

[First Reprint]

**ASSEMBLY, No. 3832**

**STATE OF NEW JERSEY**  
**218th LEGISLATURE**

INTRODUCED APRIL 12, 2018

**Sponsored by:**

**Assemblyman RAJ MUKHERJI**

**District 33 (Hudson)**

**Assemblywoman ANGELA V. MCKNIGHT**

**District 31 (Hudson)**

**Assemblyman NICHOLAS CHIARAVALLOTTI**

**District 31 (Hudson)**

**Senator JOSEPH P. CRYAN**

**District 20 (Union)**

**Senator BRIAN P. STACK**

**District 33 (Hudson)**

**Co-Sponsored by:**

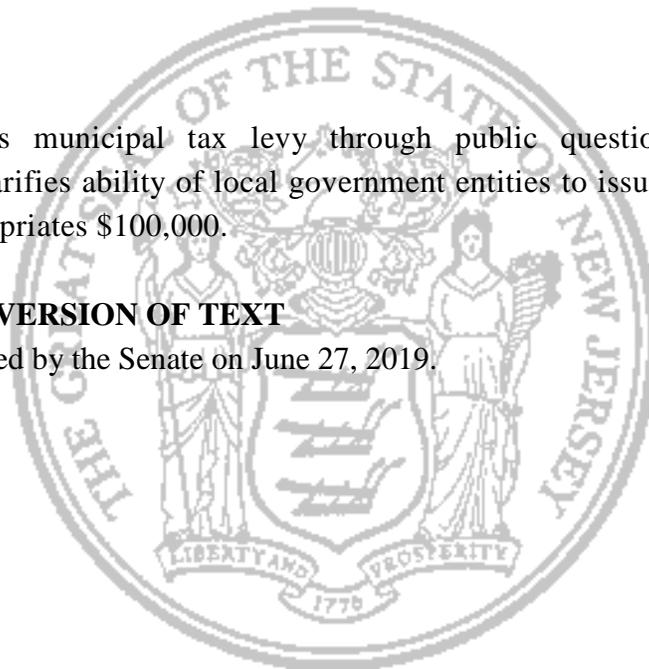
**Assemblywoman Jones, Assemblyman Caputo, Assemblywomen Vainieri  
Huttle, Murphy, Senators Cunningham and Ruiz**

**SYNOPSIS**

Authorizes municipal tax levy through public question for certain purposes; clarifies ability of local government entities to issue non-recourse bonds; appropriates \$100,000.

**CURRENT VERSION OF TEXT**

As amended by the Senate on June 27, 2019.



**(Sponsorship Updated As Of: 12/17/2019)**

1 AN ACT concerning <sup>1</sup>**[arts and culture funding and]** the municipal  
 2 tax levy and local government issuance of non-recourse bonds,  
 3 amending P.L.2011, c.187,<sup>1</sup> supplementing Title 40 of the  
 4 Revised Statutes <sup>1</sup>, and making an appropriation.<sup>1</sup>  
 5

6 **BE IT ENACTED** *by the Senate and General Assembly of the State*  
 7 *of New Jersey:*  
 8

9 1. As used in P.L. , c. (C. ) (pending before the  
 10 Legislature as this bill):

11 “Arts and culture” means creative and cultural activities,  
 12 including but not limited to, performing, visual, and fine arts,  
 13 music, dance, graphic design, film, digital media and video,  
 14 architecture and urban design, humanities, literature, arts and  
 15 culture education, historic preservation, museum curation, crafts,  
 16 and folk arts.

17 “Arts and culture trust fund” means a fund established pursuant  
 18 to section 2 of P.L. , c. (C. ) (pending before the Legislature  
 19 as this bill), for the purpose of supporting local arts and culture.

