

SENATE, No. 857

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 26, 1996

By Senator BUBBA

1 AN ACT to provide certain county executives with the power to  
2 disapprove or reduce individual budget appropriations and to  
3 approve certain public contracts.

4  
5 **BE IT ENACTED** *by the Senate and General Assembly of the State*  
6 *of New Jersey:*

7  
8 1. The Legislature hereby finds, determines and declares that:

9 a. significant debt burden on the part of counties saps the economic  
10 strength of those units of government;

11 b. in those counties which are relatively poor, the resources  
12 required to pay off accumulated debt may compromise the ability of  
13 those units of government to meet the ongoing service demands of the  
14 public without prudent and accountable financial management;

15 c. given the relatively slow pace of economic recovery in New  
16 Jersey, it is unlikely that economic growth will help those counties  
17 struggling to meet these crushing economic demands to meet those  
18 burdens in the foreseeable future;

19 d. the structure of the existing "county executive plan" form of  
20 government set forth in the "Optional County Charter Law," P.L.1972,  
21 c.154 (C.40:41A-1 et seq.), in which executive and legislative powers  
22 are separated, is conducive for modification in order to determine if  
23 increasing the accountability of elected officials for spending and  
24 public contracting decisions will benefit property taxpayers;

25 e. it is appropriate for the Legislature to experiment with  
26 modifications to the "county executive plan" form of government in  
27 order to determine whether vesting greater accountability in the  
28 county executive for budget decision making and public contracting  
29 will be effective in helping a county meet its outstanding debt  
30 obligations without seriously compromising its ability to perform  
31 necessary services;

32 f. as the county with the highest equalized tax rate for county  
33 purposes combined with the highest debt service per capita among the  
34 counties governed by the "county executive plan" form of government,  
35 Essex county provides a fitting laboratory for a test, on a temporary  
36 basis, of modifications to the statutory powers and duties of a county  
37 executive that are designed to achieve greater fiscal prudence on the

1 part of county government.

2

3 2. Upon adoption of the budget pursuant to N.J.S.40A:4-10 by the  
4 Essex county board of chosen freeholders, the clerk of the board shall,  
5 within three business days, present the adopted budget to the Essex  
6 county executive for review. The Essex county executive may  
7 disapprove, or may reduce, any item of appropriation in the annual  
8 budget, other than items of appropriation required for payment of debt  
9 service, while approving other items of appropriation.

10 Based on any objections or reductions made, the county executive  
11 shall also adjust the amount to be collected by property taxes to reflect  
12 those objections or reductions. In the case of a disapproval or  
13 reduction, the Essex county executive shall append to the budget a  
14 statement of each item which has been disapproved or reduced, and,  
15 except as otherwise provided in this section, each such item shall not  
16 take effect or shall take effect as reduced, as appropriate. The budget  
17 shall be returned to the board of chosen freeholders no later than five  
18 business days following receipt thereof by the county executive.

19 If, not later than five business days following receipt of the budget  
20 from the county executive pursuant to this section, the board of  
21 chosen freeholders reapproves an item of appropriation as originally  
22 approved by the board, and adjusts the amount to be collected by  
23 property taxes accordingly, by a vote of not less than two-thirds of  
24 the full membership of the board, the item as originally approved and  
25 amounts to be collected by property taxes shall become part of the  
26 final budget, notwithstanding the disapproval of the county executive.  
27 The budget shall then be transmitted to the Director of the Division of  
28 Local Government Services pursuant to N.J.S.40A:4-10.

29

30 3. Within three business days of the passage by the Essex county  
31 board of chosen freeholders of any resolution approving a contract  
32 involving an expenditure of over \$10,000, the clerk of the board shall  
33 present the resolution to the Essex county executive for review. The  
34 executive may approve or disapprove any such resolution and shall  
35 return the resolution to the board of chosen freeholders within 10  
36 business days of passage together with a written statement of  
37 objections to the resolution in the event of disapproval. If the  
38 executive takes no action within 10 business days of passage, the  
39 resolution shall be deemed to be approved. The board may override  
40 an executive's disapproval by a two-thirds vote of the full membership  
41 of the board and the resolution shall thereupon take effect.

42

43 4. Within six months after the third county budget submitted to the  
44 county executive pursuant to this act, the Director of the Division of  
45 Local Government Services in the Department of Community Affairs  
46 shall submit a report to the Governor, the Senate, the General

1 Assembly, the Essex county board of chosen freeholders, and the  
2 Essex county executive evaluating the experience of Essex county with  
3 the powers granted to the executive pursuant to this act and  
4 recommending whether the test period should be extended or if these  
5 powers should be granted to other county executives.

6  
7 5. This act shall take effect immediately and shall expire upon the  
8 submission of the director's report required under section 4 of this act.

9  
10  
11 STATEMENT

12  
13 This bill would establish a "pilot program" to determine whether a  
14 modification in the county executive form of government will be  
15 effective in achieving greater fiscal prudence on the part of county  
16 government.

17 The "county executive plan" form of government of the "Optional  
18 County Charter Law," article 3 of P.L.1972, c.154 (C.40:41A-31 et  
19 seq.), provides that the county executive prepares and submits the  
20 county budget to the board of chosen freeholders. Since the budget  
21 is introduced by resolution pursuant to the "Local Budget Law,"  
22 N.J.S.40A:4-1 et seq., final executive approval of the county budget  
23 is not provided for. Similarly, public contracts are presented and  
24 signed by the county executive but may be adopted by resolution under  
25 the "Optional County Charter Law."

26 Because Essex County has both a high debt burden and a high  
27 equalized tax rate for county purposes it is an appropriate county to  
28 be the subject of the proposed modification to the "county executive  
29 plan" with regard to budget and public contracts decision making for  
30 the next few years. The "pilot program" will provide evidence as to  
31 whether the grant to a county executive of budget making powers  
32 analogous to those of the Governor would be in the best interest of  
33 county taxpayers.

34 Accordingly, the bill permits the Essex county executive to  
35 disapprove or reduce any item of appropriation, other than items of  
36 appropriation required for payment of debt service, while approving  
37 other appropriations. In addition, the bill would provide for greater  
38 executive control over public contracting.

39 The bill provides that, upon adoption of the budget pursuant to  
40 N.J.S.40A:4-10 by the board of chosen freeholders, the clerk of the  
41 board must, within three business days, present the adopted budget to  
42 the Essex county executive for review. The county executive may  
43 disapprove or reduce any item of appropriation, other than those  
44 required for the payment of debt service, while approving other  
45 appropriations.

46 The bill also provides that, based on any reductions made, the

1 county executive must adjust the amount to be collected by property  
2 taxes to reflect those reductions. In the case of a disapproval or  
3 reduction, the county executive shall append to the budget a statement  
4 of each item that has been disapproved or reduced, and, unless  
5 overridden by the board of chosen freeholders, each such item shall  
6 not take effect or shall take effect as reduced, as appropriate. The bill  
7 provides that the budget shall be returned to the board of chosen  
8 freeholders no later than five business days following receipt thereof  
9 by the county executive.

10

11

12

13

14 Provides for greater oversight of spending and contracting by Essex  
15 county executive.

WITHDRAWN