

CHAPTER 30

LOCAL FINANCE BOARD

Authority

N.J.S.A. 52:27BB-10, 52:27BB-32, 52:27D-18, 40A:4083, 40A:5-38, 40A:11-11, 40A:12-6.

Source and Effective Date

R.1993 d.297, effective May 27, 1993.
See: 25 N.J.R. 1630(a), 25 N.J.R. 2688(a).

Executive Order No. 66(1978) Expiration Date

Chapter 30, Local Finance Board, expires May 27, 1998.

Historical Note

All provisions of this chapter, Local Finance Board, became effective April 13, 1970 as R.1970 d.40. See: 1 N.J.R. 17(d), 2 N.J.R. 39(a).

1972 Revisions: Amendments became effective March 2, 1972 as R.1972 d.42. See: 3 N.J.R. 219(a), 4 N.J.R. 63(a).

1975 Revisions: Amendments became effective April 24, 1975 as R.1975 d.107. See: 7 N.J.R. 201(b). Further amendments became effective June 18, 1975 as R.1975 d.168. See: 7 N.J.R. 306(a). Further amendments became effective September 29, 1975 as R.1975 d.287. See: 7 N.J.R. 497(b).

1976 Revisions: Amendments became effective January 1, 1976 as R.1975 d.322. See: 7 N.J.R. 540(a). Further amendments became effective May 6, 1976 as R.1976 d.91. See: 8 N.J.R. 216(c). Further amendments became effective June 15, 1976 as R.1976 d.130. See: 8 N.J.R. 271(a).

1977 Revisions: Amendments became effective January 1, 1977 as R.1976 d.384. See: 8 N.J.R. 10(a). Further amendments became effective March 10, 1977 as R.1977 d.81. See: 9 N.J.R. 165(a). Further amendments became effective April 15, 1977 as R.1977 d.82. See: 8 N.J.R. 371(c), 9 N.J.R. 166(a). Further amendments became effective May 20, 1977 as R.1977 d.127. See: 9 N.J.R. 211(a). Further amendments became effective October 6, 1977 as R.1977 d.347. See: 9 N.J.R. 457(a). Further amendments became effective December 21, 1977 as R.1977 d.479. See: 10 N.J.R. 55(a).

1978 Revisions: Amendments became effective June 22, 1978 as R.1978 d.211. Further amendments became effective July 17, 1978 as R.1978 d.233. See: 10 N.J.R. 318(a). See: 10 N.J.R. 317(b). Further amendments became effective July 21, 1978 as R.1978 d.241. See: 10 N.J.R. 223(a), 10 N.J.R. 319(b).

1979 Revisions: Amendments to the chapter became effective and Subchapter 10 was repealed effective January 17, 1979 as R.1979 d.16. See: 10 N.J.R. 529(a), 11 N.J.R. 59(a). Further amendments became effective January 17, 1979 as R.1979 d.16. See: 10 N.J.R. 529(a), 11 N.J.R. 59(a). Further amendments became effective February 2, 1979 as R.1979 d.40. See: 11 N.J.R. 7(a), 11 N.J.R. 117(e).

1981 Revisions: Amendments became effective January 6, 1981 as R.1981 d.3. See: 12 N.J.R. 568(b), 13 N.J.R. 73(b). Further amendments became effective May 7, 1981 as R.1981 d.122. See: 13 N.J.R. 121(b), 13 N.J.R. 260(a). Further amendments became effective July 9, 1981 as R.1981 d.216. See: 13 N.J.R. 188(a), 13 N.J.R. 395(b). Further amendments became effective November 2, 1981 (operative November 5, 1981) as R.1981 d.381. See: 13 N.J.R. 475(a), 13 N.J.R. 755(a).

1982 Revisions: Amendments became effective June 21, 1982 as R.1982 d.186. See: 14 N.J.R. 301(a), 14 N.J.R. 654(a).

1983 Revisions: This chapter was readopted effective June 21, 1983 as R.1983 d.277. See: 15 N.J.R. 463(b), 15 N.J.R. 1180(a).

1984 Revisions: New subchapter 10 became effective September 4, 1984 as R.1984 d.381. See: 15 N.J.R. 1204(a), 16 N.J.R. 2357(a).

1986 Revisions: Amendments to subchapter 17 became effective August 4, 1986 as R.1986 d.315. See: 18 N.J.R. 1022(a), 18 N.J.R. 1524(a).

1988 Revisions: This chapter was readopted in compliance with Executive Order No. 66(1978) effective June 29, 1988 as R.1988 d.350. See: 20 N.J.R. 1027(a), 20 N.J.R. 1879(a).

Pursuant to Executive Order No. 66(1978), Chapter 30 was readopted as R.1993 d.297. See: Source and Effective Date.

See section annotations on additional rulemaking.

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SUBCHAPTER 1. GENERAL PROVISIONS

5:30-1.1 Rules and regulations

(a) The statutes creating the Local Finance Board and the Division of Local Finance (N.J.S.A. 52:27) are attached to and deemed part of these rules and regulations.

(b) The Local Finance Board shall meet on the third Monday of January, April, July, and October of each year; in addition, it shall meet on the third Tuesday of each month at its office, 101 South Broad Street, Trenton, New Jersey at 9:30 A.M., unless otherwise ordered by formal action of the board.

(c) The board shall also meet at the call of the director, acting as chairman, by notice in writing or telegram at such time and place as shall be specified in said notice. The board, in its discretion, may agree to meet upon the receipt of a telephone request from the director or any member thereof to transact any business which may properly come before it.

(d) The board shall meet as a municipal finance commission in those municipalities in which it functions and all other actions shall be taken as the Local Finance Board.

Amended by R.1990 d.383, effective August 6, 1990.

See: 22 N.J.R. 706(b), 22 N.J.R. 2276(b).

Time and place of meetings changed in (b).

Case Notes

Regulations valid as implementing legislative policy; definition of qualitative clarified by regulations. *Twp. of Burlington v. Middle Department Inspection Agency, Inc.*, 175 N.J.Super. 624, 421 A.2d 616 (Law Div.1980).

