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PUBLIC HEARING

before

ASSEMBLY STATE GOVERNMENT AND FEDERAL
AND INTERSTATE RELATIONS COMMITTEE

on

ASSEMBLY CONCURRENT RESOLUTION NO. 129

(A Concurrent Resolution proposing to amend
Article IV, Section VII of the Constitution)

Held:
September 8, 1976
Assembly Chamber
State House
Trenton, New Jersey

MEMBERS OF COMMITTEE PRESENT:

Assemblyman Richard Codey (Chairman)
Assemblyman Walter J. Kavanaugh
Assemblyman Francis J. McManimon

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ASSEMBLY CONCURRENT RESOLUTION No. 129

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 3, 1976

By Assemblymen D. GALLO, SPIZZIRE, DORSEY, BARRY,
HURLEY, KEAN and Assemblywoman CURRAN

Referred to Committee on State Government, Federal and
Interstate Relations

A CONCURRENT RESOLUTION proposing to amend Article IV,
Section VII of the Constitution.

1 BE IT RESOLVED *by the General Assembly of the State of New*
2 *Jersey (the Senate concurring):*

1 1. The following proposed amendment to the Constitution is
2 hereby agreed to:

PROPOSED AMENDMENT

3 Amend Article IV, Section VII by adding thereto the following
4 paragraph:

5 12. No bill which if enacted would reduce the locally derived
6 revenues of any municipality, county, school district or other
7 political subdivision of the State, or require the appropriation or
8 expenditure of funds or the institution or increase of any taxes,
9 fees or other revenue sources by any such political subdivision,
10 shall pass except by the vote of two-thirds of all the members of
11 each House agreeing thereto; nor shall any such bill take effect
12 with respect to such reduction of revenues or such additional or
13 increased appropriations, expenditures or levies, before January 1
14 next following the date of its enactment.

1 2. When this proposed amendment to the Constitution is finally
2 agreed to, pursuant to Article IX, paragraph 1 of the Constitution,
3 it shall be submitted to the people at the next general election
4 occurring more than 3 months after such final agreement and shall
5 be published at least once in at least one newspaper of each county
6 designated by the President of the Senate and the Speaker of the
7 General Assembly and the Secretary of State, not less than 3
8 months prior to said general election.

1 3. This proposed amendment to the Constitution shall be sub-
 2 mitted to the people at said election in the following manner and
 3 form:

4 There shall be printed on each official ballot to be used at such
 5 general election, the following:

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

8 If you favor the proposition printed below make a cross (X),
 9 plus (+) or check (V) in the square opposite the word "Yes."
 10 If you are opposed thereto make a cross (X), plus (+) or check
 11 (V) in the square opposite the word "No."

12 2. In every municipality the following question:

	Yes.	<p style="text-align: center;">CONSTITUTIONAL AMENDMENT:</p> <p style="text-align: center;">RESTRICTION OF LEGISLATION AFFECTING LOCAL GOVERNMENT FINANCES</p> <p>Shall the amendment to Article IV, Section VII of the Constitution, providing that no bill which would reduce the locally derived revenues of any municipality, county or school district or other political subdivision of the State, or require the appropriation or expenditure of funds or the institution or increase of any taxes, fees or other revenue sources by any such political subdivision, shall pass except by two-thirds vote of both Houses of the Legislature; and that no such bill shall take effect with respect to such reduction of revenues or such additional or increased appropriations, expenditures or levies, before January 1 next following the date of its enactment, be approved?</p>
	No.	

STATEMENT

The object of this proposed amendment is to prevent excessive resort to the procedure whereby State Government institutes programs which it deems desirable and compels local governments pay the bills. That procedure has two flaws: first, that it often takes too little account of the actual financial capacities of the local governments involved; and second, that, because most governments have a calendar year budgetary cycle, and all depend on a calendar year property tax cycle, while the State Government runs on a July-June fiscal year, such programs are often voted into existence on a schedule which disrupts local-government fiscal planning and arrangements.

This proposed amendment would, first, attempt to assure that only really necessary programs appropriate to local-government responsibility would be instituted in this manner, by requiring that legislation instituting them have the support of at least two-thirds of each House of the Legislature. Second, it would attempt to prevent disruption of local governments' financial planning by requiring that the financial impacts of all such programs be phased in on a calendar-year basis.

ASSEMBLYMAN RICHARD CODEY (Chairman): I would like to start this morning's Public Hearing on Assembly Concurrent Resolution No. 129, sponsored by Assemblyman Gallo and others. The Amendment, of course, states that any bill which would reduce the locally derived revenues in any municipality, county, or school district must pass both Houses of the Legislature by a two-thirds vote.

Our first witness will be the sponsor of the Resolution, Assemblyman Dean Gallo.

A S S E M B L Y M A N D E A N G A L L O: Thank you, Mr. Chairman. Mr. Chairman, the residents of the State of New Jersey deserve an opportunity to decide the merits of Assembly Concurrent Resolution No. 129. All of us who serve in public office are aware of the low esteem of State Government in the minds of the people it is supposed to serve. It is my belief that the electorate has been psychologically disenfranchised by all three branches of State Government due to their actions and attitudes over the past three years. The people feel that they have been misled and unheard. The placing of ACR-129 on the ballot will allow the voters to make a critical decision on whether to alter the financial relationship between State and local government.

What brought this proposed legislation about, from my viewpoint, were the experiences that I had, both as a Council President in Parsippany-Troy Hills and also as Director of the Morris County Board of Freeholders in the County of Morris.

I would like to give two examples of problem areas that have happened to me. One is, as Director of the Board of Freeholders, we had a new law which was passed by the Legislature, signed by the Governor into law, and was known as the JINS Program - Juveniles in Need of Supervision. This program was brought about by Institutions and Agencies. We were notified that this was law as late as February of that year and we were told that we had to comply with this law as early as March of that same year.

The State legislation did not take into account where the counties were going to get the money from, how they were going to be able to cope with the law and meet its mandates, and as a result, in Morris County, it cost Morris County \$100 thousand, which it did not have available because this happened in mid-term and, therefore, the budget had already been set. So, this necessitated that County - and I might add, all of the counties in the state - to come up with emergency appropriations and that is not something to be taken lightly because it is, in effect, a change in the financial planning of a county - and in this case, 21 counties.

The other reason that really brought this to a head is, just recently we had a bill in this Assembly Chamber - the bill was 1982 - dealing with 34 District County Court Judges who were going to receive a \$3,000 pay increase if, in fact, the bill had been passed. I think Chairman Codey will recall that I got on the floor and objected to this, first, not as to the merits of the bill but to the procedures that were being used. It was a mid-term approval of additional funds for District Court Judges that was going to be borne by the counties and not by the State of New Jersey. The State was not supplying any of those dollars that would be necessary to implement this. I think this is a true example of what I am trying to put across in this bill, that, in fact, a two-thirds vote would require a great deal more dialogue by the Assembly and Senate. A two-thirds vote would actually mean that it would require 54 votes in the Assembly and it would require 27 votes in the Senate for passage.

Another important factor to this bill relates to passing legislation in mid-year. The counties and municipalities go on a calendar year - January 1st to December 31st - whereas, the State goes on a calendar year of July to June. If, in fact, legislation is implemented in mid-year, it requires emergency appropriations, which is not good

planning.

This bill contains in it the requirement that any bill that is passed during that year would become effective the following January and it would solve that problem for the municipalities, counties and boards of education.

Also for the record, I would like to have the Committee know that this bill has generated a great deal of positive reaction. I have received resolutions from counties throughout this State. I have received resolutions from municipalities, school boards, and other organizations, such as are here at the hearing and will be making their testimony part of the record.

I think, just as important, I have not myself, nor through my office, received any negative responses to this bill. Along with the officials and the governments that have responded in a favorable way to this legislation, I have also had numerous calls and letters from citizens not only in my District but throughout the State, giving their opinion that this is a solid way of starting some fiscal restraints and responsibly on State Government.

I think the bill, in essence, is really trying to do just that - to bring about greater fiscal responsibility by the State of New Jersey and, as a result, the citizens of the State of New Jersey will benefit.

There are a number of people here that are prepared to testify and I know that their time is very valuable. I appreciate their coming down to testify in favor of the bill. I would like to, with the Chairman's approval, at this time conclude my remarks and maybe be able to make a summation when they have concluded, in an effort to allow them to come on first and get back to their busy jobs.

ASSEMBLYMAN CODEY: Are there any questions?

(no questions)

I have some questions, Assemblyman. You are a former Freeholder-Director of Morris County - correct?

ASSEMBLYMAN GALLO: That is correct.

ASSEMBLYMAN CODEY: Morris County College has been operating, is that correct?

ASSEMBLYMAN GALLO: We have Morris County Junior College, yes.

ASSEMBLYMAN CODEY: Does it receive any funds from the State?

ASSEMBLYMAN GALLO: Yes.

ASSEMBLYMAN CODEY: How much - millions of dollars?

ASSEMBLYMAN GALLO: Well, the formula that was worked out regarding county colleges was that they--

ASSEMBLYMAN CODEY: Millions of dollars though - has the county received this?

ASSEMBLYMAN GALLO: Yes.

ASSEMBLYMAN CODEY: Was that passed by a two-thirds vote?

ASSEMBLYMAN GALLO: No, I don't think it was. It wasn't required.

ASSEMBLYMAN CODEY: Well, you took it though?

ASSEMBLYMAN GALLO: Of course.

ASSEMBLYMAN CODEY: Gratefully. Yet, that cost the taxpayers of the State, not just of Morris County.

ASSEMBLYMAN GALLO: Well, I am not arguing the merits of it not taking two-thirds of a vote.

ASSEMBLYMAN CODEY: Well, according to your bill you still wouldn't need a two-thirds vote. In other words, only to take away would you need the two-thirds vote, but if the county gets money you don't need the two-thirds vote.

ASSEMBLYMAN GALLO: That is correct. I think there is a two-way obligation by the State.

ASSEMBLYMAN CODEY: But, with your bill there isn't. It is just, "when you take away money from us it has to pass by a two-thirds vote, but when you give us money, we will take it with a one vote majority."

ASSEMBLYMAN GALLO: Well, I think times have changed. I think there is a demand from the public now for a greater degree of fiscal responsibility. I have seen that change in the last six months. I think that it only becomes more encumbent upon the State to react to that, keeping in mind that the State also passed the capping bill. I am sure someone else will comment on that - what effect that will have on counties and municipalities with reference to mandated costs, when the State has a capping bill and cannot perform a necessary service they feel is desirable and it passes legislation mandating the cost to the counties, which would not affect the capping. I think there is a very dangerous situation which may exist at this stage.

ASSEMBLYMAN CODEY: Yes. I just wanted to point out, Assemblyman, that your bill doesn't cover any fiscal restraint on the State as far as giving money to counties or towns.

ASSEMBLYMAN GALLO: True.

ASSEMBLYMAN CODEY: The other point I want to make is, on those pay raises, what would that amount to in Morris County? What percent of the budget would this amount to?

ASSEMBLYMAN GALLO: As far as pay raises are concerned?

ASSEMBLYMAN CODEY: For the judges.

ASSEMBLYMAN GALLO: For the judges? In Morris County -- it would not affect Morris County, from what I understand. Maybe Director Brown might be able to give additional testimony on this in her testimony, but I don't think that the District Court Judges, as indicated, would affect Morris County.

I think, Mr. Chairman, that you have to understand that I am not referring to Morris County, per se. I am talking about the entire State.

ASSEMBLYMAN CODEY: I just mentioned that because I thought you would be well versed in connection with Morris County, that's all. In other words, I thought that your point was, with reference to the pay raise, that we were obligating the counties to produce more money.