20 “Local arts council” means an entity, often referred to as a local  
 21 arts agency, arts commission, or cultural affairs office, that:

22 a. is either a municipal or county government agency, or a  
 23 private entity exempt from federal income taxation under paragraph  
 24 (3) of subsection (c) of section 501 of the federal Internal Revenue  
 25 Code of 1986 (26 U.S.C. s.501(c)(3)); and

26 b. maintains a mission that generally involves making arts and  
 27 culture more accessible to the public, and supporting local artists,  
 28 art programming, or local organizations focused on arts and culture.  
 29

30 2. (New section) a. The governing body of a municipality  
 31 may, by ordinance, submit to the voters of the municipality, in a  
 32 general or special election, a proposition authorizing an annual  
 33 levy, in an amount or at a rate that the governing body deems  
 34 appropriate, to be established for the purpose of supporting arts and  
 35 culture <sup>1</sup>**[**, or any subset of activities within the definition of “arts  
 36 and culture” under section 1 of P.L. , c. (C. ) (pending  
 37 before the Legislature as this bill)**]**<sup>1</sup>. Upon approval of the  
 38 proposition by a majority of the votes cast by the voters of the  
 39 municipality, the governing body of the municipality may annually  
 40 raise by taxation a sum not to exceed the amount or rate set forth in  
 41 the proposition approved by the voters for the purposes specified  
 42 therein. <sup>1</sup>The arts and culture levy shall become effective in the  
 43 next budget year following the year in which the levy has been  
 44 approved by the voters.<sup>1</sup>

**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.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup>Senate floor amendments adopted June 27, 2019.

1       b. <sup>1</sup>[(1) The amount or rate of the annual levy may be  
2 subdivided in the proposition to reflect the relative portions of the  
3 levy to be allocated to any respective arts and culture purpose.

4       (2) If the amount or rate set forth in the proposition is not  
5 subdivided among its various purposes, then the governing body of  
6 the municipality may, by ordinance, determine the appropriate  
7 amount or rate to be allocated to each purpose at a later time. By  
8 ordinance, the governing body of the municipality may also adjust  
9 any previously-determined allocation of funds among each purpose,  
10 so long as the adjustment is in accordance with the terms of the levy  
11 allocation submitted to the voters.

12       c. <sup>1</sup> Amounts raised by the levy imposed pursuant to this section  
13 shall be deposited into an "arts and culture trust fund" to be created  
14 by the municipality, and shall be used exclusively for <sup>1</sup>[the  
15 purposes authorized by the voters of the municipality] arts and  
16 culture, except that the municipality may deposit such amounts into  
17 the current fund of that municipality for uses not related to arts and  
18 culture if the Director of the Division of Local Government  
19 Services in the Department of Community Affairs finds that the  
20 municipality is in fiscal distress<sup>1</sup>. Any interest or other income  
21 earned on monies deposited into the arts and culture trust fund shall  
22 be credited to the fund to be used for the same purposes as the  
23 principal. <sup>1</sup>[Separate accounts may be created within the arts and  
24 culture trust fund for the deposit of revenue that is to be expended  
25 for each respective purpose, as specified in the proposition  
26 approved by the voters of the municipality.]<sup>1</sup> A municipality may  
27 deposit other funds into the arts and culture trust fund, as it may,  
28 from time to time, deem appropriate.

29       <sup>1</sup>[d.] c.<sup>1</sup> The governing body of a municipality may, by  
30 ordinance, submit to the voters of the municipality in a general or  
31 special election a proposition amending, supplementing, or  
32 repealing, a proposition previously submitted, approved, and  
33 implemented as provided pursuant to this section. The proposition  
34 may propose to eliminate the annual levy <sup>1</sup>[,] or<sup>1</sup> change the  
35 amount or rate of the annual levy <sup>1</sup>[, or add or remove purposes  
36 authorized pursuant to this section for which the levy may be  
37 expended]<sup>1</sup>. Upon approval of an amendatory or supplementary  
38 proposition by a majority of the votes cast by the voters of the  
39 municipality, the governing body of the municipality shall  
40 implement it in the same manner as set forth in  
41 P.L. , c. (C. ) (pending before the Legislature as this bill)  
42 for implementation of the original proposition.

43       <sup>1</sup>[e.] d.<sup>1</sup> Upon petition to the governing body of a municipality  
44 signed by the voters of the municipality equal in number to at least  
45 15 percent of the votes cast therein at the last preceding general  
46 election, filed with the governing body at least 90 days before a  
47 general or special election, the governing body of the municipality

1 shall submit to the voters of the municipality in the general or  
2 special election the proposition otherwise authorized pursuant to  
3 subsection a. or subsection <sup>1</sup>[d.] c.<sup>1</sup> of this section, as the case may  
4 be.