Advertising requirement valid and constitutional. *Apartment House Council of New Jersey v. Laezza*, 158 N.J.Super. 204, 385 A.2d 936 (App.Div.1978).

Tenants Property Tax Rebate Act constitutional; regulatory scheme adopted. *Cold Indian Springs Corp. v. Twp. of Ocean*, 154 N.J.Super. 75, 380 A.2d 1178 (Law Div.1977), affirmed 161 N.J.Super. 586, 392 A.2d 175 (App.Div.1978), affirmed 81 N.J. 502, 410 A.2d 652 (1980).

5:30-1.2 Duties

The Local Finance Board studies the entire field of local government in New Jersey, and promulgates reasonable rules and regulations for the interpretation and administration of State laws included within the jurisdiction of the division.

5:30-1.3 Hearings

(a) The Local Finance Board holds hearings when required by law, and also when it determines that interested persons should be given an opportunity to be heard.

(b) Hearings on a determination or action by the director shall be held upon the receipt of a petition filed with the director or secretary. Said petition shall be in the form of the attached, entitled, "Petition for hearing", as approved by the Local Finance Board on January 30, 1939.

5:30-1.4 Vote

(a) In the case of a vote on any appeal from a determination of the Director, the Director shall disqualify himself or herself from a vote, but shall preside at the hearing on the appeal. A vote of a majority of the whole board, namely, five votes, shall be required in determining whether any appeal from any action of the Director shall be sustained or reserved.



(b) In the case of a vote on any other matter heard before the board, a majority of the vote of the whole board, including that of the director, shall be required.

Amended by R.1990 d.383, effective August 6, 1990.
See: 22 N.J.R. 706(b), 22 N.J.R. 2276(b).

Majority of the Board changed from three to five.

5:30-1.5 Advice to director

The Local Finance Board shall advise the director concerning the administration of the division, the exercise of his powers, and the problems of local government.

5:30-1.6 Determinations

The board may, if it so elects, direct that hearings under the foregoing shall be held by a member thereof, but all determinations shall be made by a majority of the full board.

5:30-1.7 Forms; general provisions

All forms required to be filed with the Local Finance Board or Division of Local Government Services, such as statements, applications and reports shall be filed on forms (or approved facsimiles) approved by the Board or the Director of the Division of Local Government Services, certified as to their accuracy by an appropriate official and in accordance with the instructions relating to each. Forms are available upon request to the Local Finance Board or the Division of Local Government Services.

Amended by R.1990 d.383, effective August 6, 1990.
See: 22 N.J.R. 706(b), 22 N.J.R. 2276(b).

Text on implementation of the Housing and Community Development Act of 1974 repealed; text on forms added.

5:30-1.8 (Reserved)

R.1975 d.168, eff. June 18, 1975.

See: 7 N.J.R. 306(a).

Repealed by R.1990 d.383, effective August 6, 1990.

See: 22 N.J.R. 706(b), 22 N.J.R. 2276(b).

Text on emergency resolutions exceeding the three percent limit repealed.

5:30-1.9 (Reserved)

R.1975 d.287, eff. September 29, 1975.

See: 7 N.J.R. 497(b).

Repealed by R.1990 d.383, effective August 6, 1990.

See: 22 N.J.R. 706(b), 22 N.J.R. 2276(b).

Text on implementation of the Housing and Community Development Act of 1974; urban counties repealed.

5:30-1.10 (Reserved)

R.1975 d.322, eff. January 1, 1976.

See: 7 N.J.R. 540(a).

Repealed by R.1990 d.383, effective August 6, 1990.

See: 22 N.J.R. 706(b), 22 N.J.R. 2276(b).

Text on contracts; expenditures repealed.

5:30-1.11 Realized revenue

(a) When required to do so by the Local Finance Board, governmental units shall file a form entitled "Realized

Revenue Report." The form of the Realized Revenue Report shall be approved by the Board.

(b) All statements shall be certified as being accurate and complete by the Chief Financial Officer of the local unit.

Amended by R.1990 d.383, effective August 6, 1990.

See: 22 N.J.R. 706(b), 22 N.J.R. 2276(b).

Provisions of (a) through (f) deleted; new text added at (a), (g) recodified as (b); Attachments A and B deleted.

5:30-1.12 (Reserved)

R.1977 d.346, eff. October 6, 1977.

See: 9 N.J.R. 456(d).

Repealed by R.1990 d.383, effective August 6, 1990.

See: 22 N.J.R. 706(b), 22 N.J.R. 2276(b).

Text on supplemental detail in support of current budget appropriation repealed.

5:30-1.13 (Reserved)

R.1977 d.347, eff. October 6, 1977.

See: 9 N.J.R. 457(a).

Repealed by R.1990 d.383, effective August 6, 1990.

See: 22 N.J.R. 706(b), 22 N.J.R. 2276(b).

Text on Federal antirecession assistance program repealed.

5:30-1.14 (Reserved)

R.1977 d.479, eff. December 21, 1977.

See: 10 N.J.R. 55(a).

Repealed by R.1990 d.383, effective August 6, 1990.

See: 22 N.J.R. 706(b), 22 N.J.R. 2276(b).

Text on public participation in the revenue sharing program repealed.

5:30-1.15 (Reserved)

R.1978 d.241, eff. July 21, 1978.

See: 10 N.J.R. 223(a), 10 N.J.R. 319(b).

Repealed by R.1990 d.383, effective August 6, 1990.

See: 22 N.J.R. 706(b), 22 N.J.R. 2276(b).

Text on urban aid reporting system repealed.

SUBCHAPTER 2. LOCAL BOND LAW

5:30-2.1 Exceptions to debt limitation

(a) N.J.S.A. 40A:2-7(a) to meet an expenditure which is the result of fire, flood or other disaster; N.J.S.A. 40A:2-7(c) if it has been found by order of the State Department of Health; N.J.S.A. 40A:2-7(d) for the health, welfare, convenience or betterment of the inhabitants of the local unit; and N.J.S.A. 40A:2-7(e) for constructing or reconstructing dikes, bulkheads, jetties or similar devices to prevent the encroachment of the sea and if the Local Finance Board shall have determined that an emergency exists or is threatened which makes necessary the construction or reconstruction of such dikes, bulkheads, jetties or other devices for the preservation of life or property.