ASSEMBLYMAN GALLO: That is absolutely true.

ASSEMBLYMAN CODEY: My point is that is so small an amount with regard to the budget that it seems--

ASSEMBLYMAN GALLO: Whether it is small or not in this particular case, it is \$102 thousand. Now, that may sound very small to the State when we are dealing with billions but when you are dealing with that in a county, that can be a significant amount that had not been budgeted for and, therefore, requires an emergency appropriation.

ASSEMBLYMAN CODEY: That is not \$100 thousand per county?

ASSEMBLYMAN GALLO: No, it isn't; that is the total cost. But, we did have - and this goes back two years ago - the State, again, come out with a program which, in fact, was going to give better pensions to judges. That cost Morris County \$80 thousand.

ASSEMBLYMAN CODEY: Yes, but I don't recall when we voted on A-1982, any letters from any Freeholders urging us to vote "no".

ASSEMBLYMAN GALLO: Unfortunately, legislation that is passed in this Chamber does not necessarily get out to the counties in time for them to give a reaction. I think that is also bad. I didn't know this bill was coming up until that day.

ASSEMBLYMAN CODEY: Thank you, Assemblyman. You will come back later?

ASSEMBLYMAN GALLO: Yes. Thank you.

ASSEMBLYMAN CODEY: Our next witness will be Gilbert Lugossy, President of the New Jersey Association of Chosen Freeholders. Mr. Lugossy is also a Freeholder in Mercer County.

G I L B E R T L U G O S S Y: Good morning and thank you very much, Mr. Chairman, we certainly appreciate this opportunity to appear before you and the members of your Committee regarding Bill ACR-129.

As indicated earlier, I am the current President of the New Jersey Association of Chosen Freeholders. I also serve as the Vice President of my Board in Mercer County, which is now, currently, one of the four charter counties in our State.

I am here to state the endorsement of our State Association for Assembly Concurrent Resolution No. 129, to place a referendum on the general election ballot in 1976, to amend Article 4, Section 7 of our New Jersey State Constitution.

As has been indicated previously, the two major provisions would require a two-thirds vote of the members of each House of the Legislature to reduce locally-derived revenues, or require the appropriation of expenditure funds or the institution or increase of any taxes, fees, or other revenue sources, and the provision that no such bill shall take effect before January 1st, next following the date of its enactment.

County governments, as extensions of the State, have been given tremendous responsibilities by successive Legislatures, mainly since 1965, all of which have entailed increased expenditures, based largely on the property tax levy.

While a new source of levy, the State Income Tax, has been adopted on a trial basis, the amount of State revenue sharing has yet to be demonstrated for these mandated programs given to us to perform and, in most cases, to finance.

The prime sponsor of this legislation, himself a former County Freeholder-Director, has stated the case for ACR-129 simply - "A Constitutional Amendment which would greatly curtail the State's ability to mandate expenditures that would increase the local tax burden."

The county's ability to finance State mandated programs is further severely curtailed by the adoption of the so-called "caps" legislation, which limits our annual budgetary increases to 5% in the tax rate. While an added 3% may be permitted under what is termed "emergencies", this legislation poses difficult problems for us as county officials, especially in areas with static or slow-growing property tax rates to meet even the ordinary costs of conducting business.

A single labor negotiation could engulf and use up this small percentage allowable increase. If the counties are to have their capability to deal with the cost of operating their governments, they merit the added safeguard that increased fiscal responsibility placed upon them by the State be committed only after a vote of the magnitude of two-thirds in both Houses.

ACR-129 takes into account the fact that programs are often adopted by a simple majority which fail to take into account the financial capacities of the local governments involved to meet and pay for them without undue hardship.

The provision for fiscal notes is no help to county governments without a corresponding provision that all bills requiring expenditures also designate the source of revenue specifically and provide a larger share of state aid.

Of prime importance to those of us in county governments is the difference in the budgetary year between the State and local governments. Since counties and municipalities have a calendar budgetary year and the State a fiscal July-June cycle, programs are often voted into existence on a schedule which disrupts local government's fiscal planning and arrangements. The provision that all such State-mandated programs

be phased in on a calendar year basis is basic to sound fiscal management of the several county governments in our State.

Examples of what we would term abuses in the past are many, including the program for Juveniles in Need of Supervision, which required the counties, in budgetary midstream, to make financial provisions in less than 90 days when no such funding could have been included in the current calendar year budgets.

Presently, the counties face major funding responsibilities in solid waste management districts and in broadened management of expanding service units under the Public Health Act, to name but just two new State-mandated programs. And we continue to operate at the financial disadvantage under prior programs given to us to operate, such as the County Community Colleges, instituted ten years ago under a cost formula of 50% State aid and 25% each funding by the County and the student. Because of what we feel is State manipulation and limits on both the State and student shares, the Counties, with two-year colleges today, are paying nearly 40% , on the average, of the cost of operations, rather than the original 25% which was in the original legislation.

I urge this Committee to recommend and secure passage of ACR-129 in upcoming sessions of the Legislature, to the end that this referendum may be presented to the people of this State to vote on in the General Election. Freeholders throughout the State are confident they will determine the fairness to local governments which it offers, and will decide that we merit the safeguards on financing State-mandated programs, which it provides. A majority of the Counties of the State have enacted resolutions favoring ACR-129, copies of which have been filed with your Committee. Thank you, Mr. Chairman.

ASSEMBLYMAN CODEY: Thank you, Mr. Lugossy. Freeholder, just one point - in your statement you mentioned community colleges and your statement reads, "...prior programs given to us to operate...", does that mean to say that you were mandated to open the county college?

FREEHOLDER LUGOSSY: Yes. Let me just preface my answer to that by saying that, number one, Counties, of course - as always, Mr. Chairman - are there to serve the people and the Counties have never - and they certainly don't intend to in the future - shirked their responsibilities.

We know that in New Jersey, Counties are hardly referred to in our State Constitution at all and we realize that in the present structure we are, so to speak, an extension, if you will, of State Government - and we accept those obligations and responsibilities. I think that when these programs and costs have been mandated to us, that the Counties have responded, even on short notice, as with the JINS Program. We have showed that the Counties can respond to these needs, which the State feels should be met. Even though it has caused us great consternation, perhaps, because of the lack of time, or in order to go the emergency funding route also, we have responded and we are quite proud, of course, of the programs that we have developed, working with many of the State Agencies in our Counties, to serve the people.

So, it is not a question of our unwillingness or inability to meet the needs of the State and its residents. We have proven that we can and intend to continue to do this, we are just looking for a better means of doing business, working in cooperation with the State.

In most cases, when you mandate services to the County, you are also mandating the funding to us. This past year all the Counties have lost much State aid. Here in Mercer, we have lost over one-half million dollars in State aid just with the road aid monies and some of the health monies and programs such as that, this year.

ASSEMBLYMAN CODEY: But, my question was, were you mandated to open Mercer County College?

FREEHOLDER LUGOSSY: The people -- That was a question that went on the ballot in Mercer County. There was what was termed a Blue Ribbon Panel of citizens who made a study and spent much time when the original enabling legislation came out and it was representative of all segments of the community. It was their finding that there should be established a two-year college in Mercer County. It then went on the ballot in our County and the people overwhelmingly approved that there should be a college and of course, naturally, certainly the cost. But, again, there was legislation then that stipulated - the original legislation - that the cost to the County should be just 25%, with the students picking up the other 25% and the State 50%.

Perhaps, that certainly was the basis on which many people made the decision and felt it was equitable and voted that the County should establish a community college.

ASSEMBLYMAN CODEY: Thank you. Is Raymond Wheeler here? Mr. Wheeler is President of the New Jersey State League of Municipalities.

R A Y M O N D W H E E L E R: My name is Raymond Wheeler. I am a Commissioner in the Borough of Haddonfield and President of the New Jersey State League of Municipalities. I am appearing today on behalf of the League.

As a longtime municipal official and a longtime member of the Legislative Committee of the New Jersey State League of Municipalities, I have had an opportunity over the years to review literally thousands of bills introduced by the State Legislature affecting our municipalities around the State.

Ladies and Gentlemen - I am becoming disturbed over the increasing number of bills and resolutions which have been introduced in recent years which are mandatory in nature and which - in one way or another - would require municipalities to spend money, either by requiring new services or increases in the level of existing services or by depriving localities of sources of revenue which they depend on to balance their respective budgets.

This year alone - and the current session of the Legislature is far from over - some 75 bills have been introduced which fall into the broad categories of measures to which ACR-129 is addressed. Some of the bills would mandate the creation of new types of municipal office holders, such as the creation of the position of public defenders. Some of them would increase operating costs such as the bill requiring the assignment of two men to each police patrol vehicle. Many of the bills call for the liberalization of pension benefits or would grant early retirements for various categories of employees. Others would increase or establish new death benefit payments for various categories of survivors.

A large number of these mandatory bills would reduce and erode the local property tax base by authorizing additional property tax exemptions for numerous categories of users. Included in this last category are those bills granting tax exemptions to facilities utilizing solar energy, and to air and water pollution abatement equipment and those extending tax relief benefits to the aged, the disabled, etc.

I need not remind you that the cost of these types of bills is not, in some mysterious way, absorbed by the municipality with little or no impact on anyone. Every single dollar of which the locality is deprived and every single dollar required to pay for mandated increased services must either be subtracted from the existing appropriation of some ongoing program, or must be added to the tax bill of the citizen.

This kind of mandatory legislation strikes at the very heart of our home rule tradition of government. This kind of mandatory legislation - which very intimately influences the level and character of local services and very definitely eats away at the municipality's revenue base - is enacted and signed into law year after year in a fashion that totally bypasses the decision-making process of the locally-elected governing officials. These officials, of which I am one, are responsible to the citizens for their stewardship of the local machinery of government. They are intimately involved on a daily basis with their communities and its needs, and they are the officials who will be held politically accountable - or responsible if you prefer - for every dollar of increase in their tax bills.

It is not uncommon for locally elected officials to be voted out of office because of increases in the local tax bill, but it is a rare citizen who is sophisticated enough to vote a member of the State Legislature out of office because of State-mandated increases in the local budget.

The time is long overdue, therefore, for the State Legislature to fully recognize the consequences of the kind of bills to which ACR-129 is addressed. It is time that such measures be deliberated upon with due consideration to their impact and that there be a Constitutional requirement that two-thirds of the members of the respective Houses must agree as to the merits. A simple majority vote is not a sufficient safeguard. We urge the enactment of Assembly Concurrent Resolution Number 129.

In conclusion, however, I would like to point out that even if this bill is enacted and the Constitutional Amendment passed, it will not represent a total solution. Many examples can be cited in which municipalities were deprived of substantial amounts of revenue, not by a specific vote on a specific bill, but as the result of legislative default. The best and most recent examples of this are associated with the strategies employed to balance the State Budget in the last two years. In 1975, municipalities were deprived of \$25 million in Sales and Use Tax revenue distributions and another \$15 million in road aid payments because the Governor and the Legislature simply failed to include appropriations for such programs. The same device denied municipalities again in 1976. These original enabling acts authorizing payments are still on the books, but the Administration and the Legislature have, in effect, repealed those laws on which our municipalities had come to depend, by refusing to finance them.

Unless the two-thirds vote requirement embodied in ACR-129 can extend to the curtailment of vast sums of money in the process of balancing the State Budget, municipalities will be afforded scant protection from the fiscal insecurities of which we are all aware. Thank you very much, it has been a pleasure being here.

ASSEMBLYMAN CODEY: Thank you. Commissioner Wheeler, you sit as an elected member of the Borough of Haddonfield and you vote on a proposal which would increase the local property tax, do you have an ordinance that mandates that you must have a two-thirds vote to take such action?

