

5:30-3
LOCAL FINANCE BOARD - ANNUAL BUDGET

5:30-3.1 (Reserved)

As amended, R.1979 d.16, eff. January 17, 1979.

5:30-3.2 Procedures for adoption of budget

- (a) All budgets shall be introduced, approved, amended and adopted by resolution passed by not less than a majority of the full membership of the governing body.
- (b) The procedure shall be as follows:
 - 1. Introduction and approval;
 - 2. Public advertising;
 - 3. Public hearing;
 - 4. Amendments and public hearings, if required;
 - 5. Adoption;
 - 6. The clerk of the local unit shall transmit a certified copy of the budget, as adopted, to the county board not later than March 31 of the fiscal year.

5:30-3.3 Examination of budget

- (a) The Director shall examine the budget filed in his office with reference to all estimates of revenue and to the following appropriations:
 - 1. Payment of interest and debt redemption charges;
 - 2. Deferred charges and statutory expenditures;
 - 3. Cash deficit of preceding year;
 - 4. Reserve for uncollected taxes;
 - 5. Other reserves and nondisbursement items.
- (b) The Director shall also examine the budget for detail and accuracy of itemization and for compliance as to form, arrangement and content with the provisions of this chapter and the regulations of the Local Finance Board.
- (c) A local unit may, by resolution, include any of the following dedications by rider in the budget of the local unit, without further approval of the Board or Director of the Division of Local Government Services. All such receipts shall be for the sole purpose for which the funds are intended.
 - 1. Animal control;
 - 2. State or Federal aid for maintenance of libraries;

3. Bequest, escheat;
4. Construction code fees due to the Hackensack Meadowlands Development Commission;
5. Outside employment of off-duty municipal police officers;
6. Unemployment compensation insurance;
7. Reimbursement of sale of gasoline to State automobiles;
8. State training fees--Uniform Construction Code Act;
9. Older Americans Act--program income;
10. Municipal Alliance on Alcoholism and Drug Abuse--program income;
11. Tax appeal filing fees collected by the county boards of taxation; and
12. Sanitary landfill closure trust fund.

As amended, R.1978 d.240, eff. July 21, 1978. As amended, R.1982 d.186, eff. June 21, 1982. Amended by R.1998 d.307, effective June 15, 1998.

5:30-3.4 Filing of municipal budget amendments

- (a) All budget amendments submitted to the Director, Division of Local Government Services for approval per N.J.S.A. 40A:4-85 and N.J.S.A. 40A:4-87 shall be filed with the Director within five days after adoption.
- (b) Any such budget amendment not filed within the prescribed time must be accompanied by a statement of reasons, satisfactory to the Director, for such delay.

Amended by R.1979 d.16, eff. January 17, 1979. New Rule, R.1981 d.216, eff. July 9, 1981.

5:30-3.5 Detail in support of current budget appropriation

- (a) In the budget document filed with the Director, line items of appropriations for administration, operation and maintenance of each office, department, institution or other agency of each local unit shall be shown separately, and provide, at a minimum, a breakdown for "salaries and wage" and "other expenses."
- (b) After the introduction of the budget, but no later than seven days prior to the public hearing on the budget, each local unit shall make available to the public such supporting documents that provides appropriate detail covering the makeup of any revenue or appropriation. Such documents shall be made available for public inspection at the office of the municipal clerk or chief financial officer. Copies of the documents shall be made available to the public pursuant to the provisions of N.J.S.A. 47:1A-2.

- (c) The appropriate detail as required in (b) above shall include those schedules, estimates, or lists of proposed revenues and appropriations that were utilized by the governing body in its final deliberations on the budget, or used in such other circumstances that reflect the details of the lines items shown in the introduced budget. This provision shall not require the disclosure of any details that were part of a meeting of the governing body that was closed to the public pursuant to the Open Public Meetings Act.

New Rule, R.1990 d.383, effective August 6, 1990. Amended by R.1979 d.16, effective January 17, 1979. Repeal and New Rule, R.1998 d.307, effective June 15, 1998.

5:30-3.6 Emergency appropriations

- (a) For emergency appropriations made after the adoption of the annual budget, for a purpose unforeseen at the time of adoption, and made pursuant to N.J.S.A. 40A:4-46 through 40A:4-49, the local unit shall file the following documents with the Director with five working days of the passage of the emergency resolution:
1. Two certified copies of the resolution authorizing the emergency appropriation;
 2. An affidavit of the chief financial officer as required by N.J.S.A. 40A:4-52; and
 3. For any emergency appropriation entitled "Down payments on improvements," an accounting of the capital improvement fund from the beginning of the budget year through the date of introduction of the related ordinance.
- (b) For special emergency appropriations adopted pursuant to N.J.S.A. 40A:4-53 through 55, appropriations shall be made in the subsequent year's budgets pursuant to the following:
1. In the case of a five year emergency, an amount not less than 20 percent of the net deferred charge, unless the local unit elects to include a greater amount, until the emergency has been funded in full.
 2. In the case of a three year emergency, an amount not less than one-third of the net deferred charge, unless the local unit elects to include a greater amount until the emergency has been funded in full.
- (c) Revenues from Federal or State governments for emergencies resulting from natural or other disaster shall be recognized as miscellaneous revenues, or may be credited to the appropriation, only if the grant is a reimbursement for funds expended by the local unit for emergency purposes in advance of receipt of the grant and in the fiscal year the emergency took place.
- (d) If an emergency appropriation is being funded by ordinance, adopted pursuant to the Local Bond Law, the funding shall be for the net amount reflected in the deferred charge and shall represent the total subject to bonding, plus not more than one percent of the amount of the deferred charge for the costs of issuing the bonds.