(b) The form of application attached hereto shall be required in connection with each application under the statute.

(c) Upon the receipt of an application the Local Finance Board shall fix a date for a hearing, and following the hearing the application shall be disposed with reasonable dispatch.

5:30-2.2 Interpretation of N.J.S.A. 40A:2-7 and N.J.S.A. 40A:2-11(c)

(a) Questions have arisen in the matter of interpretation of N.J.S.A. 40A:2-7 and N.J.S.A. 40A:2-11(c) concerning the ability of a municipality to issue bonds within its debt limitation without a down payment, provided the Local Finance Board should approve an ordinance authorizing the debt to accomplish this purpose.

(b) The Local Finance Board has determined as a matter of policy that approvals of bond and note financing will not be granted under paragraphs (c), (d) and (e) of Section 40A:2-7 of the Local Bond Law of New Jersey where the amount of such bonds or notes together with existing indebtedness is not in excess of the debt limitation, unless extraordinary conditions have been presented to the Board by an applicant to justify the waiver of this policy. The provisions of the existing Local Bond Law permit necessary down payments to be raised by emergency appropriation as was not possible prior to 1962.

Amended by R.1990 d.383, effective August 6, 1990.
See: 22 N.J.R. 706(b), 22 N.J.R. 2276(b).
Waiver provision added to (b); (c) deleted.

5:30-2.3 Down payment for capital improvement

(a) N.J.S.A. 40A:2.11 provides for the creation of a down payment for capital improvement fund which must be available as an appropriation to any lawful purpose for which bonds may be issued. The fund must be large enough to authorize a down payment of not less than five percent of the amount of the obligation authorized.

(b) In many instances local units appropriate moneys to a capital improvement fund with the idea of accumulating an amount sufficient for certain capital improvements which can be paid for without the issuance of bonds. This is an economical method of financing as it permits moneys to be accumulated and subsequently appropriated for capital purposes.

(c) The Local Finance Board by regulation approved January 28, 1952, and amended on November 10, 1964, has permitted the spending of capital improvement funds by resolution to cover the preliminary costs and estimates by engineers and architects.

(d) The question has now arisen as to the method of spending funds appropriated under the title of "capital improvement fund" where the funds are to finance the costs of a project in whole and not resort to the authorization of bonds and/or bond anticipation notes. The division has always taken the position that these funds should be expended only after appropriation by a definitive ordinance which would inform the public as to the specific purpose for which the expenditure is to be made.

(e) All moneys expended from the Capital Improvement Fund other than those expenditures permitted for preliminary expenses under the regulation of the Local Finance Board adopted November 10, 1964, shall be made by an appropriation by a duly adopted ordinance, which ordinance shall become effective upon advertising after final adoption as required by statute. (L.F.B. Regulation)

5:30-2.4 Cost of improvement

The expense of preliminary surveys, architect's fees, engineering costs, and so forth, applicable to any bondable project may be charged against the "Capital Improvement Fund" of the county or the municipality, as the case may be. Such charge shall be made by resolution duly adopted specifying the purpose and the estimated amount involved, and shall clearly indicate that the amount to be charged is for a purpose for which bonds may be issued under N.J.S.A. 40A:2. Such charge against the capital improvement fund need not be deemed a part of the cost of any improvement which may be subsequently financed in the manner provided by N.J.S.A. 40A:2, it being the intent of this procedure to provide an orderly method of financing preliminary expenses in those instances where the county or the municipality does not wish to or has not determined upon the introduction of a county or municipal bond ordinance.

5:30-2.5 (Reserved)

As amended, R.1979 d.16, eff. January 17, 1979.
See: 10 N.J.R. 529(a), 11 N.J.R. 59(a).

5:30-2.6 (Reserved)

As amended, R.1979 d.16, eff. January 17, 1979.
See: 10 N.J.R. 529(a), 11 N.J.R. 59(a).

5:30-2.7 (Reserved)

As amended, R.1979 d.16, eff. January 17, 1979.
See: 10 N.J.R. 529(a), 11 N.J.R. 59(a).

5:30-2.8 Self-liquidating improvements and extensions

(a) Obligations to finance an improvement or extension of a municipal public utility shall be deemed to be for a self-liquidating purpose in the fiscal year in which the obligations to finance the same shall have been authorized or issued:

1. If such utility would have been self-liquidating during the last fiscal year had there been included in the interest and debt redemption charges for such year an amount equal to interest for one year at the rate of 4½ per cent per annum on such obligations, and the amount of the first installment of serial bonds legally issuable to finance such improvement or extension plus an amount for charge as aforesaid with respect to all bonds and notes authorized but not issued for such utility.

2. If the Local Finance Board, or, in the case of a project consisting of acquisition of land areas needed for a redevelopment housing project, the Division of Planning and Development in the Department of Conservation and Economic Development, shall determine by order on the basis of a project report that said utility would have been self-liquidating during the last preceding fiscal year if there had been included interest and debt redemption charges for said obligations and prospective income from said improvement or extension, or that said utility would have been self-liquidating if charges had been collected in said last preceding fiscal year as prescribed in said report.

3. The Local Finance Board or, in the case of a project consisting of acquisition of land areas needed for a redevelopment housing project, the Division of Planning and Development in the Department of Conservation and Economic Development, are hereby authorized and empowered to make any determination required by this chapter.

4. The amount of the deficit in the income of a self-liquidating municipal public utility applicable to interest and debt redemption or the prospective amount of such deficit as determined by the Local Finance Board or, in the case of a project undertaken pursuant to the urban redevelopment law, the Division of Planning and Development in the Department of Conservation and Economic Development, shall be capitalized at five per cent and the capital sum so determined shall not be deductible from the gross debt. (See N.J.S.A. 40A:2-47).