COMMISSIONER WHEELER: No.

ASSEMBLYMAN CODEY: Well, then, why are you asking us to do it if you don't do it?

COMMISSIONER WHEELER: Well, we feel that in the State Legislature there are a lot of new members and one vote could upset our whole financial program.

ASSEMBLYMAN CODEY: Excuse me?

COMMISSIONER WHEELER: One vote could upset our whole financial program.

ASSEMBLYMAN CODEY: But, you are asking us to do something that you don't want

to do.

COMMISSIONER WHEELER: Maybe it would be a good thing if we did, I don't know. Under Commission form of government, majority rules.

ASSEMBLYMAN CODEY: Majority rules here too, sir.

COMMISSIONER WHEELER: Yes, but by one vote. One vote can affect five hundred sixty-nine municipalities in the State of New Jersey. We think there should be some ties on it that will not let us lose our money by a vote.

ASSEMBLYMAN CODEY: How many Commissioners are there in Haddonfield - five, three?

COMMISSIONER WHEELER: Three.

ASSEMBLYMAN CODEY: Three?

COMMISSIONER WHEELER: Yes, sir.

ASSEMBLYMAN CODEY: So, by just two votes -- two people run the show, right?

COMMISSIONER WHEELER: Two people.

ASSEMBLYMAN CODEY: You can't have two-thirds of three votes, I'll tell you.

COMMISSIONER WHEELER: But I would say that the people in Haddonfield - and our budget - have been very, very careful with our money. As long as I am watchdog of the treasury - I am Director of Revenue and Finance - they don't get an opportunity to spend money.

ASSEMBLYMAN CODEY: I'm sure they don't, Commissioner.

ASSEMBLYMAN KAVANAUGH: Mr. Chairman, I think I would like to come to Mr. Wheeler's defense, as far as your questioning is concerned. In your statement, Mr. Wheeler, you mentioned the fact that not many State Legislators are voted out of office because of concern for the local dollar and Mr. Codey questioned you insofar as you having the right to pass-- If you are not doing it properly, you won't be there the following term, on the local level because you have to be more responsive in local government than State Legislators have to be.

So, the concern here is, you have to maintain home rule. The loss, and I really think the injustice, on the part of the State is in putting forth mandates to the local governments when they are not prepared to fund them. They have to take the funds from other legitimate expenses to make up the difference. This is a loss of revenue when they have to go into a program. Even though I don't like to single out one thing, Assemblyman Gallo mentioned the JINS Program, and using that as an example - I think this it is a good program - it was difficult, when it was instituted by the Legislature and signed into law, for the local governments to fund it without being prepared. I think that it is necessary that we have legislation that will protect the State and also protect the local government and the county government from the State.

COMMISSIONER WHEELER: We lost quite a bit of money in our own little Borough - a few thousand means quite a bit to us. Approximately \$15 thousand is set on the tax rate and we have to be very careful that we don't spend too much money. With the State aid for roads that disappeared out of our budget for '75 and '76, in 1976 I put in a 6¢ tax rate to start road work. I had a little opposition in the governing body. They wanted a \$1 million bond issue and I wouldn't go for it. We don't owe any bonds; they are not self-liquidating in the Borough of Haddonfield. We are out of debt and we are going to try and stay out of debt if we can. So, we did include a 6¢ increase and if we had not had to put that 6¢ in, we could have reduced the local property rate by 6¢.

Now, of course, our local property rate is the smallest part of the budget. You talk about we fellows being turned out in the State Legislature-- The Tax Bureau

says what we have to do with our assessments. They can come in and tell us they have a reevaluation. There are not many public officials that survive a reevaluation; they go because the people don't even stop to listen to reason at the local level.

ASSEMBLYMAN CODEY: You have to take a lesson from Newark.

COMMISSIONER WHEELER: No, I don't want to go to jail.

ASSEMBLYMAN CODEY: Thank you, Mr. Wheeler.

COMMISSIONER WHEELER: Thank you very much.

ASSEMBLYMAN CODEY: Our next witness will be Leanna Brown, Director of the Morris County Board of Freeholders.

L E A N N A B R O W N: Mr. Chairman, Members of the Committee: It is a pleasure to be here on such a pleasant morning. I would also like to say that as a member of the 24th District it is very nice to be represented by an Assemblyperson who has served both at the local and county levels and who understands the problems that we face.

As Director of the Morris County Board of Chosen Freeholders, I would like to express that Board's unanimous and wholehearted and bipartisan support for ACR-129. As Vice President of the State Association of Chosen Freeholders, I would also like to reiterate Gil Lugossy's testimony, also presented in a bipartisan spirit.

I would like to make three informal remarks to support this particular measure. One is, Counties are creatures of the State. If you go back to our founding in the late 18th Century, we were given administrative responsibilities for the courts and for roads. Our administrative responsibilities have increased over the years. We have now become an administrative arm also of the Federal Government. I must add, however, that the Federal Government has always recognized its responsibilities monetarily and when it asks us to do something, we also get the funds to do it with - witness the present unemployment program we are fulfilling in that particular area.

Seventy percent of our budget - of our revenue - in the County of Morris comes from the property tax and I believe this is not far off from the other 20 Counties in the State of New Jersey. There has been, I believe, recently, a lot of discussion in these hallowed Chambers about the property tax. Therefore, I do not think it is unreasonable to stress this - if we are given new responsibilities, fine, but we must also be given funds because, again, the bulk of our money comes from the property tax. There is no "and", "if", or "but" about that fact.

The other big source of revenue we have is from various funds our Sheriff collects or our Surrogate collects, etc.

Interestingly enough, there has been another change since Assemblyman Gallo introduced this particular bill, also as a result of discussion in this particular Chamber and in the Senate: Municipalities, the State, School Boards, and Counties are all existing under the new ground rules of "caps", limits on spending. However, there is an exception, if you realize it. Costs that are mandated to us are exempt from the 5% cap. This is a very significant loophole whereby the State, which is now under a 5% cap, if it is in a bind as far as how to finance some measures, has a very nice loophole. It can go down to the municipalities and the Counties because any costs that are mandated to us by the State are exempt from this particular cap.

I am not enthusiastic about this whole cap approach to financing, if you want my personal opinion on the thing. However, it is something that by law we are now living with and we will do our best to abide by it. But, I want to stress to you here today that this is a very serious loophole in the whole situation, as it is now set up - that State mandated costs are exempt from the 5% cap.

Lastly, I would just like to stress, in the tenor of the times, the importance of fiscal responsibility. Again, if you get together and you understand and really feel that it should be raised from the property tax, okay, all this bill asks is a two-thirds vote on a particular situation. I think, again, as a former Finance Chairman, both in my Municipality of Chatham and at the County level, we have to think not only of the grammar of plans but how they are going to be paid for and I think this bill is a great step in that direction. Thank you, Mr. Chairman.

ASSEMBLYMAN CODEY: I have one or two questions. You sit as a Freeholder and you pass along costs to the different towns that you represent in Morris County. Do you require a two-thirds vote?

MS. BROWN: We don't pass along the cost.

ASSEMBLYMAN CODEY: You don't?

MS. BROWN: We provide the program, sir.

ASSEMBLYMAN CODEY: Oh, you don't increase -- In other words, you don't mandate costs to the towns?

MS. BROWN: No, sir.

ASSEMBLYMAN CODEY: There is no County Tax in Morris County?

MS. BROWN: Yes, we have a tax and, therefore, it is collected from the property tax and it is collected by the municipality. It is for County purposes.

ASSEMBLYMAN CODEY: So, someone living in Chatham pays a County tax?

MS. BROWN: Right, sir.

ASSEMBLYMAN CODEY: Well, what I am saying is, when that portion - that county portion - of their tax rate goes up--

MS. BROWN: But, it is for County purposes.

ASSEMBLYMAN CODEY: Yes, but what I am saying--

MS. BROWN: It is not because we are asking Chatham Borough to put on an additional policeman. We are not mandating the Chatham Borough to put on an extra Public Works official.

ASSEMBLYMAN CODEY: If you give the employees of Morris County a raise - the County employees - you pass this along to the taxpayers, don't you?

MS. BROWN: Yes, the same way the State does, the same way the local government does.

ASSEMBLYMAN CODEY: Exactly, but you don't need a two-thirds vote.

MS. BROWN: But, this is not something that we are forcing the individual municipalities to do - to give their employees raises. We are just talking about costs, or programs, sir, that you are asking us to do for you; not the things that we volunteer to do for ourselves within our mandated responsibilities.

ASSEMBLYMAN CODEY: I am saying the local official has no control over the fact that you might give an outrageous raise to the County employees, does he?

MS. BROWN: The same way with the State. The same way with the municipalities. We are all in this game together in that sense, sir.

ASSEMBLYMAN CODEY: I agree. But, what I am trying to say here today is, you want to put a limitation on us but you don't want to put it on yourselves.

MS. BROWN: No, I am saying that under the present ground rules we are all extremely limited. I am just asking that the programs that you mandate us to do, as opposed to other programs, you help foot the bill for, okay? It is very reasonable. Look, we are talking peanuts here, basically, because most of our funds come from the property tax, okay? We then get them from the Federal Government and from other revenues. One thing here, as long as we are digressing, is, the taxes and the revenues

that are raised from our Surrogates Office, we used to get 5% of this and this is no more and this is a significant chop that we have gotten in revenue. This is a change that has been made here. We all have to live with these particular limitations.

When I am saying is, when new programs come down the pike, that you want us to do - for instance, the JINS Shelters, which have advantages - give us the money to do it with, okay?

ASSEMBLYMAN CODEY: When Congress passes a law that mandates the cost to the State or the Counties or the towns, do they pass that by a two-thirds vote?

MS. BROWN: No, but they send us the money. This is the issue.

ASSEMBLYMAN CODEY: No, they don't all the time.

MS. BROWN: Well, we have not had, in the County of Morris, something that the Federal Government has asked us to do that they have not provided the funds for. You know, we are upgrading our Probation Office, we are in the welfare business, we are in a lot of activities in conjunction with the Federal Government. Probably because they have more dollars to play around with, they toss billions around like we toss millions around, okay, but the principle is still the same. They have been very good about funding the administrative responsibility. This is all we are asking for. The Freeholders are not a Legislative body.

ASSEMBLYMAN CODEY: Yes, but don't you think if you say to the State, "You should have a two-thirds vote", why don't you ask the Federal Government to do the same?

MS. BROWN: Because we are not having the problem with them. We are having the problem with you. And, the Federal Government has not put this cap on spending. You all decided here to put the cap on; this wasn't our idea. It wasn't the League of Municipalities idea to have a cap that is going to make life extremely challenging.

ASSEMBLYMAN CODEY: Well, maybe the people were in favor of it.

MS. BROWN: You know, the people want both; they want services and when it comes to a question of a child being killed because there are no sidewalks -- I'll tell you, when it comes down to a question of lives and money, people will take lives, anytime.

ASSEMBLYMAN MC MANIMON: Mr. Chairman?

ASSEMBLYMAN CODEY: Assemblyman McManimon.

ASSEMBLYMAN MC MANIMON: Sitting here listening to the Freeholder, I can't help but respond to some of your remarks. I happen to disagree with your concept of the caps. I personally think the concept of the caps was to help streamline government to shake us all up, including State Government, as well as County and Municipal.

MS. BROWN: Don't give yourself a loophole then.

ASSEMBLYMAN MC MANIMON: Well, the loophole was on the mandated cost. We have as much problem as you do, at times. As County government expands, - the cost of the government - the burden falls back on the individual municipalities. In our own municipality this year alone, it cost one-half million dollars for County Government operation. There are thirteen municipalities in our County. In the one in which I reside, it cost us an extra million dollars this year because of expanding programs on the County level - good programs which I think we really needed.

