

ASSEMBLY CONCURRENT RESOLUTION No. 30

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblywoman CRECCO

1 A CONCURRENT RESOLUTION proposing to amend Article VIII, Section II  
2 of the Constitution of the State of New Jersey by adding a new paragraph  
3 thereto.

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

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

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11 PROPOSED AMENDMENT

12 Amend Article VIII, Section II by adding the following paragraph:  
13 5. No general appropriation law or other law appropriating money for any  
14 State purpose shall be enacted if the appropriation contained therein, together  
15 with all prior appropriations made for the same fiscal period, shall exceed the  
16 maximum appropriations permitted pursuant to law enacted as prescribed in  
17 this [section] paragraph. The Legislature shall enact a statute prescribing the  
18 maximum appropriations which may be made for State purposes in one fiscal  
19 period. Any such statute shall base the maximum appropriations on the total  
20 appropriations made for the immediately preceding fiscal period, after  
21 adjustments for appropriations for purposes not subject to limitations, and shall  
22 provide a formula for calculating the maximum appropriations allowed that  
23 reflects the change in personal income of residents of this State, over such  
24 period as may be determined by the Legislature, expressed as a percentage.  
25 Any such statute shall not limit the appropriations to be made from the  
26 proceeds of any tax or other revenue the expenditure of which is provided for  
27 otherwise in this Constitution, nor appropriations required for the payment of  
28 interest or principal on any general obligation bond issue approved heretofore  
29 or hereafter by the legally qualified voters of this State at a general election,  
30 nor appropriations made for payments as State aid to, or on behalf of, any

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

1 county, municipality, school district, or other political subdivision or  
2 instrumentality of the State. Any such statute may provide for an exclusion  
3 from the limit on appropriations for funds received or reasonably anticipated  
4 to be received by the State from the federal government, or for any program  
5 costs imposed on the State by the federal government, or for capital  
6 construction projects, or for lease or lease purchase agreements, or for the  
7 payments in support of any retirement plan or medical benefits for State  
8 employees, or for the payment of the expenses of regulating the operation of  
9 casinos in Atlantic City from the proceeds of any fees or other charges  
10 imposed in connection with the operating of those casinos, or the funding of  
11 elections from any special funds established by law the revenues for which are  
12 derived from taxpayers' designation of a portion of their income tax, all as may  
13 be found necessary or appropriate by the Legislature.

14 The limit on appropriations provided for hereinabove may be exceeded  
15 only if such increase is submitted to the people of this State in the form of a  
16 referendum at a general election held immediately prior to or during any fiscal  
17 period for which such increase is proposed and approved by a majority of the  
18 legally qualified voters of the State voting thereon.

19 The provisions of this paragraph shall apply to appropriations made in the  
20 fiscal period next following its approval by the people pursuant to Article IX,  
21 paragraph 1 of this Constitution and to each fiscal period thereafter, except  
22 that the Legislature shall enact the statute required hereinabove so to apply to  
23 appropriations made for the fiscal period next following the approval of this  
24 paragraph by the people pursuant to Article IX, paragraph 1 of this  
25 Constitution.

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

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

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

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

41 If you favor the proposition printed below make a cross (x), plus (+) or  
42 check (O) in the square opposite the word "Yes."

43 If you are opposed thereto make a cross (x), plus (+) or check (O) in the

1 square opposite the word "No."

2 b. In every municipality the following question:

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<p>4</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p>	<p>YES</p>	<p style="text-align: center;"><b>LIMITATIONS ON STATE APPROPRIATIONS</b></p> <p>Do you approve the amendment to Article VIII, Section II of the Constitution of the State of New Jersey, requiring the Legislature to enact a law limiting the percentage increase in State spending for any fiscal period to a percentage equal to the percentage change in personal income of the residents of this State, with certain exclusions, which limits could be exceeded only by referendum approved by a majority of the voters of this State voting thereon?</p>
<p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p> <p>26</p> <p>27</p> <p>28</p> <p>29</p> <p>30</p> <p>31</p> <p>32</p> <p>33</p> <p>34</p> <p>35</p> <p>36</p> <p>37</p> <p>38</p> <p>39</p> <p>40</p> <p>41</p> <p>42</p>	<p>NO</p>	<p style="text-align: center;"><b>INTERPRETIVE STATEMENT</b></p> <p>This amendment to the Constitution of the State of New Jersey would require the enactment of a law which would limit, or "cap," the amount of increases in appropriations made by the State Legislature to a percentage which reflects the increase in the personal income of the residents of this State. The limit would not apply to State aid appropriations, the Property Tax Relief Fund or the Casino Revenue Fund, nor to payments due on State debt. The Legislature would be permitted to exclude from the limit the use of federal funds or costs imposed on the State by the federal government, capital expenditures including, leases, costs associated with State employee pensions or medical benefits, expenses of regulating the operation of gambling casinos which are paid out of the proceeds of fees imposed in connection with operating casinos and the costs of funding elections out of any special fund the revenues for which are derived from taxpayers designation of a portion of their income tax. The limit may be exceeded only if approved by the voters on referendum.</p>



## 1 STATEMENT

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3 This concurrent resolution proposes an amendment to the Constitution of  
4 the State of New Jersey which would require the Legislature to enact a statute  
5 limiting the increases in total appropriations made by the Legislature in any  
6 fiscal period to an amount based on the appropriation for the immediately  
7 preceding period and increased by a percentage that reflects the percentage  
8 change in personal income of the residents of this State.

9 Specific exemptions from this limit are provided for all State aid  
10 appropriations required to pay principal and interest on State general  
11 obligation bonds. The Legislature is permitted, but not required, to provide  
12 for exclusions from the limit for federal funds, for costs imposed on this State  
13 by the federal government, for appropriations for capital construction projects,  
14 for lease and lease purchase agreements, for costs associated with retirement  
15 plans or medical benefits for State employees, for appropriations to the Casino  
16 Control Fund, or for appropriations to the Gubernatorial Elections Fund.

17 The limit on increased appropriations can be exceeded only if approved by  
18 referendum submitted to and approved by the voters of this State.

19 The enactment of a law imposing the limits on increases in appropriations  
20 is mandatory under this proposal, and would be applicable to the first fiscal  
21 period and each fiscal period thereafter following the adoption of this  
22 amendment to the Constitution.

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27 Amends the Constitution to limit State spending.