

**SENATE CONCURRENT
RESOLUTION No. 17**

**STATE OF NEW JERSEY
215th LEGISLATURE**

PRE-FILED FOR INTRODUCTION IN THE 2012 SESSION

Sponsored by:

Senator STEVEN V. OROHO

District 24 (Morris, Sussex and Warren)

Senator KEVIN J. O'TOOLE

District 40 (Bergen, Essex, Morris and Passaic)

Co-Sponsored by:

Senator Doherty

SYNOPSIS

Amends Constitution to limit use of nonrecurring revenue in State budget except in certain times of crisis and limits State budget growth.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel



1 A CONCURRENT RESOLUTION proposing to amend Article VIII,
2 Section II, paragraph 2 of the New Jersey Constitution.

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4 BE IT RESOLVED by the Senate of the State of New Jersey (the
5 General Assembly concurring):

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7 1. The following proposed amendment to the Constitution of
8 the State of New Jersey is agreed to:

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10 PROPOSED AMENDMENT

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12 Amend Article VIII, Section II, paragraph 2 to read as follows:

13 2. No money shall be drawn from the State treasury but for
14 appropriations made by law. All moneys for the support of the
15 State government and for all other State purposes as far as can be
16 ascertained or reasonably foreseen, shall be provided for in one
17 general appropriation law covering one and the same fiscal year;
18 except that when a change in the fiscal year is made, necessary
19 provision may be made to effect the transition. **[No]** Except as
20 hereinafter provided, no general appropriation law or other law
21 appropriating money for any State purpose shall be enacted if the
22 appropriation contained therein, together with all prior
23 appropriations made for the same fiscal period, shall exceed the
24 total amount of revenue [on hand and] anticipated to be collected
25 from recurring revenue during regular collection cycles falling
26 within the same fiscal period. This total amount of revenue shall
27 not include anticipated revenue from a brief and limited collection
28 opportunity, from a special, short-term duration revenue
29 enhancement, or from a non-routine financing or collection effort.
30 The total amount of revenue anticipated to be collected within the
31 same fiscal year which will be available to meet such appropriations
32 during such fiscal period, shall be an amount from such recurring
33 revenue during regular collection cycles as shall be certified by the
34 Governor. A general appropriation law or other law appropriating
35 money, together with all prior appropriations made for the same
36 fiscal period, may exceed the total amount of revenue anticipated to
37 be collected from recurring revenue during regular collection cycles
38 falling within the same fiscal period, if the Legislature enacts such a
39 law by a vote of two-thirds of all the members of each house for the
40 costs associated with war, or repelling invasion, or suppressing
41 insurrection or meeting an emergency caused by disaster or act of
42 God. Except as expressly provided in this Constitution, no general
43 appropriation law or other law appropriating money, together with
44 all prior appropriations made for the same fiscal period, may exceed
45 the same for the immediately preceding fiscal period by more than

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 the increase in the Consumer Price Index during the same fiscal
2 periods. For the purposes of this paragraph, "Consumer Price
3 Index" means the average of the consumer price indices for all
4 urban consumers in the New York City and the Philadelphia areas
5 as reported by the United States Department of Labor. Any unspent
6 recurring revenue from a fiscal period shall be deposited in the
7 "Surplus Revenue Fund" established pursuant to Section 1 of
8 P.L.1990, c.44 (C.52:9H-14).
9 (cf: Art. VIII, Sec. II, par. 2, January 1, 1948)

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11 2. When this proposed amendment to the Constitution is finally
12 agreed to pursuant to Article IX, paragraph 1 of the Constitution, it
13 shall be submitted to the people at the next general election
14 occurring more than three months after the final agreement and
15 shall be published at least once in at least one newspaper of each
16 county designated by the President of the Senate, the Speaker of the
17 General Assembly and the Secretary of State, not less than three
18 months prior to the general election.

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20 3. This proposed amendment to the Constitution shall be
21 submitted to the people at that election in the following manner and
22 form:

23 There shall be printed on each official ballot to be used at the
24 general election, the following:

25 a. In every municipality in which voting machines are not used,
26 a legend which shall immediately precede the question as follows:

27 If you favor the proposition printed below make a cross (X), plus
28 (+), or check (✓) in the square opposite the word "Yes." If you are
29 opposed thereto make a cross (X), plus (+) or check (✓) in the
30 square opposite the word "No."

31 b. In every municipality the following question:

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	<p>YES</p>	<p>REQUIRES BUDGET TO BE BALANCED WITH RECURRING REVENUE EXCEPT IN TIMES OF CRISIS OR DISASTER AND LIMITS BUDGET GROWTH</p> <p>Do you approve the proposed amendment to the New Jersey Constitution to provide that: (1) All appropriations for a fiscal period shall be balanced against regularly collected recurring revenue for the same period, excluding one-time collections or nonrecurring revenue, except by a two-thirds vote of each house of the Legislature for the costs associated with war, repelling an insurrection or meeting an emergency caused by disaster or act of God; (2) All appropriations made for a fiscal period shall not exceed the same for the immediately preceding fiscal period by more than the growth in the Consumer Price Index for the same time period; and (3) During a fiscal period, any regularly collected recurring revenue which goes unspent in that same fiscal period shall be deposited into the Surplus Revenue Fund?</p>
	<p>NO</p>	<p>INTERPRETIVE STATEMENT</p> <p>This constitutional amendment requires that the State budget be balanced with regularly collected recurring revenue. The balanced State budget may not include the use of one-time collections or nonrecurring revenue. However, in times of crisis or disaster a budget may exceed amounts collected as recurring revenue if passed by a two-thirds vote in each house of the Legislature. Additionally, no State budget may exceed the immediately preceding State budget by more than the growth in the Consumer Price Index during the same time period. If any recurring revenue goes unspent in a State budget year, that revenue must be deposited in the Surplus Revenue Fund, which is commonly known as the “rainy day fund.”</p>

STATEMENT

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This concurrent resolution proposes a constitutional amendment to require that the State budget be balanced only with regularly collected recurring revenue, not one-time collections or nonrecurring revenue. In times of crisis or disaster, the Legislature may override this constraint by a two-thirds vote in each house. This concurrent resolution also limits the amount by which the budget may grow. Specifically, no State budget may exceed the previous budget by more than the growth in the Consumer Price Index for the same time period. Any recurring revenue not spent by the State budget is allocated to the Surplus Revenue Fund, which is more commonly referred to as the “rainy day fund.”

The purpose of this constitutional amendment is to rein-in the practice of using nonrecurring revenues to balance the State budget. This amendment is also meant to contain the growth of the State budget at a rate linked to the growth in the economy. While promoting greater fiscal responsibility in the process of crafting State budgets, this constitutional amendment is also offered to alleviate potential financial burdens in the future. The amendment directs that recurring revenues which go unspent, be deposited into the “rainy day fund.” Overall, this proposed amendment to the New Jersey Constitution aims to provide New Jersey with greater long-term financial security by constraining the Legislature’s ability to undertake short-sighted budgeting practices.