The problem we are confronted with today is, sound economics. We need people working. We don't have enough people working and, as a result, the dollar has become rather tight.

I feel that by the Legislature putting the caps on, that was one way of tightening it up. Yes, there is a little problem. There are times when we do mandate to the

counties and to the municipalities, certain responsibilities and cost factors. But, we do that because maybe we have hit the top of the mountain too when it comes to going out and raising the money on the State level, like we have tried to do. We tried to come up with a good broad-based tax structure and how many years has it taken us? A Republican Governor tried to do it. A Democratic Governor tried to do it.

There is an expression, "You are damned if you do, and you are damned if you don't." I think the time has come now where-- I happen to like this particular bill. I like it because of the fact that the responsibility is really going to have to be borne not only in the Legislature here, but by putting on the cap there is going to have to be more fiscal responsibility on the Freeholders and on municipal government. Because, when they want to expand or go into additional programs, they had better know ahead of time where the money is coming from. I sincerely understand and appreciate some of the statements made here today. I don't like to get into personalities. I did appreciate your first statement when you talked about bipartisan endorsement from your community, which I think is healthy. If we had more of that throughout the State, we would have a lot less problems.

The one point that I am concerned with is, the loophole that you mentioned. When we mandate, as we did on the caps, it was done collectively by this Body. When you go across the aisle to the other House - the "House of Lords" - it takes 21 votes over there and us poor guys in the "House of Commons", you know, we are trying to come up with something that is going to be restrictive and yet show positive accountability. So, if we get into more of that, I don't think we will have that much legislation being mandated upon County Government and Municipal Government - particularly mandated cost factors. Because, eventually, the people have to pick up the tab anyway. I think we need more of this type of discussion - the "nitty-gritty" of it - we don't get enough of it. I am glad to see the Freeholders taking positive action as well as the League of Municipalities. I think we ought to get our heads together a little bit more often because there has been a lack of communication throughout this entire State in all categories.

ASSEMBLYMAN CODEY: Thank you, Assemblyman.

Assemblyman Kavanaugh.

ASSEMBLYMAN KAVANAUGH: I am glad to see that Assemblyman MCManimon is willing to make this a bipartisan committee so that we will have bipartisan support on the committee.

ASSEMBLYMAN CODEY: Thank you, Ms. Brown.

Joseph Lynn, Administrative Officer, Clifton, New Jersey will be our next witness.

J O S E P H L Y N N: Mr. Chairman, Bill Holster, City Manager of the City of Clifton, is regretful he can't be here today, so he asked that I read this statement in his behalf.

During this past year, 1976, it was necessary to increase the budget of the City of Clifton over five million dollars to cover losses to the City by the deletion of State funds by State Regulatory Agency order and the increased pension cost dictated by legislative and executive law.

At the same time, an income tax was passed by the State Legislature and signed immediately by the Governor, which will increase the tax requirement to the taxpayer of the City of Clifton another fifteen to twenty million dollars.

Our taxpayers hopefully will be partially reimbursed through revenue sharing, homestead rebate and school aid in the amount of three million dollars - \$1.5 million in 1977. But, you can see that the burden upon the City taxpayer with the anticipated

shortages expected in revenues for State and school operation, by 1979, can only be catastrophic.

For years, we have been asking for legislation similar to ACR 129 - that is, that there be no State-imposed cost upon municipalities or counties without input by the municipalities. This massive cost transfer trend from State to local government started as far back as 1959, when welfare administration cost was transferred from the State budget to the county budgets at tremendous real property tax increases.

At the same time, the State was exploiting the municipalities by taking over some of their revenues, such as personal property taxes and business taxes and imposing sales taxes.

To indicate the arrogance that the legislative leaders and the Administration has attained, pension bills that were introduced in January of 1975, went so far as to incorporate into the explanatory statements of the bills the following paraphrased clause: "There will be no added cost to the State for any of these bills. Any increases will be paid by the municipalities."

While the legislators may become political heroes to selected lobbying groups, they have not only weakened the pension structure, but have imposed tremendous unfair cost without representation upon the municipalities.

This year, police, fire and city employees pension cost to the taxpayers in the City of Clifton rose close to one-half million dollars and there are numerous pension bills still pending.

The judicial pension changes by the Legislature and Governor recently - non-contributory - is another example of this uncontrolled taxpayer be damned spending attitude by the Legislature, as long as the real property taxpayer is paying the bill. We not only think ACR 129 is important to require responsibility of action and exposure of the actions of the Legislature and the Governor to the public, but to provide further safeguards against municipal and county bankruptcy.

The taxpayers have had enough of the "zero" budget concept, if that is what has been happening at the State level, and demand a modicum of fiscal responsibility with a start by approving ACR 129. Signed, William Holster, City Manager.

ASSEMBLYMAN CODEY: Thank you.

Is Beth Salerno here from the Monmouth County Board of Freeholders?

BETH SALERNO: I am representing the Board of Chosen Freeholders from the County of Monmouth and I would like to read this short statement for you.

The Board of Chosen Freeholders of the County of Monmouth wholeheartedly support ACR 129. By curtailing the ability of the State Legislature to require local governments to raise and spend additional funds, ACR 129 would go far to enhance the budgetary autonomy of local governments. The Board feels very strongly that a degree of local fiscal autonomy, such as would be supported by ACR 129, is desirable and necessary to prudent local government.

In the past, the Legislature has passed many laws which have required local governments to raise large amounts of additional funds. Often, these measures have a direct effect on the local tax rate - which is properly the domain of the local elected official, rather than the Legislature.

Generally, these measures are humanitarian in nature. The Board certainly recognizes their social justification. If cost is not considered, they are inarguably worthwhile. However, in these cases, the cost factor - since it can be passed on to local governments - is not sufficiently accounted for into the overall legislative process. The Legislature's reluctance to enact the controversial State Income Tax -

which directly reflects on that body - underscores how delicate an issue the funding of public programs can be when the impact - and the origin - of the funding measures are visible and direct.

The Board feels that ACR 129 is the right way to limit state-mandated local spending. It is important to note that the proposed measure would not entirely eliminate the State's ability to mandate local spending, nor does it in any way remove that power from the traditional legislative process. Rather, it protects local autonomy to a degree by increasing the extent of the statewide mandate necessary to impose spending measures on other levels of government. This, the Board feels, is a fair and constitutionally appropriate limitation.

The Board recognizes the need to grant this power in some form at the State level. It is necessary not only to insure a degree of uniformity of services statewide, but also to guarantee that minimum welfare and health care standards, for example, are observed throughout the State - not just in urban, well-developed, areas where such social programs tend to originate, but also in outlying areas slower to evolve public sector support services for the indigent, ill, or unemployed. By increasing the necessary legislative margin from majority to two-thirds for these measures, the State would insure that a particular program or service has a clear and constitutional majority behind it.

In Monmouth County, our annual budget is directly and significantly affected by the State-mandated programs we must subsidize in such areas as welfare and administration of justice. The Board has tried hard to meet these mandates, not only in terms of funding them, but, also, in cases where administration of the programs is in our hands, as with Juveniles in Need of Supervision - JINS - which other speakers have mentioned, in terms of developing progressive approaches to the problems they address. Our JINS program, in its present form, has been developed through the exploration of several means of sheltering non-delinquent juveniles awaiting the disposition of the courts. This has meant considerable effort and involvement on our part in policymaking and administration as well as funding. Today, our experimental approach having yielded an effective and economical means of providing a meaningful environment for these youths, we are satisfied that our efforts have borne fruit.

In citing Monmouth's JINS program, I am not merely trying to bring credit to our county. Rather, I am bringing the program up in this context to underscore the fact that the Board of Freeholders of Monmouth is not opposed in principle to State-mandated programs. On the contrary, we in Monmouth recognize their importance in the inter-governmental affairs and work to effect them, within our means.

We do feel, however, that the legislative mechanism by which these programs are imposed needs adjustment. ACR 129 offers the appropriate means for this adjustment. Again, we urge the Legislature to adopt this measure. Thank you.

ASSEMBLYMAN CODEY: Are there any questions?

(no questions)

Thank you, Ms. Salerno. Our next witness will be Mayor Arthur Holland, Mayor of the City of Trenton, New Jersey.

M A Y O R A R T H U R H O L L A N D: Mr. Chairman.

ASSEMBLYMAN CODEY: Mayor.

MAYOR HOLLAND: My name is Arthur J. Holland, Mayor of Trenton and Chairman of the Legislative Action Committee of the New Jersey Conference of Mayors, in which latter role I appear before you.

I thank the Chairman of this Committee for giving me the opportunity to discuss Assembly Concurrent Resolution 129, which provides for a Constitutional amendment that

would require a two-thirds vote of the members of each legislative house on any measure which would mandate increased municipal spending. The mayors of New Jersey strongly support this measure.

Too often, the Legislature, with the intention of providing services or benefits, will enact legislation which, in normal times, most of us would approve.

Most such programs, however, require funding, the burden of which is often placed on the municipalities and as we know all too well, these are not normal times.

There is no need to go into the details of the depressed economic condition of this State and of the Nation as a whole. The realities of the situation are clear, and the members of this committee are cognizant of them.

Let us not forget the final component of the governmental chain. The municipalities are the low man, and often the forgotten man, on the totem pole, and are the most beleaguered of all governmental subdivisions. This is true for many reasons, not the least of which is reliance on the property tax as a means of raising revenues.

I would like to interrupt to applaud you and the other members of the Legislature for your recent action which resulted in a move away from a reliance on that property tax.

We would hope, therefore, that the Legislature, in enacting such programs, would also find a way for the State to fund these programs. Many municipalities simply do not have the resources. Let us also not forget, the once-cherished notion of municipal home rule in the State of New Jersey. We say once-cherished because this principle has been gradually eroded over the years by more and more municipally mandated activities by the Legislature.

Perhaps ACR 129 will begin to restore the concept of home rule, and will enable many of our municipalities to function as well as they can under severe financial handicaps. It is our hope, moreover, that the time will come soon when ACR 129 would not require the attention it is now receiving. Until that time arrives, however, ACR 129 is vitally important to the fiscal well-being of all of our State's municipalities.

Again, Mr. Chairman, I appreciate the opportunity to appear before you, and would be happy to attempt to answer any questions that the Committee may have.

ASSEMBLYMAN CODEY: Are there any questions?

ASSEMBLYMAN MC MANIMON: No.

ASSEMBLYMAN CODEY: Mayor, I would just like to say that I voted against this measure in Committee and I did so because I believe that to put a restriction on State Government when there is no restrictions on Town, County, or Federal Government is somewhat hypocritical and also because I think it is kind of a two-way street.

I would assume that over the number of years that you have been involved in Trenton as Mayor, that the State has increased, every year, the amount of money given to the City of Trenton, am I correct?

MAYOR HOLLAND: Until this past year.

ASSEMBLYMAN CODEY: Yes, until the financial problem. Of course, now with the new broad-based tax, once again it will be greatly increased. So, it would seem that the towns and the cities want the money to keep flowing and keep increasing. But, if we mandate anything you say, "Wait a minute." Now, I am sure many rural legislators, when an urban aid bill comes up would say, "Let's have a two-thirds vote", and that bill wouldn't pass. You know it and I know it.

So, it seems that it should be a two-way street. If you want all the money from the State that you get, then maybe once in a while we ought to be able to mandate a program or two.

MAYOR HOLLAND: Well, I think that it is impossible to answer uniformly because, as you know, we have 567 municipalities. There is no question, of course, about why we, in Trenton, and people in other central cities would not object to a majority vote to sending money, as distinguished from a two-thirds vote requiring that we put up money, simply because we don't have the resources.