(b) N.J.S.A. 40:61-22.21 to 29 provides that the governing body of any municipality may acquire, establish or construct, operate and regulate swimming pools and other recreational facilities. The statute provides for the acquisition of land and the issuance of bonds pursuant to the provisions of the New Jersey Local Bond Law and further provides that any such bonds may be deemed to be authorized for a self-liquidating purpose provided the Local Finance Board shall make a determination that the project will in fact be self-liquidating, such determination to be made after application to the Board and after public hearing.

1. The self-liquidating feature of the Act will, of course, have the effect of eliminating any bonds issued pursuant to the provisions of this Act from the net debt of the municipality, wherever the Local Finance Board makes an official determination that the undertaking will in fact be self-liquidating.

2. In those cases where a municipality acquired a swimming pool already in existence, it would seem reasonable that the governing body could supply evidence of estimated income based on appropriate engineering studies, supplemented by such added detail as might be appropriately presented to the Local Finance Board. In those cases where the municipality is planning construction of a new facility, there must be added detail as to the prospective income. It is understood that in many instances a substantial portion of the income will be derived from the sale of season tickets.

3. The Board, therefore, is of the opinion that in every instance where new construction is involved suitable evidence shall be presented along the following lines:

i. The amount of cash on hand based on preliminary sales of season tickets for paid pledges;

ii. Presentation of evidence of participation supported by enforceable documents guaranteeing every pledge;

iii. An engineering or other study of annual income from casual users of the facility with adequate reasons for supporting such estimate;

iv. Statement of amount estimated to be derived from concessions, other recreational activities, and so forth, with suitable explanation;

v. Projected budget for the first full year of operations, setting forth the amounts required for salaries and wages, insurance, detail of other operating expenses, and amounts required for annual debt service;

vi. Statement in the application that adequate liability insurance will be carried in an amount adequate for the protection of the public and the local unit, with a certification by some local municipal official that the coverage appears to be adequate, based on the best information obtainable;

vii. Statement to the effect that any determination of self-liquidation is subject to the provisions of N.J.S.A. 40A:4-35 which requires any annual deficit to be provided for the next annual municipal budget and the next debt to be computed according to the provisions of N.J.S.A. 40A:2-48;

viii. A statement setting forth any covenant to be included in any bond issue in order to insure the purchaser that the bonds will be met at maturity regardless of the income from the utility.

4. All of the provisions of paragraph 3 of this subsection shall be in addition to or part of the formal application in the form required by the Local Finance Board for municipal extensions of credit.

5. The Board will, after receiving each application, set a date for public hearing thereon and will, if it is deemed necessary, require the presentation of any supplemental or additional detail deemed to be in order.

6. Any governing body, may, if it has adequate unencumbered borrowing power, undertake a project of this nature without the approval of the Local Finance Board, assuming that it is willing to have the prospective indebtedness included in the net debt of the municipality. In an instance of this kind, the municipality could, assuming that the first full year's operations of the project did in fact produce sufficient cash revenues to meet all operating expenses and debt service charges, secure a deduction in the annual debt statement required to be filed at the end of the year or any subsequent year. It would follow, of course, that if the income in any instance was inadequate to meet operating expenses and debt service, it would be necessary to take the charge against the net debt as required by N.J.S.A. 40A:2-48.

5:30-2.9 through 5:30-2.19 (Reserved)

As amended, R.1979 d.16, eff. January 17, 1979.
See: 10 N.J.R. 529(a), 11 N.J.R. 59(a).

SUBCHAPTER 3. ANNUAL BUDGET**5:30-3.1 (Reserved)**

As amended, R.1979 d.16, eff. January 17, 1979.
See: 10 N.J.R. 529(a), 11 N.J.R. 59(a).

5:30-3.2 Procedures for adoption of budget

(a) All budgets shall be introduced, approved, amended and adopted by resolution passed by not less than a majority of the full membership of the governing body.

(b) The procedure shall be as follows:

1. Introduction and approval;
2. Public advertising;
3. Public hearing;
4. Amendments and public hearings, if required;
5. Adoption;
6. The clerk of the local unit shall transmit a certified copy of the budget, as adopted, to the county board not later than March 31 of the fiscal year.

5:30-3.3 Examination of budget

(a) The Director shall examine the budget filed in his office with reference to all estimates of revenue and to the following appropriations:

1. Payment of interest and debt redemption charges;
2. Deferred charges and statutory expenditures;
3. Cash deficit of preceding year;
4. Reserve for uncollected taxes;
5. Other reserves and nondisbursement items.

(b) The Director shall also examine the budget for detail and accuracy of itemization and for compliance as to form, arrangement and content with the provisions of this chapter and the regulations of the Local Finance Board.

(c) Rules concerning dedication by rider to the budget of the local unit are:

1. Fees received by the constituent municipalities of the Hackensack Meadowlands Development Commission are to be placed in a trust fund and such trust fund shall be considered a "dedication by rider" to the budget of the constituent district per N.J.S.A. 40A:4-39 for the sole purpose stated above.

2. Moneys received by the municipality on Outside Employment of Off-Duty Municipal Policemen are to be placed in a specific trust fund and such trust fund shall be considered a "dedication by rider" to the budget of the local unit per N.J.S.A. 40A:4-39 for the sole purpose stated above.

3. Such moneys received by the municipality on interest earned on Unemployment Compensation Insurance are to be placed in a specific trust fund and such trust fund shall be considered a "dedication by rider" to the budget of the local unit per N.J.S.A. 40A:4-39 for the sole purpose stated above.

4. Such revenue received by the municipality or county for Reimbursement for Sale of Gasoline to State Automobiles are to be placed in a specific trust fund and such trust fund shall be considered a "dedication by rider" to the budget of the local unit per N.J.S.A. 40A:4-39 for the sole purpose stated above.

5. Such fees received by the municipality on State Training Fees Uniform Construction Code Act are to be placed in a specific trust fund and such trust fund shall be considered a "dedication by rider" to the budget of the local unit per N.J.S.A. 40A:4-39 for the sole purpose stated above.