Repealed by R.1979 d.16, effective January 17, 1979. New Rule R.1990 d.383, effective August 6, 1990. Repeal and New Rule, R.1998 d.307, effective June 15, 1998. Recodified from N.J.A.C. 5:30-5.1 by R.2000 d.485, effective December 4, 2000.

5:30-3.7 Repealed

Repealed by R.2017 d.98, effective May 15, 2017

5:30-3.8 Municipal budgets, user-friendly budget section

(a) The annual budget for every municipality shall include a section called the "User-Friendly Budget." The user-friendly budget section shall be part of and incorporated into both the introduced and adopted budgets, and be made available to the public.

(b) The user-friendly budget shall be in a format set forth by the Director, who shall provide standard forms for required use by each municipality, and be submitted electronically and in such other manner as may be set forth by the Director.

(c) All user-friendly budget data and information shall be for the current budget year unless otherwise stated; however, the Director shall have the discretion to require any current year data and information to be compared versus the prior year.

(d) The user-friendly budget section shall include the following:

1. For the prior and current year as appropriate, information pertaining to the tax levy and tax rate for each local government taxing entity;
2. Information pertaining to the prior year's tax collection rate, as well as the calculation for the current budget year of the reserve for uncollected taxes;
3. A summary of anticipated revenue for all operating funds for the current budget year, with a comparison versus the prior budget year. This item shall also include surplus;
4. A summary of appropriations by service type, with a comparison versus the prior budget year. This item shall also include information on how personnel are budgeted amongst various departments;
5. An individual listing of all structural imbalances, including any offsets, with the amount and a description for each;
6. Aggregate values of assessed and exempt properties, divided by category, as of the prior year;

7. The average ratio of assessed to true value and the equalized valuation of all taxable properties as of the prior year;
8. Information pertaining to the budgetary impact of property tax appeals as of the prior year;
9. As of the close of the prior budget year, the number and value of outstanding five-year tax exemptions/abatements awarded pursuant to N.J.S.A. 40A:21-1 et seq., divided by category;
10. As of the close of the prior budget year, the number and value of outstanding long-term tax exemptions awarded pursuant to N.J.S.A. 40A:20-1 et seq. For long-term tax exemptions, the Director may require that each project be broken down individually by project name and type;
11. Budgeted personnel costs, which shall also include costs relating to elected officials;
12. A statement as to whether the municipality is subject to the provisions of the New Jersey Civil Service Law, Title 11A of the New Jersey Statutes;
13. The net employer cost of medical and prescription health benefits provided to employees, retirees, and elected officials;
14. As of the final day of the prior budget year, the gross number of days of accumulated absences, the dollar value thereof, and the legal basis for the benefit. All non-unionized employees eligible for the benefit shall be displayed individually. For unionized employees, the number of days and the dollar value of same shall be broken down by bargaining unit;
15. Gross and net municipal and utility fund(s) debt;
16. Outstanding principal and interest for bonds, bond anticipation notes, utility fund(s), loans, guarantees, capital/equipment leases, and other debt. In addition to the current year, such information may be displayed for the prior year and future years at the discretion of the Director;
17. Per capita gross/net debt based on most recent census data;
18. Net debt as percentage of the average property valuation over three years;
19. If rated, the bond rating along with the year of last bond rating; and
20. A listing of each shared service provided or received, what entity or entities are providing or receiving the service, the beginning and end date of the agreement as applicable, and the amount either received or paid for the service.

Repealed by R.1979 d.16, eff. January 17, 1979. New Rule, R.2015 d.031, effective February 17, 2015.

5:30-3.9 Property tax levy cap exclusion for extraordinary expenses due to emergencies

N.J.S.A. 40A:4-45.45.b authorizes an exclusion to the municipal and county property tax levy cap for "extraordinary costs" related to a declared emergency. For the purpose of this law, "extraordinary costs" are defined as expenditures incurred for the immediate preparation, response, recovery, and restoration of public services due to extreme weather conditions or other catastrophic events that are the subject of a gubernatorial emergency declaration, and only for that portion of costs exceeding the cost of providing services under non-emergency conditions. Such funds can be treated as one-time (non-permanent) property tax levy cap exclusions upon submission and review of certifications describing the expenditures to the Director of the Division of Local Government Services, and may be subject to adjustment to account for the receipt of any State or Federal reimbursements.

New Rule, R.2012 d.135, effective July 16, 2012.