I remember when Governor Meyner was in office, he would not sign any bill calling for expenditures of funds unless there was provision for raising that revenue. It is that kind of an attitude which has influenced the Conference to ask that you adopt this measure.

While there is an apparent inconsistency, I think given the situation in the communities across the State today, with the reliance on the property tax and given the fact that so many of our communities have built up - especially in the case of an inflation - it is not unreasonable to have it uneven, let us say, at this point.

ASSEMBLYMAN CODEY: Okay. Thank you, Mayor.

ASSEMBLYMAN MC MANIMON: Mr. Chairman.

ASSEMBLYMAN CODEY: Assemblyman McManimon.

ASSEMBLYMAN MC MANIMON: In reference to your statement, I think I would like to make one statement.

ASSEMBLYMAN CODEY: I would just like to note that the Mayor resides in your District.

ASSEMBLYMAN MC MANIMON: I know he does, that is why I want to make it. I am sure the Mayor would not have to be asking for so much aid from the State of the State would come out and pay the proper property taxes.

ASSEMBLYMAN CODEY: I agree with you on that point, Assemblyman. Thank you.

Our next witness will be Jean Riat from the New Jersey School Boards Association.

J E A N R I A T: My name is Jean Riat. I am a Legislative Analyst in the Governmental Relations Department with the New Jersey School Boards Association. I am delivering testimony for Octavius Reid, the Assistant Executive Director for Governmental Relations of the New Jersey School Boards Association, which represents the 601 school boards in New Jersey. We thank you for the opportunity to present our views concerning the constitutional amendment proposed in ACR 129.

The imposition of State-mandated costs on local school boards after the budget has already been formed has been a matter of great concern to local school boards for some years now. On at least four different occasions, local boards have brought this matter to the attention of our Semi-Annual Delegates Assembly, where representatives of all the school boards in the State determine policy for NJSBA.

We fully support the concept embodied in ACR 129, of delaying implementation of State-mandated costs, until those costs can be included in the local budget. This is only fair and just. To come along after budgets have been set, as the State has done, on occasion, and require a particular expenditure, is both unreasonable and counterproductive. I would like to give several examples of legislation which is now under consideration that would impose these kinds of costs: A-589, under consideration in the Assembly Education Committee - no, I am sorry, I think it has been released from Committee - provides that Boards must offer transportation to summer programs for handicapped children. The effective date is July 1st next, following enactment. The Department of Education has estimated the cost of that additional transportation to be about \$2 million. If that bill were to be passed, next January or February, it would be impossible for local Boards to include that \$2 million, statewide, in their budgets, which go into effect July 1st.

Another Act - the Economic Education Act of 1976, under consideration in the

Senate Education Committee - the number is S-1499 - requires all school boards to offer economic education, grades K through 12. It has an effective date of "immediate". That is a very tall order for school boards, when their budgets have been set. That is very, very difficult.

A third bill - and my last example - 1898, requires a uniform admission date to kindergarten. It would set that date at November 1st. Districts now vary all over the place, some have October 1st, some December 1st, some even later. The Department of Education estimates this date would bring about 2,000 more pupils into kindergarten, statewide. The bill has an implementation date of July 1, 1977. Again, if this should pass in January, February, March, April, etc., boards have their budgets already set for the following school year and they would have new pupils to provide for that they have not been able to budget for.

So, that is the kind of thing that we are speaking to. It is very difficult for local boards to meet new State mandates without disrupting existing programs and services in the school district when the new appropriations must be made after the budgets have been set. Local school boards are not permitted to carry a contingency account to meet such unexpected expenditures.

We do have a bill that we are very interested in. Senator Merlino has introduced S-351 and this would provide us with a contingency account. But, under current law, we do not have that ability.

In many instances, there is very little surplus or free appropriation balance to use for the unforeseen circumstance. For many districts, there is no choice but to reduce items that have been found necessary and have withstood the rigors of the budget process. With the new restrictions on budget growth imposed by Chapter 212, the Public Education Act of 1975, the problem is compounded. Is the new expenditure, even if the board could finance it from surplus, to be within the budget cap, or outside of it?

While we support ACR 129 in concept, we find two serious problems with the resolution. The first is that it does not prohibit the legislature from imposing new financial obligations on school boards after budgets have been set, but simply makes it more difficult by requiring a two-thirds vote of each house. NJSBA urges that the bill be rewritten to provide clearly that no new costs will be imposed until boards have had time to provide for those costs in their budgets or the State supplies the funding on a current year basis.

The second objection we would raise to ACR 129, as presently worded, is that the timeline for delayed implementation is suitable for municipal governments but does not take into account the budgetary timetable for school boards. Under the proposal in ACR 129, a new State cost mandate could go into effect the January 1st following enactment. Now, Municipal budgets are not finalized until March and it would appear that this date would be suitable for them. School budgets, however, are finalized five months prior to the beginning of the school fiscal year on July 1st. If a law were enacted in December and took effect that January, school boards would be halfway through their fiscal year and be forced to find the money in their existing budgets. It could really amount to just a few day's notice, actually, and since the school board is five or six months into its budget, it has very little flexibility for meeting the new costs then.

By state law, school boards run on a fiscal year July 1st to June 30th. Budgets that take effect July 1st are submitted to the Commissioner of the previous December 1st and given final adoption by the board in January prior to submission to the voters or the board of school estimate in February.

We suggest that newly mandated expenditures should not be required unless the law is enacted 18 months before the school year in which it is to be implemented. This would allow time for the development of rules and regulations by the State Board of Education and the necessary cost estimates and budget planning on the part of local boards prior to budget submission on December 1st. This would permit the necessary appropriations to be included in the budget that takes effect the following July.

A sample timetable might be enactment of the law in March - and we are using a sample year here, just to keep it straight. March, 1976 might see the enactment of a new law mandating local expenditure.

By June of 1976, the rules and regulations could be developed by the State Department of Education and published in the New Jersey register. That would give the summer for reaction to those rules and any changes the State Board might want to make.

In September, 1976, we could see final adoption of rules and regulations by the State Board of Education. That would give boards some notice so that when the superintendent is preparing the budget, which he would normally present to the board by at least November 1st, he would be able to work in the new expenditures.

December 1, 1976 - the Board must submit the budget to the Commissioner, so essentially, they have finished their work with it. In January, 1977, they do a final adoption of the budget for the following year and in July of 1977 the fiscal year begins and your budget takes effect.

In September, 1977, your school year begins and that is when the mandated expenditures would affect the school year.

Where ACR 129 seeks to make more difficult the enactment of legislation that would reduce locally-derived revenues of a school board, the Association also supports the intent but calls for an absolute prohibition rather than simply a two-thirds vote. In particular, the NJSBA opposes the enactment of legislation that would impose school tax limitations. While we do not support the budget cap provisions of Chapter 212, they are law and we do believe they provide more than adequate protection to the public against runaway school costs.

Now, further limits are needed, especially in a State that still provides only 38% of the total cost of public education through State aid. In that situation, local revenues are extremely important for many districts - they receive the minimum, which is 10% support and they need their local revenues to provide the other 90%. So, the flexibility in the use of revenues must be maintained because they are basic to the support of a truly thorough and efficient system of free public schools.

I think we should also be concerned here with reduction in the property tax base in any sense, as happened several years ago, when the business personal property tax was reduced - or was eliminated. While it does not reduce our revenues, it does raise the school tax rate because it is less of a base for the school needs to be derived from.

In closing, I would like to summarize our position. NJSBA would like to see ACR 129 modified to provide that no legislation that would require increased appropriations by a school board could take effect less than 18 months following enactment unless the State provided the full funding necessary, and did so for the year in which the expenditure was required. The School Boards Association would also like to see ACR 129 modified to provide a constitutional prohibition against legislative reduction of locally-derived revenues of boards of education. I thank you very much.

ASSEMBLYMAN CODEY: Thank you, Ms. Reock. Are there any questions?

ASSEMBLYMAN KAVANAUGH: Just one, for my own edification. You state there are 601 school boards in New Jersey and we have 567 municipalities, where is the difference?

MS. REOCK: There are some regional school boards and county school boards.

ASSEMBLYMAN KAVANAUGH: Oh, you are taking county into account, okay.

MS. REOCK: The county vocational schools are included in our membership.

ASSEMBLYMAN CODEY: Thank you, Ms. Reock.

Assemblyman Gallo, do you want to make a summation?

ASSEMBLYMAN GALLO: Thank you, Mr. Chairman. I thank you for the opportunity to have a summation. I think the facts were clearly stated today by those representing counties, the County Association, those representing municipalities, and the League of Municipalities, along with boards of education.

I think it is evident from their concerns that they reflect the same concerns that many of us have in the Legislature about coming up with a more detailed plan for fiscal responsibility. And, that word has probably been overworked the last couple of years, but I don't think -- I can't find a substitute for that phrase that really means what we are trying to say. I think that the State has to realize, along with its county and municipal government, the demands that the public is going to make upon governmental agencies and officials in the area of fiscal responsibility.

I would like to take this opportunity, Mr. Chairman, to thank you for conducting the hearing and also the Committee for the courtesy they have extended today. Thank you very much.

ASSEMBLYMAN CODEY: Assemblyman, I think you ought to get a copy of the School Boards Association's statement because in it they did recommend some amendments. Whether you would like them or not, I don't know, but you should at least have them available.

ASSEMBLYMAN GALLO: Yes, I have asked staff to give me a copy of all the testimony today that was in written form and which is going to be made part of the record.

ASSEMBLYMAN CODEY: Thank you, Assemblyman.

We stand adjourned.

(Hearing Adjourned)

Borough of Ringwood

JUN 05 1976

ACR 129

VIOLET E. BOGERT, CMC
BOROUGH CLERK



60 MARGARET KING AVENUE
RINGWOOD, NEW JERSEY 07450

June 1, 1976

TO: THE HON. BRENDAN T. BYRNE
ASSEMBLYMEN ROBERT LITTELL
DONALD J. ALBANESE
DEAN A. GALLO
MUNICIPALITIES - UPPER PASSAIC COUNTY

RE: RESOLUTION
CONCURRING WITH RESOLUTION #129

Gentlemen:

Enclosed is a certified copy of a resolution adopted by the Mayor and Council of the Borough of Ringwood at a regular meeting held May 26, 1976 agreeing with Assembly Concurrent Resolution #129.

Very truly yours,

Joan M. Weiskopf
Acting Borough Clerk

May 26, 1976

WHEREAS, the Mayor and Council of the Borough of Ringwood have reviewed the Assembly Concurrent Resolution #129, sponsored by Assemblyman Dean A. Gallo; and

WHEREAS, after review, the Mayor and Council are in agreement with this resolution #129 which will amend the Constitution of the State of New Jersey to require a vote of two-thirds of all the members of each House in agreement before any bill can be enacted which would reduce the locally derived revenues of any municipality, county, school district or other political sub-division of the State or require the appropriation or expenditure of funds or the institution or increases of any taxes, fees or other revenue sources by any such political sub-division;

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Borough of Ringwood that they, through this resolution, strongly support this proposed amendment, Article IV, Section VII, to the New Jersey State Constitution; and

BE IT FURTHER RESOLVED, that a copy of this resolution be sent to the Governor, the members of the General Assembly of the State of New Jersey, Assemblyman Gallo, and to all other municipalities in the County of Passaic.

I, Joan M. Weiskopf, Acting Borough Clerk of the Borough of Ringwood in the County of Passaic, do hereby certify the above to be a true copy of a resolution adopted at a regular meeting of the Mayor and Council held on the 26th day of May, 1976.


