

CHAPTER 224

AN ACT concerning municipal finances and certain surplus municipal free library funds, amending R.S.40:54-15 and R.S.40:54-19, 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 shall identify excess funds that the board is required to approve and transfer to the municipality as miscellaneous revenue. The excess funds transferred shall 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 20% of those operating expenditures, excluding: (1) funds restricted for capital projects and grants; and (2) any devise, bequest, or donation made to establish or maintain the free public library, 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) Except as limited in paragraph (2) of this subsection, the board of trustees of a municipal free library shall 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 20% of that amount, excluding: (a) funds restricted for capital projects and grants; and (b) any devise, bequest, or donation made to establish or maintain the municipal free library, 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 shall cause the amount of the excess funds identified in its resolution to be transferred to the municipality.

2. R.S.40:54-19 is amended to read as follows:

Devises and bequests to trustees.

40:54-19. The board of trustees may receive, hold and manage any devise, bequest or donation heretofore made or hereafter to be made and given for the establishment, increase or maintenance of a free public library within the municipality. Any devise, bequest, or donation made pursuant to this section shall not be deemed surplus or transferred by the board of trustees, pursuant to the provisions of R.S.40:54-15, to the municipality.

C.40A:4-89 Issuance of notes.

3. Any municipality that has ended the previous budget year with a deficit in operations caused, whether in whole or in part, by obligations created from tax appeals, may issue notes with the approval of the Local Finance Board on such conditions as the Local Finance Board deems appropriate. The amount of notes authorized pursuant to this provision shall not exceed the cash payments or tax credits due to tax appeals and shall be authorized by a bond ordinance approved by the Local Finance Board.

4. This act shall take effect immediately and sections 1 and 2 shall be retroactive to October 27, 2010.

Approved January 17, 2012.