

CHAPTER 8

AN ACT concerning amounts expended for municipal free library purposes, amending R.S.40:54-15 and supplementing chapter 4 of Title 40A of the New Jersey Statutes.

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

1. R.S.40:54-15 is amended to read as follows:

Annual report, identification of excess funds to municipality, transfer procedure.

40:54-15. a. The board of trustees shall make an annual report to the chief financial officer of the municipality which shall include a statement setting forth in detail all public revenues received by the library, all State aid received by the library, all expenditures made by the library and the balance of funds available. Notwithstanding the requirements of R.S.40:54-8 pertaining to the amount required to be raised and appropriated for library purposes, the annual report may identify excess funds that the board intends to approve and transfer to the municipality as miscellaneous revenue. The excess funds intended for transfer may be any amount that exceeds the sum of the amount of the audited operating expenditures of the library for the most recent available year, plus an additional 25% of those operating expenditures, excluding funds restricted for capital projects and grants, to be maintained as surplus. The annual report shall also include an analysis of the state and condition of the library and shall be sent to the municipal governing body and to the State Library. The State Librarian shall prescribe by regulation the form of all such reports.

b. (1) The board of trustees of a municipal free library may adopt a resolution of its intent to transfer excess funds to the municipality, as identified in its annual report pursuant to subsection a. of this section.

(2) The board of trustees of a municipal free library established after the effective date of P.L.2008, c.8 shall not adopt a resolution of intent pursuant to this subsection before the eighth budget year following its establishment.

c. Once the board of trustees has adopted a resolution of intent pursuant to subsection b. of this section, it shall forward the resolution to the State Librarian for approval, along with any other information required by the State Librarian and in accordance with procedures and forms promulgated by the State Librarian in consultation with the Director of the Division of Local Government Services in the Department of Community Affairs. The State Librarian shall approve any resolution upon a determination that all of the following provisions are met:

(1) the municipal free library will still retain a sum equal to the amount of the audited operating expenditures of the library for the most recent available year plus an additional 25% of that amount, excluding funds restricted for capital projects and grants, to be maintained as surplus;

(2) the municipality and the municipal free library are in compliance with all conditions imposed by rule or regulation promulgated by the State Librarian for per capita library aid to public libraries according to the "state library aid law," N.J.S.18A:74-1 et seq., and pertaining to appropriations for the maintenance of a municipal free library according to R.S.40:54-8 or section 2 of P.L.1959, c.155 (C.40:54-29.4) in the case of a joint free public library;

(3) there are sufficient funds remaining in the municipal free library's operating budget for the maintenance of the library for the balance of the fiscal year in which the transfer of funds to the municipality occurs; and

(4) the library board of trustees has a written plan of at least three years that reflects that the long-term funding needs of the library will be met, and that any capital expense will contribute to the provision of efficient and effective library services, and that the written plan has been approved by the State Librarian.

d. Upon approval of its resolution of intent by the State Librarian pursuant to subsection c. of this section, the board of trustees may cause the amount of the excess funds identified in its resolution to be transferred to the municipality.

C.40A:4-25.1 Use of library monies transferred to municipality.

2. Monies approved by the State Librarian for transfer to a municipality by the board of trustees of its municipal free library, pursuant to subsection c. of R.S.40:54-15, may be anticipated by the municipality as a miscellaneous revenue; provided, however, that the monies shall be used solely and exclusively by the municipality for the purposes of reducing the amount the municipality is required to raise by local property tax levy for municipal purposes. The director shall certify that each municipality has complied with this section. If the director finds that monies transferred to a municipality by its municipal free library pursuant to subsection d. of R.S.40:54-15 are not used by that municipality solely and exclusively to reduce the amount required to be raised by the local property tax levy, then the director shall correct the municipal budget, pursuant to N.J.S.40A:4-86, to ensure that the transferred funds are used for that purpose only.

3. This act shall take effect immediately.

Approved April 7, 2008.