Acting Borough Clerk



BOARD OF CHOSEN FREEHOLDERS
COURT HOUSE

SALEM, NEW JERSEY 08079

GEORGE W. AYRES
Freeholder

May 25, 1976

Honorable Raymond J. Zane
New Jersey State Senate
38 North Broad Street
Woodbury, New Jersey 08096

Honorable H. Donald Stewart
New Jersey State Assemblyman
188 West Main Street
Penns Grove, New Jersey 08069

Honorable Martin A. Herman
New Jersey State Assemblyman
59 North Broad Street
Woodbury, New Jersey 08096

Honorable Dean A. Gallo
New Jersey State Assemblyman
113 Parsippany Road
Parsippany, New Jersey 07054

Re: Resolution Supporting Assembly Concurrent
Resolution #129

Gentlemen:

Enclosed please find a copy of the above resolution which was passed by the Salem County Board of Chosen Freeholders on May 19, 1976.

Sincerely,

George W. Ayres
George W. Ayres
Clerk of the Board

GWA/es
Encl.

R. 76-114
Administrative Committee
May 19, 1976

114

RESOLUTION SUPPORTING ASSEMBLY CONCURRENT
RESOLUTION #129

WHEREAS, the purpose of Assembly Concurrent Resolution #129 seeks a referendum to amend the State Constitution in that no bill which would reduce the locally derived revenues of any municipality, county, school district or other political subdivision of this State or require the appropriation or expenditure of funds or the institution or increase of any taxes, fees or other revenue sources by any political subdivision, shall pass except by 2/3 vote of both Houses of the Legislature; and

WHEREAS, said resolution further prohibits any such bill from taking effect with respect to such reduction of revenues or such additional increased appropriations, expenditures or levies, before January 1 next following the date of its enactment; and

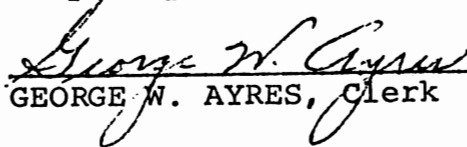
WHEREAS, the object of said proposed amendment could correct two faults in the present procedure, to wit, failing to take into consideration the actual financial capacities of the political subdivisions affected; and the havoc that is encountered by these legislative changes during the calendar year when revenues have already been fixed without possibly anticipating the new change;

NOW, THEREFORE, BE IT RESOLVED by the Salem County Board of Chosen Freeholders that it supports the adoption of Assembly Concurrent Resolution #129; and

BE IT FURTHER RESOLVED that copies of this Resolution be forwarded to Assemblyman Dean A. Gallo, the sponsor of this resolution, Senator Raymond J. Zane, Assemblymen Martin A. Herman and H. Donald Stewart and to the clerks of the boards of chosen freeholders of each of the counties of the State of New Jersey.


THOMAS A. PANKOK, Director

I hereby certify the above to be a true copy of a resolution adopted by the Salem County Board of Chosen Freeholders at their regular meeting held on Wednesday, May 19, 1976.


GEORGE W. AYRES, Clerk

BOARD OF CHOSEN FREEHOLDERS
OF THE COUNTY OF BURLINGTON
MOUNT HOLLY, NEW JERSEY
08060

OFFICE OF
CLERK OF THE BOARD
Telephone 267-3300
Area Code 609

May 12, 1976

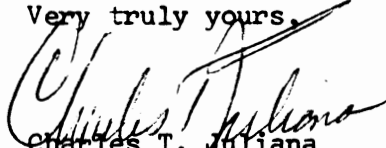
Honorable Dean A. Gallo
Assemblyman
1180 Route 46
Parsippany, New Jersey 07054

Dear Assemblyman Gallo:

I am enclosing herewith for your information, a certified copy of Burlington County Resolution #229, adopted by the Board of Chosen Freeholders at its meeting held today, which is self-explanatory.

An opinion was expressed by some members of the Board that a two-thirds vote of the entire membership should be required, rather than those present and voting.

Very truly yours,


Charles T. Juliana
Clerk/Administrator

CTJ:lef

Enclosure

RESOLUTION

#229

RESOLVED

WHEREAS, on February 3, 1976 there was introduced in the Assembly of New Jersey Assembly Concurrent Resolution #129, which proposes an amendment to the New Jersey State Constitution which, if passed, permitted to appear on the election ballot and thereafter approved by the citizens of New Jersey, would require a two-third's vote of each House of the New Jersey Legislature in order to approve any spending legislation which would have the effect of increasing any County, Municipal or School Board budget; and

WHEREAS, the result of the passage of said resolution and its subsequent approval by the voters of New Jersey would be to make it more difficult for the New Jersey Legislature to enact laws that would require the additional raising and spending of funds by local government; now, therefore, be it

RESOLVED, by the Board of Chosen Freeholders of the County of Burlington, that it formally endorses Assembly Concurrent Resolution #129 and urges all New Jersey State Legislators representing a portion of Burlington County to work actively for its passage; and be it further

RESOLVED, that the Clerk of this Board is hereby authorized and directed to forward copies of this resolution to Honorable Dean A. Gallo, a member of the New Jersey Assembly and a sponsor of the aforementioned resolution, as well as to all New Jersey State Legislators representing a portion of Burlington County.

I hereby certify that the foregoing is a true, full and correct copy of resolution adopted by the board of Chosen Freeholders of the County of Burlington, N. J.

Charles T. Juliana Clerk

Michael Costa

ADOPTED May 12, 19 76

Charles T. Juliana

CLERK

7x

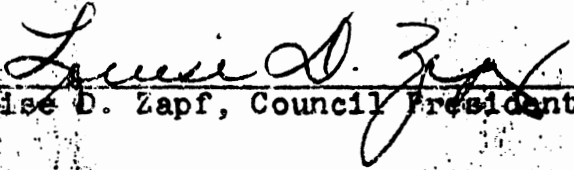
R E S O L U T I O N

WHEREAS, Assembly Concurrent Resolution No. 129 proposes an amendment to the New Jersey Constitution which would require that spending legislation adopted by the legislature of the State of New Jersey which would result in any increase to county, municipal or school board budgets must be adopted by two-thirds of all of the members of each house of the legislature; and

WHEREAS, the Governing Body of the Borough of Lincoln Park is of the opinion that such legislation is necessary to inhibit the adoption of broad and far-reaching State programs which have not been adequately considered or analyzed as to costs to local governmental units; therefore,

BE IT RESOLVED, that the Governing Body of the Borough of Lincoln Park hereby supports the passage of Assembly Concurrent Resolution No. 129 which would authorize inclusion on the ballot of the above referred to constitutional amendment for consideration by the voters of the State of New Jersey; and

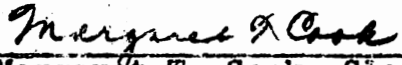
BE IT FURTHER RESOLVED, that the Borough Clerk be and is hereby directed to forward copies of this resolution to the Assembly representatives of the 25th District and the Morris County Board of Chosen Freeholders, requesting their support of said concurrent resolution.


Louise D. Zapf, Council President

ATTEST:


Margaret T. Cook, Clerk

IT IS HEREBY CERTIFIED, this is a true and correct copy of a Resolution adopted on Roll Call at a Regular Meeting of the Governing Body of the Borough of Lincoln Park held June 7, 1976.


Margaret T. Cook, Clerk
BOROUGH OF LINCOLN PARK

DATED: June 7, 1976

R E S O L U T I O N
Borough of Bloomingdale


WHEREAS, the Mayor and Council of the Borough of Bloomingdale have reviewed the Assembly Concurrent Resolution #129, sponsored by Assemblyman Dean A. Gallo, and

WHEREAS, after review, the Mayor and Council are in agreement with this resolution #129 which will amend the Constitution of the State of New Jersey to require a vote of two-thirds of all the members of each House in agreement before any bill can be enacted which would reduce the locally derived revenues of any municipality, county, school district or other political sub-division of the State or require the appropriation or expenditure of funds or the institution or increases of any taxes, fees or other revenue sources by any such political sub-division,

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Borough of Bloomingdale that they, though this resolution, strongly support this proposed amendment, Article IV, Section VII, to the New Jersey State Constitution, and

BE IT FURTHER RESOLVED, that a copy of this resolution be sent to the Governor, the members of the General Assembly representing the 24th District, including Assemblyman Gallo, and to all the other municipalities in the County of Passaic.

I hereby certify that the above is a true copy of a resolution adopted by the Governing Body of the Borough of Bloomingdale at a Regular Meeting held Thursday, May 13, 1976:


Borough Clerk
Dated: May 18, 1976



TOWNSHIP OF WEST MILFORD

1480 UNION VALLEY ROAD

TOWN HALL

WEST MILFORD, NEW JERSEY 07480

TELEPHONE: (AREA CODE 201) 728-3781

June 17, 1976

TO: New Jersey Governor Brendan T. Byrne

Members of the New Jersey Assembly

Donald J. Albanese - 15th District
Robert E. Littell - 15th District
Mrs. Barbara A. Curran - 24th District
Dean A. Gallo - 24th District
Mrs. Jane Burgio - 25th District
Thomas H. Kean - 25th District
William J. Bate - 34th District
Emil Olszowy - 34th District
Ronald Fava - 35th District
Vincent O. Pellecchia - 35th District

Re: RESOLUTION SUPPORTING ASSEMBLY CONCURRENT RESOLUTION
No. 129

Honorable Governor and Legislators representing Passaic County:

I herewith transmit a certified copy of the above resolution which was adopted by the Township Council of the Township of West Milford in the County of Passaic, New Jersey at a regular meeting held June 16, 1976.

Very truly yours,

George F. Eckhardt, Jr.
George F. Eckhardt, Jr.
Township Clerk

GFE:rn
encl.
copy: N.J. League of Municipalities

RESOLUTION SUPPORTING ASSEMBLY
CONCURRENT RESOLUTION # 129

WHEREAS, the Township Council of the Township of West Milford in the County of Passaic has reviewed the Assembly Concurrent Resolution #129, sponsored by Assemblyman Dean A. Gallo; and

WHEREAS, after review, the members of the West Milford Township Council are in agreement with this resolution #129 which will amend the Constitution of the State of New Jersey to require a vote of two-thirds of all the members of each House in agreement before any bill can be enacted which would reduce the locally derived revenues of any municipality, county, school district or other political sub-division of the State or require the appropriation or expenditure of funds or the institution or increases of any taxes, fees or other revenue sources by any such political sub-division;

NOW, THEREFORE, BE IT RESOLVED by the Township Council of the Township of West Milford that they, through this resolution, strongly support this proposed amendment, Article IV, Section VII, to the New Jersey State Constitution; and

BE IT FURTHER RESOLVED, that a copy of this resolution be sent to the Governor, the members of the General Assembly of the State of New Jersey representing the County of Passaic and to all other municipalities in the County of Passaic.

Introduced: June 16, 1976

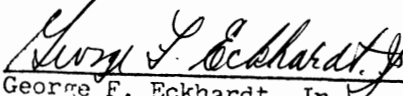
Approved: June 16, 1976

GASTON J. ROOS (L.S.)

MAYOR

ATTEST: GEORGE F. ECKHARDT, JR. (L.S.)
TOWNSHIP CLERK

I HEREBY CERTIFY the above to be a true copy of a resolution adopted by the Township Council of the Township of West Milford, New Jersey at a regular meeting held June 16, 1976.


