropriation is made of the revenue for the dedicated purpose. This will provide a "cooling off" period during which the Governor and the Legislature can determine if the purpose of the revenue is still a priority, and if so, the revenue raising measure can be collected in the next fiscal year if the revenue is appropriated again for its specified statutory purpose.

Recent State appropriations acts have redirected revenues in State funds, earmarked by statute for specific public purposes or programs, to other State programs or to the free balances in the State government's general operating surplus. New Jersey courts interpret the State Constitution to permit this kind of diversion. This interpretation explains that contrary instructions in the appropriations act "impliedly suspend" the dedicating statute for the duration of the fiscal year. This constitutional amendment will end the use of these diversions of dedicated revenues, often vaguely phrased, that are contained among hundreds of other ordinary instructions concerning the use of hundreds of items of appropriations.