6. Utilization of Revenues generated by the Tax Appeal Filing Fees collected by the County Boards of Taxation are to be used exclusively for modernization of record-retention capabilities of County Boards: for defraying the costs incurred in recording and transcribing tax appeal proceedings; for the issuance of memoranda of judgments with regard to tax appeals; and for paying salaries to County Board personnel relating to increased County Board responsibilities resulting from the enactment of Chapter 499, P.L. 1979. Any surplus revenues generated by County Tax Board fees must be separately retained by the county for future application consistent with the purposes specified in N.J.S.A. 54:3-21.3(a). Moneys transmitted to the County Treasurer by the County Tax Administrator shall be placed in a specific trust fund and shall be considered a "Dedication by Rider" to the budget of the County per N.J.S.A. 40A:4-39 for the sole purposes stated in (c)6 of this section.

7. The owner or operator of every sanitary landfill facility shall deposit on a monthly basis in an interest-bearing account with an accredited financial institution an amount equal to \$0.30 per cubic yard of solids and \$0.004 per gallon of liquids of all solid waste, accepted for disposal during the preceding month at the sanitary landfill facility. The account established shall constitute an escrow account for the closure of the particular sanitary landfill and no withdrawals therefrom may be made without written approval of the New Jersey Department of Environmental Protection. Any county or municipality that is the owner or operator of a sanitary landfill shall consider such a trust fund a "Dedication by Rider" to the budget of the local unit per N.J.S.A. 40A:4-39 and any interest earned shall remain in the trust fund for the purpose for which it was created.

As amended, R.1978 d.240, eff. July 21, 1978.
 See: 10 N.J.R. 223(b), 10 N.J.R. 319(a).
 As amended, R.1982 d.186, eff. June 21, 1982.
 See: 14 N.J.R. 301(a), 14 N.J.R. 654(a).
 (c)6 and 7 added.

5:30-3.4 Filing of municipal budget amendments

(a) All budget amendments submitted to the Director, Division of Local Government Services for approval per N.J.S.A. 40A:4-85 and N.J.S.A. 40A:4-87 shall be filed with the Director within five days after adoption.

(b) Any such budget amendment not filed within the prescribed time must be accompanied by a statement of reasons, satisfactory to the Director, for such delay.

Amended by R.1979 d.16, eff. January 17, 1979.
 See: 10 N.J.R. 529(a), 11 N.J.R. 59(a).
 New Rule, R.1981 d.216, eff. July 9, 1981.
 See: 13 N.J.R. 188(a), 13 N.J.R. 395(b).

5:30-3.5 Supplemental detail in support of current budget appropriation

(a) The need for detailed information pertaining to the current budget appropriations is recognized and the regulations of the Local Finance Board are stated below:

1. Resolved that the Local Finance Board, having considered the matter of budget preparation, is hereby recorded to the effect that the published budget must contain a minimum breakdown for "salaries and wages" and "other expenses"; and

2. Be it further resolved that if in any instance any person petitions the board to the effect that he is unable to secure appropriate detail covering the makeup of any appropriation under the foregoing classification, the board will forthwith require the local unit to submit to its forms specifically breaking down "salaries and wages" and "other expenses", together with a budget information sheet covering such further detail in the form hereinabove recommended and added detail which may be deemed necessary.

3. The board in considering budget procedure can only conclude the preparation of the budget is a matter for the sound discretion of the governing body. The members of the governing body are the elected representatives of the people and it is their duty to introduce and approve the budget. This responsibility cannot be delegated; however, the governing body can hold pre-budget conferences if they so elect. This procedure has been helpful and productive, plus it has generated excellent public relations where it has been tried.

4. Insofar as the preparation of the supporting detail for the current budget is concerned, the board is of the opinion that this material should be available at any time after the introduction of the budget and, in any event, at least one week before the time set for the public hearing. This is necessary in order that interested persons may have an opportunity to study the material in conjunction

with the printed budget and presentation at the public hearing.

5. The board directs that any petition must be filed not less than seven days prior to the time set for the public hearing on the budget. The board further directs that in case satisfactory information is made available by the local unit, the petitioner must notify the board at least three days before the time set for the public hearing on the budget that the request of the petitioner has been met. This regulation is made with the idea that some orderly procedure is necessary to avoid confusion and eliminate unnecessary hearings.

(b) The board recommends the use of standardized work sheets or budget request forms covering the following in reasonable detail:

1. Salaries and wages;
2. Other expenses;
3. Budget recapitulation sheet;
4. Budget information sheet.

New Rule, R.1990 d.383, effective August 6, 1990.
 See: 22 N.J.R. 706(b), 22 N.J.R. 2276(b).

Prior rulemaking activity for 3.5 is as follows:
 Amended by R.1979 d.16, effective January 17, 1979.
 See: 10 N.J.R. 529(a), 11 N.J.R. 59(a).

5:30-3.6 through 5:30-3.8 (Reserved)

Amended by R.1979 d.16, eff. January 17, 1979.
 See: 10 N.J.R. 529(a), 11 N.J.R. 59(a).

SUBCHAPTER 4. CAPITAL BUDGETS AND CAPITAL IMPROVEMENT PROGRAMS

Authority

Amendments to this subchapter were adopted pursuant to authority of N.J.S.A. 52:27BB-1 et seq. and were filed and became effective on September 14, 1978, as R.1978 d.322. See: 10 N.J.R. 416(d).

5:30-4.1 Authority and application

(a) This subchapter is adopted by the Local Finance Board pursuant to its powers authorized at N.J.S.A. 52:27BB-10, 52:27BB-32, and 40A:4-43 to 45.

(b) This subchapter shall apply to all local units, and it shall be the duty of the governing body of each local unit to comply.

5:30-4.2 Definitions

The following words and terms, when used in this subchapter, shall have the following meanings unless the context clearly indicates otherwise.

"Annual budget" means the Official Budget required to be adopted by the Local Budget Law, and which for purposes of this subchapter includes a separate section known as the Capital Budget and Capital Improvement Program.

"Capital budget" means the first year of a capital program.

"Capital program" means a moving, multi-year plan and schedule for capital projects, including prospective financing sources and, when pertinent, first year operating costs and savings.