George F. Eckhardt, Jr.
Township Clerk

RESOLUTION OF THE TOWNSHIP COMMITTEE OF THE TOWNSHIP OF MENDHAM,
IN THE COUNTY OF MORRIS, NEW JERSEY, SUPPORTING ASSEMBLY CON-
CURRENT RESOLUTION NO. 129 (ACR-129)

WHEREAS, Assembly Concurrent Resolution No. 129 (ARC-129)
proposes an amendment to the New Jersey Constitution in order
to require that every bill, which would have the effect of in-
creasing any taxes, fees or other revenue sources by a munici-
pality, county, school district or other political subdivision,
shall be passed only by a two-thirds vote of both Houses of the
State Legislature; and

WHEREAS, the requirement for a two-thirds vote for
legislation that would impose additional financial burdens on
local government is deemed to be in the public interest.

NOW, THEREFORE, BE IT RESOLVED by the Township Committee
of the Township of Mendham, in the County of Morris, New Jersey,
as follows:

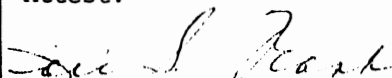
1. The governing body of the Township of Mendham,
in the County of Morris, supports the proposal set forth in
Assembly Concurrent Resolution No. 129 (ARC-129).

2. Certified copies of the Resolution shall be
forwarded by the Township Clerk to Assemblyman James J. Barry,
Jr., Assemblywoman Barbara Curran, Assemblyman John H. Dorsey,
Assemblyman Dean A. Gallo, and Assemblyman Robert J. ...

Adopted: May 10, 1976

TOWNSHIP OF MENDHAM, IN THE
COUNTY OF MORRIS

Attest:


Lois S. Frank, Clerk

By 
Samuel Tufts, Mayor

Certified to be a true copy of
Resolution passed by the Mendham
Township Committee at meeting
Held May 10, 1976


Lois S. Frank, Clerk

County of Sussex

ACL-129

BOARD OF CHOSEN FREEHOLDERS

Joseph Keslo, Director
Edmund J. Zukowski
John C. Whitesell
Louise Childs, Clerk
Donald E. Welcome, County Administrator



County Administration Building
39 High Street, Newton, New Jersey 07860
Mailing Address: P. O. Box 69
Newton, New Jersey 07860
Telephone (201) 383-1023

May 26, 1976

The Honorable Dean A. Gallo
Assemblyman, District 24
1180 Route 46
Parsippany, New Jersey 07054

Dear Assemblyman Gallo:

Enclosed herewith please find a certified copy of the Resolution adopted by the Sussex County Board of Chosen Freeholders to Support Assembly Concurrent Resolution No. 129 Proposing to Amend Article IV, Section VII of the Constitution.

The Members of this Board wholeheartedly support this resolution and are urging our Assemblymen to also support you and the other sponsors of the bill.

Trusting that this will become a reality in the near future, the County, Municipal and School Boards cannot continue to continue and support state mandated programs.

Very truly yours,

Handwritten signature of Louise Childs in cursive.

Louise Childs, Clerk
Board of Chosen Freeholders
County of Sussex

Copy to:
Assemblyman Littell
Assemblyman Albanese
Assemblymen Spizziri, Dorsey, Barry, Hurley, Kean and
Assemblywoman Curran

RESOLUTION RE: SUPPORT OF ASSEMBLY CONCURRENT RESOLUTION
NO. 129 PROPOSING TO AMEND ARTICLE IV, SECTION
VII OF THE CONSTITUTION

WHEREAS, Assemblyman Dean A. Gallo has sponsored ACR-129 which proposes to amend the State Constitution, which if passed by the citizens of our State, would require a 2/3 vote on any spending legislation that would increase any County, Municipal or School Board Budget, and

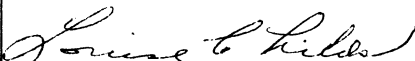
WHEREAS, the Constitutional Amendment as designed would make it more difficult for the State Legislature to impose laws that would require the additional raising and spending of funds by local government, and

WHEREAS, the Members of this Board have reviewed this proposed Resolution ACR-129 and do wholeheartedly support it;

NOW, THEREFORE, BE IT RESOLVED that the Members of the Sussex County Board of Chosen Freeholders do hereby wholeheartedly support Assembly Concurrent Resolution No. 129 which Proposes to Amend Article IV, Section VII of the Constitution;

AND BE IT FURTHER RESOLVED that certified copies of this resolution be forwarded to Assemblymen Littell and Albanese of our District, to Assemblymen Gallo, Spizziri, Dorsey, Barry, Hurley, Kean and Assemblywoman Curran, sponsors of the Bill, and to the Clerks of the other Boards of Chosen Freeholders throughout the State of New Jersey, urging all to give serious consideration to this Resolution.

Certified as a true copy of the
Resolution adopted by the Board
on the 25th day of May, 1976.


Louise Childs, Clerk

Mrs. NORTON offered the following resolution and moved its adoption:

RESOLUTION - SUPPORTING ASSEMBLY CONCURRENT RESOLUTION NO. 129 - Proposing Amendment to Article IV, Section VII of the New Jersey State Constitution

WHEREAS, the Monmouth County Board of Chosen Freeholders has received and reviewed a copy the Assembly Concurrent Resolution No. 129, sponsored by Assemblyman Dean A. Gallo;

WHEREAS, said resolution proposes an amendment to Article IV, Section VII of the New Jersey State Constitution which, if allowed to go on the ballot, would require a 2/3 vote on any spending legislation that would increase any County, Municipal or School Board Budget;

WHEREAS, this resolution and the proposed Constitution Amendment would make it more difficult for the State Legislature to impose laws that would require the additional raising and spending of funds by local government;

NOW, THEREFORE, BE IT RESOLVED, that the Monmouth County Board of Chosen Freeholders fully supports this amendment to the New Jersey State Constitution;

BE, IT FURTHER RESOLVED, that certified copies of this Resolution be forwarded to the Monmouth County Delegation to the State Legislature and to Dean A. Gallo, Assemblyman, District 24.

SECONDED BY MR. LARRISON and adopted on the following roll call:

	AYS:	NAYS:
Mr. Larrison	X	
Mr. Kavalek	X	
Mr. Lynch	X	
Mrs. Norton	X	
Mr. Kramer	X	

15x

CERTIFICATION
I HEREBY CERTIFY THE ABOVE TO BE A TRUE COPY OF A RESOLUTION ADOPTED BY THE BOARD OF CHOSEN FREEHOLDERS OF THE COUNTY OF MONMOUTH AT A MEETING HELD 1976

[Handwritten signature]

THE BOROUGH OF WANAQUE
PASSAIC COUNTY, NEW JERSEY
MUNICIPAL OFFICE
DOROTHY KUENZLER, BOROUGH CLERK - 839-3000
579 RINGWOOD AVENUE WANAQUE, N. J. 07465
MAYOR: FRANK H. LONGO

Councilmen:

William Anderson
Louis J. Casazza, Jr.
Bess Doty

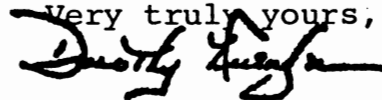
Councilmen:

Mark Evangelista
Joseph Garland
William Gramlich

May 7, 1976

Hon. Governor Brendan T. Byrne
New Jersey General Assembly
Assemblyman Dean A. Gallo
Municipalities of Passaic County

Enclosed herewith is certified copy of resolution adopted by the Mayor and Council of the Borough of Wanaque at their meeting of April 28, 1976 regarding Assembly Concurrent Resolution #129, introduced by Assemblyman Dean A. Gallo.

Very truly yours,


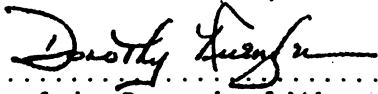
Dorothy Kuenzler
Borough Clerk

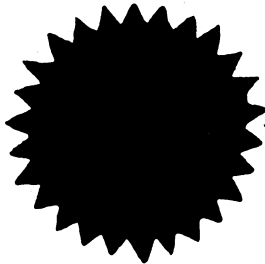
hs
encl

BOROUGH OF WANAQUE IN THE COUNTY OF PASSAIC
STATE OF NEW JERSEY

I, DOROTHY KUENZLER, Clerk of the Borough of Wanaque in the County of Passaic, do hereby certify that the annexed is a true copy of a RESOLUTION passed at a REGULAR meeting of the Mayor and Council, held on the 28th day of APRIL , 197..... 6

IN WITNESS WHEREOF, I have hereunto set my hand and seal of the Borough of Wanaque this 7th day of MAY , 197..... 6


.....
Clerk of the Borough of Wanaque



RESOLUTION

WHEREAS, the Mayor and Council of the Borough of Wanaque have reviewed the Assembly Concurrent Resolution #129, sponsored by Assemblyman Dean A. Gallo; and

WHEREAS, after review, the Mayor and Council are in agreement with this resolution #129 which will amend the Constitution of the State of New Jersey to require a vote of two-thirds of all the members of each House in agreement before any bill can be enacted which would reduce the locally derived revenues of any municipality, county, school district or other political sub-division of the State or require the appropriation or expenditure of funds or the institution or increases of any taxes, fees or other revenue sources by any such political sub-division;

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Borough of Wanaque that they, through this resolution, strongly support this proposed amendment, Article IV, Section VII, to the New Jersey State Constitution; and

BE IT FURTHER RESOLVED, that a copy of this resolution be sent to the Governor, the members of the General Assembly of the State of New Jersey, Assemblyman Gallo, and to all the other municipalities in the County of Passaic.

APPROVED: April 28, 1976


Frank H. Longo, Mayor

Attest:


Dorothy Kuenzler, Borough Clerk

BOROUGH OF CHATHAM

MORRIS COUNTY, NEW JERSEY

07928

APR 21 1976

JOSEPH L. MARTS, Mayor

PETER N. RAYNER,

Borough Administrator and Borough Clerk

CARL A. FRAHN, Borough Attorney

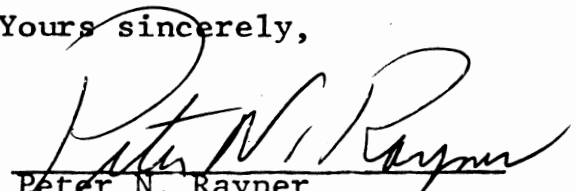
JANET B. BOYLE,

Deputy Borough Clerk

Enclosed please find a certified copy of a resolution
adopted by the Chatham Borough Council on April 12, 1976
concerning:

Assembly Concurrent Resolution #129

Yours sincerely,



Peter N. Rayner

Peter N. Rayner
Borough Clerk

PNR:dg
Enc.

April 12, 1976

RESOLUTION

WHEREAS, Assemblyman Dean A. Gallo, of the 24th Legislative District, has presented Assembly Concurrent Resolution No. 129 to the Assembly Committee on State Government, Federal and Interstate Relations, and

WHEREAS, said Resolution proposes an amendment to the State Constitution which, if passed, would require a two-thirds majority vote of the Legislature, to enact legislation which would:

1. Reduce the locally derived revenues of any municipality, county, school district or other political subdivision of the State.
2. Require the appropriation or expenditure of funds or the institution or increase of any taxes, fees or other revenue sources by any such political subdivision.

and,

WHEREAS, the Mayor and Council believe that in the present economic climate wherein municipalities are faced with ever increasing difficulties in balancing their budgets, that the power of extra-municipal agencies to impose further economic problems on the municipalities should be tightly controlled, and

WHEREAS, in the past year municipalities have been subjected to a number of executive and administrative decisions which have decreased revenues and/or required increased appropriations,

BE IT RESOLVED by the Mayor and Council of the Borough of Chatham that :

1. It supports Assembly Concurrent Resolution No. 129 and urges that the Constitutional Amendment which it proposes be put before the electorate for referendum.
2. The Legislature be urged, in addition, to more carefully draft legislation in order to more carefully restrict executive and administrative authority to impose economic policies which adversely affect municipalities.

