

ASSEMBLY CONCURRENT RESOLUTION No. 53

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblymen ROMANO and MATTISON

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

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

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

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10 PROPOSED AMENDMENT

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

13 2. No money shall be drawn from the State treasury but for appropriations
14 made by law. All moneys for the support of the State government and for all
15 other State purposes as far as can be ascertained or reasonably foreseen, shall
16 be provided for in one general appropriation law covering one and the same
17 fiscal year; except that when a change in the fiscal year is made, necessary
18 provision may be made to effect the transition. No general appropriation law
19 or other law appropriating money for any State purpose shall be enacted if the
20 appropriation contained therein, together with all prior appropriations made
21 for the same fiscal period, shall exceed the total amount of revenue on hand
22 and anticipated which will be available to meet such appropriations during
23 such fiscal period, as certified by the Governor.

24 Revenue on hand and anticipated to be available during a fiscal year that
25 is attributable to a nonrecurring source not regularly foreseen, including but not
26 limited to revenue from sales of assets, loans or transfers from trust funds,
27 refinancing of obligations, revaluations of assets or liabilities, acceleration or
28 shifting of tax collection schedules, and cost recoveries, reimbursements or
29 settlement payments from non-State sources, shall not be expended for any
30 purpose other than for:

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 a. Capital construction, exclusive of those capital appropriations made to
2 support the transportation system in this State pursuant to Article VIII, Section
3 II, paragraph 4 of the State Constitution, and
4 b. Accelerating repayment of the principal amount of State obligations;
5 provided however, that such revenue shall be available for the purpose of
6 rebating, refunding or reducing general State taxes as may be provided by law.
7 (cf: Article VIII, Section II, paragraph 2; effective Jan. 1, 1948)

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

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

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

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

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

26 b. In every municipality the following question:

<p>1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22</p>	<p>YES</p>	<p>PROHIBITS SPENDING OF ONE-TIME REVENUE SOURCES FOR CERTAIN STATE GOVERNMENT EXPENSES</p> <p>Shall the proposed amendment to Article VIII, Section II, paragraph 2 of the Constitution, providing that State revenue from a nonrecurring source not regularly foreseen for State budget purposes, such as revenue from sales of State government assets, loans or transfers to the State from trust funds, refinancing of State obligations, revaluations of State assets or liabilities, acceleration or shifting of State tax collection schedules, and cost recoveries, reimbursements or settlement payments from non-State sources, shall only be expended for (1) capital construction exclusive of certain transportation purposes, (2) accelerating repayment of the principal amount of State obligations, and (3) for the purpose of rebating, refunding or reducing general State taxes, be approved?</p>
<p>23</p>		<p>INTERPRETIVE STATEMENT</p>

1	NO	This proposed constitutional amendment prohibits
2		the use of one-time State revenue sources for
3		funding the general operations, local aid and grant
4		expenses of State government. Revenue obtained
5		through nonrecurring sources such as sales of State
6		government assets, loans or transfers to the State
7		from trust funds, refinancing of State bonds,
8		revaluations of State assets or liabilities,
9		acceleration or shifting of State tax collection
10		schedules, and cost recoveries, reimbursements or
11		settlement payments from non-State sources, shall
12		only be expended for (1) capital construction
13		projects other than for transportation purposes, (2)
14		accelerating repayment of the principal amount of
15		State obligations, and (3) for rebating, refunding or
16		reducing State taxes. The purpose of this
17		amendment is to ensure that State government
18		services and aid are supported by recurring State
19		financial resources.
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STATEMENT

23 This resolution proposes an amendment to the State Constitution to prohibit
 24 the expenditure of State revenue "attributable to a nonrecurring source not
 25 regularly foreseen" for any purpose other than for certain capital construction
 26 projects and accelerating repayment of the principal amount of outstanding
 27 State obligations. The proposed amendment prohibits the expenditure of
 28 nonrecurring revenue for capital construction appropriations for the State
 29 transportation system which are supported by the constitutionally dedicated
 30 portion of the motor fuels tax. The proposed amendment specifies that the
 31 category of nonrecurring revenue includes, but is not limited to, revenue from:
 32 the sale of State government assets; loans or transfers to the State from trust
 33 funds; the refinancing of State bonds and other obligations; the revaluation of
 34 State assets or liabilities; the acceleration or shifting of State tax collection
 35 schedules; and cost recoveries, reimbursements or settlement payments from
 36 non-State sources.

37 The resolution provides a limited exception to the prohibition, permitting the
 38 application of nonrecurring revenue to rebates, refunds or reduction of State
 39 taxes.

40 The resolution further provides that the use of nonrecurring revenue to
 41 service outstanding State obligations would not apply broadly to
 42 interest-plus-principal payments under regular amortization schedules, but
 43 rather would be limited to accelerating repayment of the principal amount of

1 those obligations earlier than required under those schedules, thus effecting not
2 merely a substitution of nonrecurring revenue for recurring revenue as the
3 source of State debt payments, but an actual reduction in total interest paid.

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8 Proposes constitutional amendment to prohibit the use of one-time State
9 revenue sources for State government operations and State aid and
10 grants-in-aid spending.