"Capital project" means any of the following, with an expected useful life of five years or more and a prospective individual or (when added to the cost of other such items as are listed below) cumulative cost in any year of \$25,000 or more, regardless of the financing sources:

1. Acquisition and/or development of land;
2. Acquisition of major equipment, furniture, or other personal property;
3. Acquisition, construction, improvement and/or renovation of buildings, roads, utilities, structures, improvements or public works;
4. Any other matter described in N.J.S.A. 40A:2-22;

"Director" means the Director of the Division of Local Government Services or his designated representative.

"Financing sources" means any of the following, in any combination, from which moneys are provided to finance capital projects:

1. Appropriations in the annual budget(s) of the current, utility or enterprise, capital or other fund;
2. Bonds or notes;
3. Appropriations from the Capital Improvement Fund or any other funds or reserves;
4. State or Federal aid;
5. Private contributions, bequests, etc.

"Local unit" means any county or municipality.

5:30-4.3 When required

(a) Every local unit shall prepare and adopt a capital budget, in conjunction with its annual operating budget, for any year in which it proposes to undertake a capital project. Inclusion of the following in the annual budget for the year shall, as a minimum, demonstrate the necessity of adopting a capital budget: appropriations for capital improvement fund, specific capital line items or down payments.

(b) No local unit shall adopt a bond ordinance unless:

1. It has already adopted a capital budget as part of the annual budget; or

2. If prior to final adoption of the annual budget, by adoption of a temporary capital budget which subsequently shall be included in the annual budget; or

3. If a need is determined after adoption of the annual budget, by adoption of a capital budget or an amendment to the capital budget.

(c) Every local unit which adopts a capital budget shall also adopt a capital program, as provided below, or add a year to an existing capital program to replace the budget year. The capital program shall be submitted to the director with the capital budget.

5:30-4.4 Method of adoption

(a) Any capital budget or capital improvement program that is to be adopted shall:

1. Be assembled and prepared by the officer(s) responsible for preparing the annual budget, provided that the provisions of N.J.S.A. 40:55D-29, permitting the governing body to authorize the planning board to prepare a suggested capital improvement program, are considered.

2. Be adopted by the affirmative vote of a majority of the full authorized membership of the governing body.

3. Be referred to the planning board, if it affects the adopted master plan, at least 45 days prior to adoption. (See N.J.S.A. 40:55D-31 for full provisions.) Observance of this requirement would suggest notification to the planning board by January 10 for counties and February 3 for municipalities.

4. Be treated as part of the Official Budget and shall be published as part of it.

5. When an initial adoption or amendment is needed outside of the normal budget adoption procedure, the following should be observed:

i. Planning board review: As described above, this is optional at governing body discretion per N.J.S.A. 40:55D-29, except that it is mandatory per N.J.S.A. 40:55D-31 if the project affects the master plan (consult local attorney for guidance);

ii. Use of the Standard forms described below;

iii. Adoption by resolution;

iv. Same majority vote;

v. Publication in local newspaper;

vi. Filing with the Director for review and certification.

(b) The following is an amendment to the Capital Budget and Capital Improvement Program:

1. Form CB1 (Capital Budget and Capital Program Amendment) is to be utilized for a change in priority of a specific project and use funds for a new unrelated project.

2. Form CB2 (Capital Budget and Capital Program Amendment) is to be utilized for new projects not previously considered.

3. Advertisement of either form CB1 or CB2 is not required if a copy of the ordinance authorizing the project is submitted with amendment forms and contains the following statement:

“The capital budget is hereby amended to conform with the provisions of this ordinance to the extent of an inconsistency therewith and the resolutions promulgated by the Local Finance Board showing full detail of the amended capital budget and capital program as approved by the Director, Division of Local Government Services as on file with the (municipal clerk) (Clerk of the Board of Chosen Freeholders) and is available for public inspection.”

4. Forms CB1 and CB2, as appropriate, shall be prepared and submitted in duplicate to the Director, Division of Local Government Services.

As amended, R.1981 d.3, eff. January 6, 1981.
See: 12 N.J.R. 568(b), 13 N.J.R. 73(b).
(b) added.

5:30-4.5 Forms and content

(a) The director shall provide forms as part of the annual budget document. These forms are mandatory, except that the director, at his discretion, may authorize the use of other forms that provide substantially the same information. Prior written approval shall be sought.

(b) The capital budget shall include by title all projects scheduled for startup in the current budget year or for continuation/completion from prior years, the amounts appropriated and the anticipated financing by source and amount.

(c) Capital program forms rules are as follows.

1. The capital program shall include by title all projects anticipated for the budget year and two or more additional years, as provided below, with the estimated costs and the anticipated financing by sources and amounts:

Population	Minimum Program Period
Under 10,000	3 years
Over 10,000	6 years

2. A municipality with population under 10,000 may discontinue annual capital program submissions whenever it shall, in compliance with the terms of this regulation, have had no capital budgets for three consecutive years provided, that the capital program shall be reinstated when a capital budget is adopted.

5:30-4.6 Review and certification

(a) The director shall, as part of his review of each local unit's annual budget, determine whether a capital budget

and program are required, and if so, whether it has been included in the proper form. This review shall not extend to any determination as to the sufficiency or wisdom of its content.

(b) If the required capital budget and programs are not included in accordance with the requirements of this regulation, approval of the entire budget may be withheld, pending local corrective action.

5:30-4.7 Capital expenditures proscribed

Pursuant to N.J.S.A. 40A:4-44, no local unit shall make appropriations or authorize expenditures or obligations for capital projects in the absence of an adopted capital budget or other than in accordance therewith, except for the preliminary expenses of plans, specifications, and estimates.

5:30-4.8 Director's action

The director is authorized to advise local units of the requirements and purposes of this regulation, to issue such forms and provide such guidance as may be necessary, and to take such other steps as may, in his judgment, be necessary to effectuate the purposes of this regulation in light of the need for orderly overall fiscal administration.