5  
6 3. (New section) a. The municipality, either through an  
7 ordinance adopted pursuant to section 2 of P.L. , c. (C. )  
8 (pending before the Legislature as this bill), or through a  
9 subsequent ordinance, shall designate a local arts council to  
10 <sup>1</sup>[manage the distribution of monies in the arts and culture trust  
11 fund. In distributing arts and culture trust fund monies, the] which  
12 monies from the arts and culture trust fund shall be appropriated.  
13 The<sup>1</sup> local arts council shall comply with the conditions for the use  
14 of the funding established <sup>1</sup>[through the propositions and  
15 ordinances adopted pursuant to section 2 of P.L. , c. (C. )  
16 (pending before the Legislature as this bill)] by ordinance<sup>1</sup>.

17 b. An agreement entered into in accordance with this section  
18 shall not be subject to the requirements and provisions of the "Local  
19 Public Contracts Law," P.L.1971, c.198 (C.40A:11-1 et seq.). If the  
20 local arts council is a private entity, then the local arts council shall  
21 allow the chief financial officer of the municipality to serve on its  
22 board, ex officio, as a non-voting member.

23  
24 <sup>1</sup>4. Section 2 of P.L.2011, c.187 (C.40:56-13.1) is amended to  
25 read as follows:

26 2. a. Upon application to and approval by the Director of  
27 Local Government Services in the Department of Community  
28 Affairs, a municipality may adopt an ordinance to establish a  
29 program to finance the purchase and installation of renewable  
30 energy systems and energy efficiency improvements by property  
31 owners and to authorize the issuance at public or private sale of  
32 non-recourse bonds as further provided herein. The governing body  
33 may apply to a county improvement authority that issues bonds  
34 pursuant to paragraph (2) of subsection (j) of section 12 of  
35 P.L.1960, c.183 (C.40:37A-55), or may issue bonds to finance the  
36 program pursuant to section 3 of P.L.2011, c.187 (C.40:56-13.2).  
37 Funds for the purchase and installation of renewable energy systems  
38 and energy efficiency improvements shall be loaned to property  
39 owners in exchange for a clean energy special assessment on the  
40 property pursuant to section 1 of P.L.2011, c.187 (C.40:56-1.4), to  
41 be paid quarterly. In the case of financing provided by bonds  
42 issued by a county improvement authority, the clean energy special  
43 assessment shall be used to repay the bonds. The bonds issued by a  
44 county improvement authority pursuant to this section shall be  
45 issued as non-recourse obligations of the authority and shall not be  
46 considered to be direct and general obligations of the authority. In  
47 the case of financing provided by the municipality through the

1 issuance of municipal bonds, the clean energy special assessment  
2 shall be used to repay the bonds. The bonds issued by a  
3 municipality pursuant to this section shall be issued as non-recourse  
4 obligations of the municipality and shall not be considered to be  
5 direct and general obligations of the municipality. Any bonds  
6 issued or authorized by a municipality pursuant to this section shall  
7 not be considered gross debt of the municipality on any debt  
8 statement filed in accordance with the "Local Bond Law,"  
9 N.J.S.40A:2-1 et seq. A property owner who purchases and installs  
10 a renewable energy system under the program may also assign any  
11 solar renewable energy certificates or other renewable energy  
12 credits that accrue to the property owner from the operation of the  
13 system to the municipality or the county improvement authority to  
14 repay the loan for the system. The Director of Local Government  
15 Services in the Department of Community Affairs shall coordinate  
16 efforts with the Board of Public Utilities to ensure that the amount  
17 of financing made available by local programs authorized pursuant  
18 to this act is in accordance with limits set from time to time by the  
19 Board of Public Utilities in order to ensure that local programs  
20 further the goals of the Office of Clean Energy in the Board of  
21 Public Utilities.

22 b. As used in this section, "solar renewable energy certificate"  
23 shall have the same meaning as set forth in section 3 of P.L.1999,  
24 c.23 (C.48:3-51).<sup>1</sup>  
25 (cf: P.L.2011, c.187, s.2)

26  
27 <sup>1</sup>5. (New section) There is appropriated from the General Fund  
28 to the Division of Local Government Services in the Department of  
29 Community Affairs \$100,000 to fund the expenses of implementing  
30 P.L. c. (C. ) (pending before the Legislature as this bill).<sup>1</sup>

31  
32 <sup>1</sup>[4.] 6.<sup>1</sup> This act shall take effect immediately.