

**SENATE CONCURRENT
RESOLUTION No. 22**

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Senator STEVEN V. OROHO

District 24 (Morris, Sussex and Warren)

Senator THOMAS H. KEAN, JR.

District 21 (Morris, Somerset and Union)

SYNOPSIS

Proposes constitutional amendment to establish a 2 percent cap on annual appropriations increases for certain State government spending.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



(Sponsorship Updated As Of: 1/27/2020)

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

3
4 **BE IT RESOLVED** *by the Senate of the State of New Jersey (the*
5 *General Assembly concurring):*

6
7 1. The following proposed amendments to the Constitution of
8 the State of New Jersey are agreed to:

9
10 PROPOSED AMENDMENTS

11
12 Amend Article VIII, Section II, paragraph 2 to read as follows:

13 2. a. No money shall be drawn from the State treasury but for
14 appropriations made by law. All moneys for the support of the State
15 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 annual general
20 appropriation law or other law appropriating money for any State
21 purpose shall be enacted if the [appropriation] appropriations
22 contained therein, together with all prior appropriations made for
23 the same fiscal period, shall exceed the total amount of revenue on
24 hand and anticipated which will be available to meet such
25 appropriations during such fiscal period, as certified by the
26 Governor.

27 b. (1) For each fiscal year commencing after approval of this
28 amendment by the voters, no annual appropriation law or
29 supplemental appropriation law or other law appropriating money
30 from any source, for any State purpose for the same fiscal year shall
31 be enacted if the appropriation or appropriations contained therein,
32 together with all prior appropriations made for the same fiscal year,
33 shall exceed the amount of total appropriations enacted for the prior
34 fiscal year by more than 2.0 percent.

35 (2) The fiscal year appropriation limit established by this
36 subparagraph b. shall not be construed as requiring the enactment of
37 appropriations for a fiscal year of an amount equal to the limit.

38 (3) The amount of appropriation permitted by a fiscal year
39 appropriation limit imposed during any of the three immediately
40 preceding fiscal years and not appropriated during any of those
41 years may be appropriated in a current fiscal year without regard to
42 the current fiscal year appropriation limit. That appropriation of
43 previously unused permitted appropriations from up to three
44 preceding fiscal years shall not be used to determine the
45 appropriation limit for the next fiscal year.

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.

(4) The unexpended balance of an appropriation, once enacted under the fiscal year appropriation limit established by this subparagraph b., may be reappropriated in the next fiscal year without being subject to the annual fiscal year appropriation limit for that next fiscal year, and any unexpended balance amount shall not be included in determining the base amount of enacted appropriations applicable for any subsequent fiscal year in which it is reappropriated.

c. The following appropriations shall not be subject to the fiscal year appropriation limit established in subparagraph b.:

(1) of State aid for school districts, municipalities and counties;

(2) money received or reasonably anticipated to be received by the State from the federal government;

(3) for State government payments that may be required to be made by another provision of this Constitution to pension systems that provide for retirement benefits;

(4) for payment of State capital construction projects, including but not limited to appropriations of State revenue directed to be credited to a special account in the General Fund for purposes of the State transportation system pursuant to Article VIII, Section II, paragraph 4 of this Constitution and for the line-item appropriations for the planning, acquisition, engineering, construction, reconstruction, repair and rehabilitation of the transportation system in this State pursuant to that paragraph;

(5) to pay the interest and principal due on debt authorized by a majority of the legally qualified voters of this State pursuant to the provisions of Article VIII, Section II, paragraph 3 of this Constitution or due on refinancing bonds issued pursuant thereto, and to pay the interest and principal due on debt of an autonomous public corporate entity, established either as an instrumentality of the State or otherwise exercising public and essential governmental functions, which debt or liability has a pledge of an annual State appropriation as the ways and means to pay the interest of such debt or the refinancing thereof, if such an appropriation was enacted before the fiscal year appropriation limit established in subparagraph b. applied;

(6) required for purposes of war, or to repel invasion, or to suppress insurrection, or to meet an extraordinary emergency caused by disaster or act of God, but not including money for routine personnel costs and operations historically funded as part of the annual appropriations act for the support of the State government; and

(7) money required to be deposited in, and expended from, the "Property Tax Relief Fund" established by N.J.S.54A:9-25.

The appropriation limit for the first fiscal year commencing after approval of the amendment adding subparagraphs b. through f. of this paragraph, shall be determined using as the base amount for that determination the amount of all appropriations enacted in the

1 prior fiscal year, exclusive of appropriations listed as exceptions in
 2 (1) through (7) of this subparagraph c.

3 d. Notwithstanding subparagraph b. of this paragraph and the
 4 provisions of Article IV, Section IV, paragraph 6 of this
 5 Constitution, the Legislature may, from time to time, provide by
 6 law for an appropriation or appropriations in excess of the
 7 appropriation limit provided in subparagraph b. of this paragraph if
 8 the bill that proposes to enact such excess appropriation or
 9 appropriations is passed by the Legislature as a fiscal emergency
 10 measure by the affirmative vote of two-thirds of the authorized
 11 membership of each house of the Legislature. Appropriations
 12 enacted as fiscal emergency measures pursuant to this subparagraph
 13 d. shall not be used in determining the base amount of enacted
 14 appropriations for the purpose of determining an annual
 15 appropriation limit for the subsequent fiscal year.

16 e. No transfer of an item of appropriation or other budgetary
 17 mechanism shall allow for an appropriation in excess of the
 18 appropriation limit provided by subparagraph b. of this paragraph
 19 except under the procedure provided by subparagraph d. of this
 20 paragraph.

