

ASSEMBLY STATE AND LOCAL GOVERNMENT
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2218

STATE OF NEW JERSEY

DATED: JANUARY 4, 2024

The Assembly State and Local Government Committee reports favorably Assembly Bill No. 2218 .

Under current law, a school district may submit to the voters at the annual school election a separate question or proposal for permission to raise additional funds for the budget year beyond the district's authorized tax levy cap in order to support a particular program or purpose. This bill provides that in the case of a school district that has moved its annual school election to November, the district may submit a separate proposal for additional funds for the budget year, or a separate proposal for additional funds for the subsequent budget year, or separate proposals for additional funds for each of those budget years. The bill stipulates, however, that in the case of a district that submits a separate question for additional funds for the subsequent budget year and the separate question is approved, the school district may not increase its tax levy for that subsequent budget year by the amount of any "banked" tax levy that the district may have at its disposal under the cap banking provisions of the law.

In light of the fact that a school district that has moved its annual school election to November is already well into the school year by the time a separate question for that budget year is approved by the voters, which makes budget planning difficult, this bill will provide such districts with flexible options to increase their ability to do sound budget planning. The bill addresses situations similar to the one faced by a school district that submitted a separate question to the voters to ask for their approval to raise additional tax levy to expand the district's half-day kindergarten program to a full-day program. When the voters approved the question, it was the district's intention to expand the kindergarten program in the next school year and to begin raising the additional tax levy in that next year. However, under current law the tax levy would begin to be collected in the school year in which it received voter approval and the collection could not be delayed until the next school year. Under this bill, the collection of the taxes could be delayed.