

SENATE, No. 926

STATE OF NEW JERSEY

INTRODUCED MARCH 14, 1996

By Senator LIPMAN

1 AN ACT concerning local budget disputes, amending N.J.S.40A:4-9
2 and N.J.S.40A:4-79 and supplementing chapter 4 of Title 40A of
3 the New Jersey Statutes.

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

7
8 1. N.J.S.40A:4-9 is amended to read as follows:

9 40A:4-9. a. Amendments to budgets required by the director , or
10 in accordance with the resolution of a budget dispute arrived at by the
11 Local Budget Dispute Resolution Board pursuant to section 4 of
12 P.L. , c. (C.)(pending before the Legislature as this bill), may
13 be made prior to the time of holding the public hearing on the budget,
14 without public advertisement.

15 b. The governing body may amend the budget during or after the
16 public hearing. All amendments shall be read in full and shall be
17 forthwith submitted to the director.

18 c. Except as provided in subsection e. of this section, no
19 amendment by the governing body shall be effective until taxpayers
20 and all persons having an interest therein shall have been granted a
21 public hearing thereon, if such amendment shall:

22 1. add a new item of appropriation in an amount in excess of 1%
23 of the total amount of appropriations as stated in the approved budget,
24 or

25 2. increase or decrease any item of appropriation by more than
26 10%, or

27 3. increase the amount to be raised by taxes by more than 5%,
28 unless the same is made to include an emergency temporary
29 appropriation only.

30 Notice of hearing on any amendment shall be advertised at least
31 three days before the date set therefor. Any such amendment must be
32 published in full or by a summary pursuant to subsection d. of this
33 section in the same manner as an original publication and must be read
34 in full at the hearing and before adoption.

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 d. The governing body of a municipality or county may satisfy the
2 publication requirements for an amendment by publishing a summary
3 stating the main provisions of the amendment and the location,
4 telephone number and office hours of the principal municipal or county
5 building where copies of the amendment are available and the name of
6 the person or office to be contacted if a person wants to receive a
7 copy of the amendment by mail. The summary shall be published in
8 the manner provided in subsection b. of section 12 of P.L.1995, c.259
9 (C.40A:4-6.1).

10 e. Amendments to budgets required by the director after
11 certification of State aid amounts, for the purpose of appropriating
12 State aid revenue to be received by the municipality in the local budget
13 year that may have the effect of reducing the amount required to be
14 raised by taxation for local purposes, may be made without public
15 advertisement or public hearing.

16 (cf: P.L.1995, c.259, s.10)

17
18 2. N.J.S.40A:4-79 is amended to read as follows:

19 40A:4-79. [Immediately after the making of his examination of the
20 budget] Not less than 30 days after the governing body files three
21 certified copies of the budget with the director, the director shall
22 certify the results of his determination to the governing body. If the
23 director does not certify the results of his determination to the
24 governing body within the time required by this section, the budget
25 shall be deemed approved by the director as it was filed with the
26 director, and the director shall forthwith send a certification of
27 approval of the budget to the governing body. A governing body shall
28 not finally adopt a budget until a certification of approval by the
29 director has been received.

30 (cf: N.J.S.40A:4-79)

31
32 3. (New section) a. There is created in but not of the Department
33 of Community Affairs the Local Budget Dispute Resolution Board,
34 hereinafter referred to as "the board."

35 b. The board shall have five members as follows: one member
36 appointed by the Governor; one member appointed by the Governor
37 on the recommendation of the New Jersey Association of Counties;
38 one member appointed by the Governor on the recommendation of the
39 New Jersey State League of Municipalities; one member appointed by
40 the Governor on the recommendation of the New Jersey State
41 Chamber of Commerce; and one member appointed by the Governor
42 on the recommendation of the Government Finance Officers
43 Association of New Jersey. Members shall serve for two years and
44 until their successors are appointed. Members may succeed
45 themselves. Vacancies in the membership of the board shall be filled
46 in the same manner as the original appointments are made.

1 c. The board shall select a chairperson from among its members.

2 d. The board shall meet at the call of the chairperson at a time and
3 place selected by the chairperson. The chairperson shall convene the
4 board within one week of submission by a local unit of a budget
5 dispute pursuant to section 4 of P.L., c. (C.) (pending before
6 the Legislature as this bill).

7

8 4. (New section) If a local unit disputes the determination certified
9 by the director after examining the budget, the governing body may
10 submit the dispute to the Budget Dispute Resolution Board established
11 pursuant to section 3 of P.L., c. (C.) (pending before the
12 Legislature as this bill.) The governing body also shall submit to the
13 board the budget that it filed with the director, the director's statement
14 of reasons for disapproving the budget and instructions for correcting
15 the budget, and the governing body's statement of the budget issues
16 that are in dispute. The board shall make every effort to resolve the
17 dispute between the governing body and the director. If the dispute
18 is not resolved to the satisfaction of the director and the governing
19 body by the 30th day after submission of the dispute to the board, the
20 budget shall be deemed approved by the director as it was filed with
21 the director, and the director shall certify his approval of the budget
22 to the governing body. If the dispute is resolved to the satisfaction of
23 the director and the governing body by the 30th day after submission
24 of the dispute to the board, the governing body shall amend the budget
25 in accordance with the resolution arrived at by the board, and the
26 director shall certify his approval of the amended budget to the
27 governing body.

28

29 5. This act shall take effect on the January 1 next following
30 enactment.

31

32

33

STATEMENT

34

35 This bill requires that the Director of the Division of Local
36 Government Services in the Department of Community Affairs must
37 certify his approval or disapproval of county and municipal budgets
38 not less than 30 days after the governing body files three certified
39 copies of the budget with the director. If the director does not meet
40 the 30-day time limit, the budget is deemed to be approved, and the
41 director is required to certify his approval to the governing body.

42 The bill also establishes the Local Budget Dispute Resolution
43 Board. If a county or municipality disputes the determination of the
44 director of the Division of Local Government Services regarding the
45 county or municipal budget, the county or municipality may submit the
46 dispute to the board. The board is required to make every effort to

1 resolve the dispute to the satisfaction of both the director and the
2 county or municipality by the 30th day after the submission of the
3 dispute to the board. If the board does not resolve the dispute by the
4 30th day, the budget is deemed to be approved and the director is
5 required to certify his approval to the governing body.

6

7

8

9

10 Establishes time limit for certification of local unit budget by Director
11 of Division of Local Government Services; establishes Local Budget
12 Dispute Resolution Board.