21 f. If any function or service performed by the State is
 22 transferred to, or its costs of operation or performance are assumed
 23 by, any agency or instrumentality of the State or of any county or
 24 municipality, with the power to issue bonds to finance the
 25 undertaking of any function or the performance of any service, the
 26 decrease in State appropriations in the fiscal year in which the
 27 transfer or assumption occurred shall be deemed to have occurred
 28 in the prior fiscal year so as to decrease the prior year
 29 appropriations as the base upon which the appropriation limit shall
 30 be calculated. "Bonds" as used in this subsection means bonds
 31 which do not constitute a debt or liability of the State or of any of
 32 its counties or municipalities or a pledge of the faith and credit of
 33 the State or of any of its counties or municipalities.

34 (cf: Art.VIII, Section II, par.2, January 1, 1948)

35
 36 2. When this proposed amendment to the Constitution is finally
 37 agreed to pursuant to Article IX, paragraph 1 of the Constitution, it
 38 shall be submitted to the people at the next general election
 39 occurring more than three months after the final agreement and
 40 shall be published at least once in at least one newspaper of each
 41 county designated by the President of the Senate, the Speaker of the
 42 General Assembly and the Secretary of State, not less than three
 43 months prior to the general election.

44
 45 3. This proposed amendment to the Constitution shall be
 46 submitted to the people at that election in the following manner and
 47 form:

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

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

5 If you favor the proposition printed below make a cross (X), plus
6 (+), or check (✓) in the square opposite the word "Yes." If you are
7 opposed thereto make a cross (X), plus (+) or check (✓) in the
8 square opposite the word "No."

9 b. In every municipality the following question:

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		<p>ESTABLISHES 2.0 PERCENT CAP ON ANNUAL APPROPRIATIONS INCREASES FOR CERTAIN STATE GOVERNMENT SPENDING</p> <p>Do you approve the proposed amendment to the State Constitution which provides that for each State fiscal year beginning after the adoption of this amendment, no annual appropriation law or supplemental appropriation law shall be enacted if the total appropriations enacted for that fiscal year exceed the appropriations enacted for the prior fiscal year by more than 2.0 percent, except for the following appropriations: (1) of State aid for school districts, municipalities and counties, (2) of State funds received from the federal government, (3) for State government payments that may be required to be made by another provision of this Constitution to pension systems that provide for retirement benefits, (4) for State capital construction projects including those from State revenue constitutionally dedicated for the State transportation system and appropriations to finance and pay for that purpose, (5) for debt service due on Statewide voter-approved bonds or on their refinancing bonds, and due on other State entity debt for which State appropriations are pledged and have heretofore been appropriated, (6) required for purposes of war, or to repel invasion, or to suppress insurrection, or to meet an extraordinary emergency caused by disaster or act of God, but not including money for routine personnel costs and operations historically funded as part of the annual appropriations act for the support of the State government, and (7) money appropriated from the Property Tax Relief Fund; provided however this limitation on appropriations shall not apply to unused limitation amounts for three prior fiscal years and unexpended appropriations from the immediately preceding fiscal year, and may be exceeded only if passed by the Legislature as a fiscal emergency measure by the affirmative vote of two-thirds of the authorized membership of each house of the Legislature?</p>
	YES	

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		<p>INTERPRETIVE STATEMENT</p> <p>This constitutional amendment limits the amount that the State can appropriate for certain State government spending in a fiscal year to not more than 2.0 percent above the amount of those appropriations in the prior fiscal year. The exceptions to this limit include appropriations: (1) for State aid to school districts, municipalities and counties, (2) of federal funds, (3) for State government payments that may be required to be made by another provision of this Constitution to pension systems that provide for retirement benefits, (4) for State capital construction projects, (5)) to pay debt service on voter-approved State bonds and certain appropriation contract bonds (6) required for purposes of war, to repel invasion, or to suppress insurrection, or to meet extraordinary emergencies caused by disasters or acts of God, and (7) from the Property Tax Relief Fund. This limit will not apply to unused limit amounts from the three previous fiscal years, which may be banked to be appropriated in the next fiscal year. This limit will also not apply to unspent appropriations from the immediately preceding fiscal year, originally appropriated under an annual limit and then reappropriated by law. The annual State appropriations limit may only be exceeded by passage of a fiscal emergency measure by the affirmative vote of two-thirds of the authorized membership of each house of the Legislature.</p>
	NO	

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SCHEDULE

This constitutional amendment shall apply to the fiscal years beginning on or after July 1 next following its approval by the people pursuant to Article IX of the Constitution.

STATEMENT

This constitutional amendment limits the amount that the State can appropriate for certain State government spending in a fiscal year to not more than 2.0 percent above the amount of those appropriations in the prior fiscal year. The exceptions are appropriations: (1) for State aid to school districts, municipalities and counties, (2) of federal funds, (3) for State government payments that may be required to be made by another provision of this Constitution to pension systems that provide for retirement

1 benefits, (4) for State capital construction projects, (5) to pay debt
2 service on voter-approved State bonds and certain appropriation
3 contract bonds, (6) required for purposes of war, to repel invasion,
4 or to suppress insurrection, or to meet extraordinary emergencies
5 caused by disasters or acts of God, and (7) from the Property Tax
6 Relief Fund. This limit will not apply to unused limit amounts from
7 the three previous fiscal years, which may be banked to be
8 appropriated in the next fiscal year. This limit will also not apply to
9 unspent appropriations from the immediately preceding fiscal year,
10 originally appropriated under an annual limit and then
11 reappropriated by law.

12 The annual State appropriations limit may only be exceeded by
13 passage of a fiscal emergency measure by the affirmative vote of
14 two-thirds of the authorized membership of each house of the
15 Legislature.