

SENATE, No. 2147

STATE OF NEW JERSEY

INTRODUCED MAY 22, 1997

By Senator BUBBA

1 AN ACT requiring county chief financial officers to account for savings
2 resulting from the State's takeover of judicial costs, supplementing
3 chapter 4 of Title 40A of the New Jersey Statutes, and making an
4 appropriation.

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

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9 1. The Legislature finds and declares that:

10 a. As a result of voter approval in November, 1992, of Article VI,
11 Section VIII, paragraph 1 of the State Constitution, and pursuant to
12 the provisions of the "State Judicial Unification Act," P.L.1993, c.275
13 (C.2B:10-1 et seq.), the State is to assume certain costs of judicial
14 administration;

15 b. The "State Judicial Unification Act" established a phase-in
16 period during which the counties would pay a decreasing percentage,
17 and the State would pay an increasing percentage, of the costs of
18 operating the judicial system;

19 c. It was the Legislature's intent in enacting the "Judicial
20 Unification Act" that because the counties would no longer need to
21 generate tax revenues required to finance the judicial system,
22 significant property tax relief would be afforded to the citizens of this
23 State;

24 d. Because the phase-in period will be completed at the end of
25 1997, it is appropriate that at this time the counties provide an
26 accounting of how they have utilized the savings that have accrued to
27 them as a result of the State takeover of judicial costs; and

28 e. In addition, it is appropriate that the counties provide the public
29 with sufficient information to evaluate whether the property tax relief
30 that the Legislature intended to provide in enacting the "State Judicial
31 Unification Act" actually has occurred.

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33 2. The chief financial officer of every county shall provide a full
34 and complete itemized accounting of how monies saved by the county
35 as a result of the approval of Article VI, Section VIII, paragraph 8 of
36 the State Constitution and the enactment of the "State Judicial
37 Unification Act," P.L.1993, c.275 (C.2B:10-1 et seq.), have been

1 utilized. Each county chief financial officer shall prepare the
2 accounting in the form of a report utilizing the previous year's
3 expenditures as set forth in the county's budget, to be certified by the
4 registered municipal accountant who prepares the annual audit of the
5 county budget pursuant to N.J.S.40A:5-4 under penalty of perjury and
6 filed as follows:

7 a. The first report shall provide a separate itemized accounting of
8 how the savings have been utilized for each local budget year of the
9 phase-in of the State takeover of judicial costs, as specified in section
10 6 of P.L.1993, c.275 (C.2B:10-6). If all or part of the savings has
11 been utilized as property tax relief, the report shall so state. The first
12 report shall be filed with the Director of the Division of Local
13 Government Services on the 60th day after enactment of P.L. , c.
14 (C.) (pending before the Legislature as this bill).

15 b. Beginning in local fiscal year 1999, reports shall be prepared
16 annually for the previous local fiscal year's expenditures and filed with
17 the director at the same time that the county governing body transmits
18 the adopted budget to the director for the director's examination
19 pursuant to N.J.S.40A:4-76. If all or part of the savings has been
20 utilized as property tax relief, each annual report shall so state.

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22 3. In order to comply with the provisions of Article VIII, Section
23 II, paragraph 5 of the State Constitution concerning the State's
24 payment for mandated programs, there is appropriated from the
25 General Fund to the Division of Local Government Services in the
26 Department of Community Affairs, \$100,000 to be allocated among
27 the counties as reimbursement for their costs in reporting pursuant to
28 this act.

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30 4. This act shall take effect immediately.

31 32 33 STATEMENT

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35 This bill requires the chief financial officer of every county to
36 provide a full and complete itemized accounting of how monies saved
37 by the county as a result of the approval of Article VI, Section VIII,
38 paragraph 8 of the State Constitution and the enactment of the "State
39 Judicial Unification Act," P.L.1993, c.275 (C.2B:10-1 et seq.), have
40 been utilized.

41 It was the Legislature's intent in enacting the "State Judicial
42 Unification Act," that because counties would not be required to
43 generate tax revenues to finance the judicial system, significant
44 property tax relief would be afforded to the State's citizens. As the
45 phase-in of the State's takeover of judicial costs comes to an end, this
46 bill would require an accounting of how the savings have been utilized

1 so that the public can evaluate whether or not the property tax relief
2 that the Legislature intended to provide actually has occurred.

3 According to the bill, the chief financial officer of each county
4 would be required to prepare a report accounting for how the savings
5 have been utilized during each local budget year of the phase-in
6 period. The report would be certified by the registered municipal
7 accountant who prepares the annual audit of the county's budget
8 pursuant to N.J.S.40A:5-4 under penalty of perjury and filed with the
9 Director of the Division of Local Government Services on the 60th
10 day after enactment of the bill.

11 Beginning in local fiscal year 1999, the chief financial officer of
12 each county would be required to file the report annually with the
13 director at the same time that the county governing body transmits the
14 adopted budget to the director for the director's examination pursuant
15 to N.J.S.40A:4-76.

16 In order to comply with the provisions of Article VIII, Section II,
17 paragraph 5 of the State Constitution concerning the State's payment
18 for mandated programs, the bill appropriates \$100,000 to the Division
19 of Local Government Services to be allocated among counties to
20 reimburse them for their costs in reporting pursuant to the bill's
21 requirements.

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26 Requires county governing body to account for savings resulting from
27 State's takeover of judicial costs.