3. That the Borough Clerk be and he is hereby directed to forward copies of this resolution to members of the State Legislature representing the 24th Legislative District, the Chairman of the Assembly State Government, Federal and Interstate Relations Committee, and to the Morris County Board of Chosen Freeholders.

I, PETER N. RAYNER, Clerk of the Borough of Chatham County of Morris do hereby certify the foregoing to be a true and correct copy of a resolution adopted by the Borough Council at a meeting of said Council held on April 12, 1976 and said resolution was adopted by not less than a two-thirds vote of the members of the Borough Council.


Peter N. Rayner

Borough Clerk

Witness my hand and seal of the
Borough of Chatham
this 17th day of April, 1976.

City of Clifton

NEW JERSEY

BETTY J. LUTZ
CITY CLERK

CITY HALL
ROOM 212 PHONE 473-2600



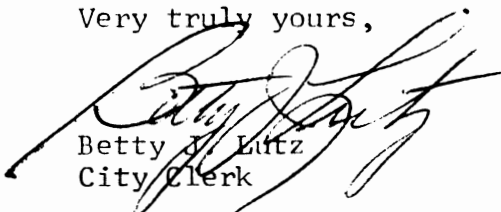
June 22, 1976

The Honorable Dean A. Gallo, Assemblyman
1180 Route 46
Parsippany, N.J. 07054

Dear Assemblyman Gallo:

Enclosed please find a certified copy of a resolution which was passed by the Municipal Council of the City of Clifton at the meeting held on June 15, 1976 with reference to Assembly Concurrent Resolution No. 129 which calls for an amendment of the Constitution of the State of New Jersey to require a vote of two thirds of all members of the State Legislature before certain bills can be enacted.

Very truly yours,


Betty J. Lutz
City Clerk

BJL:jb

WHEREAS ASSEMBLY CONCURRENT RESOLUTION NO. 129
has been introduced in the General Assembly of the State
of New Jersey by Assemblyman Dean A. Gallo: and

WHEREAS, said resolution calls for the amend-
ment of the Constitution of the State of New Jersey to
require a vote of two thirds of all of the members of each
of the two Houses of the State Legislature before any bill
can be enacted which would reduce the locally derived
revenues of any municipality, county, school district
or other political subdivision of the State or require
the appropriation or expenditure of funds or the institution
or increase of new taxes, fees or other levy by any such
political subdivision,

NOW, THEREFORE, BE IT RESOLVED, by the Mayor
and Members of the Municipal Council of the City of Clifton,
in meeting assembled, that they hereby formally endorse
and support the said ASSEMBLY CONCURRENT RESOLUTION No. 129
and they do hereby join the Borough of Ringwood, the
Borough of Bloomingdale and numerous other municipalities
of this State in the support of the said resolution and the
implementation thereof by the Legislature, and

BE IT FURTHER RESOLVED, that this resolution be
spread at large upon the minutes of this meeting and that
copies thereof be forwarded to the Honorable Brendan T.
Byrne, Governor of the State of New Jersey, the representatives
of this municipality in both Houses of the State Legislature,
to Assemblyman Gallo and to the Governing Bodies of the
municipalities in the County of Passaic.

INTRODUCED Gerald Zecker

ADOPTED June 15, 1976

Frank W. Sylvester
MAYOR

A TRUE COPY

ATTEST Betty J. Lutz
CITY CLERK


City Clerk

Board of Chosen Freeholders

Union County, Elizabeth, New Jersey

I, **MATILDA T. WISE** Clerk of the Board of Chosen Freeholders of the County of Union, do hereby certify that the annexed is a true copy of a Resolution, passed at a **regular** meeting of the Board of Chosen Freeholders, held on the **8th** day of **April**, 19**76**.

In Witness Whereof, I have hereunto set my hand and the seal of the County of Union, this **9th** day of **April**, 19**76**.

Matilda T. Wise
Clerk of the Board.

APRIL 8, 1976

RESOLUTION BY FREEMEN GARRUBRO AND MOLIGNET

WHEREAS, The Board of Chosen Freeholders of the County of Union has learned of the introduction of ACR-129 by Assemblyman Gallo and others, the purpose of which is to place before the voters of this State a Constitutional Amendment which would require a 2/3 vote of both Legislative bodies in order to add fiscal obligations onto local or county governments; and

WHEREAS, ACR-129 is an attempt to delimit the present Legislative process of passing bills which mandate increased expenditures by local and county governments, especially where such programs are so mandated after the adoption of a yearly budget by local or county governmental bodies; and

WHEREAS, ACR-129 would also seek to bring about the implementation of such mandated costs, should the required 2/3 Legislative approval be given, on a calendar year basis which would allow local and county governing bodies to consider such expenditures in connection with their normal budgetary process;

NOW, THEREFORE, BE IT RESOLVED that the Board of Chosen Freeholders of the County of Union do hereby urge and recommend swift passage of ACR-129 by the Legislature and approval by the Governor, in order to terminate the present and all-too-frequent occurrence of State Legislative measures mandating costs upon local

(Continued)

and county governments, and additionally to phase-in any such bills on a calendar year basis next following their passage, so that adequate budgetary consideration may be given by local and county governments; and

BE IT FURTHER RESOLVED that copies of this Resolution be forwarded to the Governor of the State of New Jersey, the President of the New Jersey Senate, the Speaker of the General Assembly, Assemblyman Deal Gallo, and the members of the Union County Legislative Delegation.



INCORPORATED 1926

Office of the Mayor
LAWNSIDE, NEW JERSEY 08045

May 13, 1976

Dean A. Gallo
Assemblyman, District 24
1180 Route 46
Parsippany, N.J. 07054

Dear Assemblyman Gallo:

This letter will be brief and to the point.

I personally would like to request your favorable consideration of Assembly concurrent Resolution No. 129.

Currently this Borough is faced with a sizeable increase in our local taxes because of mandated requirements to our School District and an adequate assistance from the State to fund them.

Small Boroughs like ours as well as all Citizen Tax-payers of the State will benefit, if ACR 129 is adopted.

Yours in humanity,

James W. Bryant
James W. Bryant, Mayor

ccs: Assemblypersons, Kenneth A. Gewertz, Francis j Gorman
Ernest F. Schuck, Walter Rand, Mary Keating Croce,
John J Gallagher

files

**Parsippany-Troy Hills
Township Schools**

*Gallo
RR 129*

P.O. Box 52
PARSIPPANY, N.J. 07054
TEL. 334-9090

OFFICE OF THE
SUPERINTENDENT OF SCHOOLS

March 31, 1976

Mr. Dean A. Gallo
Assemblyman District 24
1180 Route 46
Parsippany, N.J. 07054


Dear Assemblyman Gallo:

I have reviewed the Concurrent Resolution #129 which proposes an amendment to the State Constitution that if passed and allowed to go to ballot, would require a 2/3 vote on any spending Legislation that would increase any County, Municipal or School budget. I concur with the point of view that this would make it more difficult for the State Legislature to impose laws that would require additional raising and spending of funds by local governments.

For school boards particularly, who are continually confronted with what appears to be desirable programs, but then are compelled to raise funds locally to institute such programs, this legislation would take a step in the right direction to curb such actions.

I concur with the proposed legislation.

Sincerely yours,



John E. Sheehy
Superintendent

mg
cc: Assemblyman Spizziri
Assemblyman Dorsey
Assemblyman Barry
Assemblyman Hurley
Assemblyman Kean
Assemblywoman Curran
Senator Vreeland

JUN 05 1976



TOWNSHIP COUNCIL

TOWNSHIP OF
PARSIPPANY-TROY HILLS

MUNICIPAL BUILDING

1001 PARSSIPANY BOULEVARD
PARSSIPANY, NEW JERSEY 07054
(201) 334-3600

SEYMOUR BEN TURETZKY, President
MRS. MARIAN W. SMITH, Vice President
JOHN J. NOTTE
NORBERT J. SOCOLOWSKI
ELMER C. VREELAND

June 4, 1976

The Honorable Dean A. Gallo
1180 Route 46
Parsippany, N.J. 07054

Re: Resolution No. 129 (ACR-129)

Dear Assemblyman Gallo:

Pursuant to your letter of March 26, 1976, please be advised that the Township Council has reviewed Resolution 129 and also have noted your solicitation for support of this resolution.

The Township Council concurs with your thoughts on controlling unnecessary and unwaranted spending and are therefore endorsing the reasoning behind this Legislation and therefore support the Resolution.

Thanking you for your consideration and wishing you success in your endeavors, I remain.

Very truly yours,

George W. Clark
Township Clerk

GVC:eds
cc: Mayor Fahy
Township Council Members



MAY 21 1976

TOWNSHIP OF DENVILLE
NEW JERSEY
OFFICE OF THE MAYOR

WALTER J. LUGER
MAYOR

May 18, 1976


Dear Dean:

Just a brief note to commend you for co-sponsoring Assembly Concurrent Resolution 129.

Please be assured that I fully support your efforts and have requested that the Denville Township Council pass a resolution supporting this bill.

If I can be of further assistance, please feel free to contact me.

Very truly yours,


WALTER J. LUGER
MAYOR

Hon. Dean A. Gallo
Assemblyman
District 24
1180 Rt. 46
Parsippany, NJ 07054

APR 20 1976

THE BOARD OF CHOSEN FREEHOLDERS
COUNTY OF MORRIS

Leanna Brown
Director
Peter J. Burkhart
Deputy Director
Rodney P. Frelinghuysen
S. Charles Garofalo
Eileen Carey Mc Coy
Douglas H. Romaine
Alfonse W. Scerbo



Virginia Shea
Clerk
Armand L. D'Agostino
County Counsel

April 15, 1976

Hon. Dean A. Gallo
1180 Route 46
Parsippany, New Jersey 07054

Re: ACR-129

Dear Assemblyman Gallo:

Please be advised that the Board of Chosen Freeholders
unanimously approved ACR-129 at their conference meeting on
April 13, 1976.

Very truly yours,

Virginia Shea

Virginia Shea
Clerk

VS/mbr

BOARD OF EDUCATION
POMPTON LAKES, NEW JERSEY

VAN AVENUE, 07442
(201) 885-4884

ENRICO J. CIPOLARO
SUPERINTENDENT

April 2, 1976

The Honorable Dean A. Gallo
1180 Route 46
Parsippany, New Jersey 07054

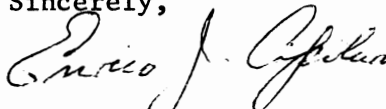
My dear Mr. Gallo:

Thank you for your notice of March 26, 1976, in regard to Assembly Concurrent Resolution No. 129 (ACR-129) which you have sponsored.

I am in favor of the intent of this Resolution, will support your stand on this matter, and advise your fellow legislators of my feelings in this regard.

I must decline your kind invitation to attend the Committee meeting on this Resolution, because of prior commitments.

Sincerely,



Enrico J. Cipolaro
Superintendent of Schools

EJC:ac

MAY 04 1976

COPY

May 3, 1976

Assemblyman Donald Albanese
1209 Belvidere Road
Phillipsburg, N. J. 08865

Dear Sir:

The Board of Chosen Freeholders of the County of Warren have reviewed Assembly Concurrent Resolution No. 129 which proposes an amendment to the State Constitution which would require a two-thirds vote on any spending legislation that would increase any county, municipal, or school board budget.

This Board believes that the additional raising and spending of funds by local government forced upon them by State legislation has reached an intolerable level.

This Board therefore respectfully solicits your support of Assembly Concurrent Resolution No. 129.

Very truly yours,



Morris R. Wilson, Clerk

MRW:dg

cc: Assemblyman Dean Gallo