5:30-4.9 (Reserved)

Editor's Note: The text of this section was a transitional provision bridging the capital budget requirements of N.J.A.C. 5:34-9, rescinded with the adoption of this subchapter, with the requirements of this subchapter. See: 10 N.J.R. 416(d). The transitional provision expired on January 1, 1979 without further action by the Local Finance Board.

SUBCHAPTER 5. EMERGENCY APPROPRIATIONS

5:30-5.1 Road repairs

(a) The Local Finance Board reviewed certain suggested procedures in connection with the operation of this statute. In accordance with the statute, the Local Finance Board will require that a copy of every ordinance together with a statement supporting the request for approval of funds be filed with the Local Finance Board upon introduction of the ordinance and passage on first reading.

(b) The Local Finance Board also considered a form of an ordinance, a form of supporting statement to be signed by the chief financial officer, road supervisor and engineer, and a form of emergency resolution.

(c) The procedures outlined in (a) and (b) above, together with a form of ordinance, supporting statement and emergency resolution must be approved, and the forms made part of the official minutes of the Local Finance Board.

Repealed by R.1979 d.16, effective January 17, 1979.

See: 10 N.J.R. 529(a), 11 N.J.R. 59(a).

Text on purpose repealed.

New Rule R.1990 d.383, effective August 6, 1990.

See: 22 N.J.R. 706(b), 22 N.J.R. 2276(b).

5:30-5.2 Disaster accounting procedures

(a) The Local Finance Board has reviewed the accounting requirements in connection with "Disaster" accounting required by Chapters 16 and 18, Laws of 1962. While the administrative procedures in the two Chapters differ, the accounting procedures are the same. Local Finance Board, is, therefore, setting forth certain procedures to be followed in "Disaster" accounting. These will be followed in connection with all "Disaster" expenditures regardless of whether these expenditures are subject to Federal or State Aid:

1. There must be an appropriation to which all expenditures are or will be charged.
2. Procedure approved by the State Treasurer will control in all instances.
3. Where there are, or were, current budget appropriations, the procedure set forth in this section will apply and be required.
4. Where there are ordinance appropriations pursuant to N.J.S.A. 40A-2.3, the same procedures hereinafter referred to will apply to amounts received or to be received from the Federal, State or other governmental units.
5. All revenues from the Federal or State governments shall be miscellaneous revenues and in no instance shall be credited to any appropriation.
6. At the completion of State or Federal work amounts received as advances or reimbursements shall be credited to "deferred charges" created by any emergency appropriations which have heretofore been adopted by the local unit. The foregoing shall apply in all cases where financing has been by emergency appropriations.
7. Where advantage of a five year emergency is being taken, an appropriation shall be included in the budget for not less than 20 percent of the net deferred charge unless the local unit elects to include a greater amount.
8. When an emergency appropriation is being funded pursuant to the Local Bond Law, the funding shall be for the net amount reflected in the "deferred charge" and shall represent the total subject to bonding plus not more than one percent of the amount of the "deferred charge" for issuing expense.

9. Where expenses were covered by 1962 budget appropriation, the revenue derived from Federal or State Aid shall be treated as current revenue.

10. Paragraphs (a)1 through 9 above will set forth certain procedures needed to provide for orderly financing of "disaster" appropriations and is hereby approved by the following resolution: the foregoing shall constitute a required procedure for all local units in connection with the funding or other disposition of "disaster appropriations". (L.F.B. Regulation)

Repealed by R.1979 d.16, effective January 17, 1979.

See: 10 N.J.R. 529(a), 11 N.J.R. 59(a).

Text on emergency appropriations provided for in next budget repealed.

New Rule R.1990 d.383, effective August 6, 1990.

See: 22 N.J.R. 706(b), 22 N.J.R. 2276(b).

5:30-5.3 Emergency resolutions exceeding the three percent limitation; written opinion required

All emergency resolutions exceeding the three percent limitation as prescribed by N.J.S.A. 40A:4-49, prior to being reviewed and approved by the Director, Division of Local Government Services, must be accompanied by a written opinion from the municipal attorney as to its compliance with N.J.S.A. 40A:4-46.

Repealed by R.1979 d.16, effective January 17, 1979.

See: 10 N.J.R. 529(a), 11 N.J.R. 59(a).

Text on emergency appropriations not exceeding three percent repealed.

New Rule R.1990 d.383, effective August 6, 1990.

See: 22 N.J.R. 706(b), 22 N.J.R. 2276(b).

5:30-5.4 through 5:30-5.11 (Reserved)

Repealed by R.1979 d.16, eff. January 17, 1979.

See: 10 N.J.R. 529(a), 11 N.J.R. 59(a).

5:30-5.12 (Reserved)

5:30-5.13 (Reserved)

Repealed by R.1979 d.16, eff. January 17, 1979.

See: 10 N.J.R. 529(a), 11 N.J.R. 59(a).

5:30-5.14 (Reserved)

SUBCHAPTER 6. ANNUAL AUDIT

5:30-6.1 Uniform accounting system for various statutory offices in county governments

(a) Basic sample Requirements of Audit have been promulgated for the county surrogate's office and the county probation department which are statutory offices in county governments and all registered municipal accountants should be reminded that these Requirements of Audit are basic requirements and should be elaborated upon whenever, in the judgement of the registered municipal accountant, it is required.

(b) Copies of sample Requirements of Audit may be obtained from:

Local Finance Board
 Division of Local Government Services
 Department of Community Affairs
 CN 803
 Trenton, New Jersey 08625

As amended, R.1979 d.294, eff. September 1, 1979.
 See: 11 N.J.R. 431(c).
 Administrative Correction to (b).
 See: 23 N.J.R. 57(b).

5:30-6.2 through 5:30-6.4 (Reserved)

As amended, R.1979 d.16, eff. January 17, 1979.
 See: 10 N.J.R. 529(a), 11 N.J.R. 59(a).

5:30-6.5 Certification of governing body

(a) N.J.S.A. 40A:5-4 requires the governing body of every local unit to have made an annual audit of its books, accounts, and financial transactions.

(b) The annual report of audit has been filed by a registered municipal accountant with the Clerk of the Board of Freeholders (Municipal Clerk) as per the requirements of N.J.S.A. 40A:5-6, and a copy has been received by each member of the governing body.

(c) The Local Finance Board of the State of New Jersey is authorized to prescribe reports pertaining to the local fiscal affairs, as per N.J.S.A. 52:27BB-34.

(d) The Local Finance Board has promulgated a regulation requiring that the governing body of each municipality shall by resolution certify to the Local Finance Board of the State of New Jersey that all members of the governing body have reviewed as a minimum, the sections of the annual audit entitled: General Comments; Recommendations.

(e) The members of the governing body have personally reviewed as a minimum the annual report of audit, and specifically the sections of the annual audit entitled: General Comments; Recommendations, as evidenced by the group affidavit form of the governing body.

(f) Such resolution of certification shall be adopted by the governing body no later than 45 days after the receipt of the annual audit, as per the regulations of the Local Finance Board.

(g) All members of the governing body have received and familiarized themselves with, at least, the minimal requirements of the Local Finance Board of the State of New Jersey, as stated aforesaid and have subscribed to the affidavit, as provided by the Local Finance Board.

(h) Failure to comply with the promulgations of the Local Finance Board of the State of New Jersey may subject the members of the local governing body to the penalty provisions of N.J.S.A. 52:27B-52.

5:30-6.6 Enforcement of State statutes

(a) The rules and regulations of the Local Finance Board pertaining to the implementation and execution of N.J.S.A. 18A:24-3 and N.J.S.A. 40A:2-8 shall be as follows: Exhibits C-19 and D-53 of the requirements of audit must be revised so as to set forth the ten per cent of the total amount of the authorization which is not subject to the three year and four month limitation imposed by the amendment to N.J.S.A. 40:2-8. Sheets 32.33.51 and 52 of the Annual Financial Statement must be revised in a similar manner.

(b) The Local Finance Board suggests and recommends that the publication of the Department of Education—Division of Business and Finance, titled “Financial Accounting for New Jersey School Districts—The Audit Program” Exhibit B-3 be revised in a similar manner as the “Requirements of Audit”—Exhibits C-19 and D-53 promulgated by the Local Finance Board.

(c) The Chief Financial Officer of every municipality and the Chief Financial Officer of every school district should be required to maintain a permanent record of the issuance of bond anticipation notes or temporary notes or loan bonds, for each improvement for which the issuance of debt has been authorized. The maintenance of a permanent record is necessary in order to readily determine compliance with the time limitations imposed by the amendments to N.J.S.A. 18A:24-3 and 40A:2-8.

5:30-6.7 Capital projects financed by capital improvement fund, capital surplus or other capital reserves

All expenditures from a capital surplus account, from a capital reserve set aside for a specific capital purpose, or from a capital improvement fund other than those expenditures permitted for preliminary expenses under the regulation of the Local Finance Board adopted November 10, 1964, shall be made by means of an ordinance appropriation duly adopted by the municipality or county, which ordinance shall become effective upon advertising following final adoption in the manner required by statute.

5:30-6.8 through 5:30-6.11 (Reserved)

As amended, R.1979 d.16, eff. January 17, 1979.
 See: 10 N.J.R. 529(a), 11 N.J.R. 59(a).

SUBCHAPTER 7. MUNICIPAL BUDGET LOCAL EXAMINATION AND APPROVAL

Authority

N.J.S.A. 40A:4-78(b).

Source and Effective Date

R.1997 d.146, effective March 17, 1997.
 See: 28 N.J.R. 5125(a), 29 N.J.R. 870(a).

Subchapter Historical Note

Subchapter 7, Bonds, consisting of reserved §§ 5:30-7.1 through 5:30-7.13, was repealed by R.1997 d.146, effective March 17, 1997. See: Source and Effective Date.

5:30-7.1 Authority

(a) Pursuant to N.J.S.A. 40A:4-78, the Local Finance Board is empowered to adopt criteria relating to municipal exemption from the Director's examination of the annual budget.

(b) This subchapter is to ensure that municipalities participating in the program are financially sound and the temporary elimination of the Director's review of the budget will not expose the municipality to evidence financial risk.

5:30-7.2 Definitions

The following words and terms, as used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise.

"Annual budget" or "budget" means the annual budget of the municipality as described in the Local Budget Law.

"Comptroller function" means conduct of government accounting and transactions.

"Director" means the Director of the Division of Local Government Services.

"Division" means the Division of Local Government Services.

"Local Budget Law" means the provisions of N.J.S.A. 40A:4-1 et seq.

"Local examination" or "locally examine" means:

1. The procedure set forth in N.J.S.A. 40A:4-78(b) and this subchapter that permits municipal officials to examine and approve the annual budget pursuant to N.J.S.A. 40:4-76 through 4-79 in lieu of the Director; and

2. The annual budget has been adopted in accordance with all other provisions of law, including, but not limited to, the "Local Budget Law," (N.J.S.A. 40A:4-1 et seq.) and the regulations of the Local Finance Board.

"Local examination certification" or "local examination certificate" means the form provided by the Director and executed by the governing body and chief financial officer certifying that the adopted budget has been locally examined.

"Reporting year pool" means the group of municipalities considered by the Director for local examination in a given year.

5:30-7.3 Local examination process

(a) Each year the chief financial officer of each municipality shall certify its local examination status to the Division as part of its annual financial statement.

(b) Subject to the criteria in this subchapter, each municipality may locally examine their budget in any two of every three consecutive years.

(c) In every municipality participating in the local examination process, the governing body and chief financial officer shall ensure that the annual budget has been locally examined.

(d) In order to conduct a local examination, the municipality must be advised by the Director that it meets the eligibility criteria in N.J.A.C. 5:30-7.4, and then qualify for local examination by certifying that it meets the criteria in N.J.A.C. 5:30-7.5.

(e) A municipality conducting a local examination shall file copies of the annual financial statement, annual debt statement, introduced and adopted budget, amendments, certifications, and other documents required to be filed with the Director, as required by law and rule, as if the budget were to be examined by the Director.

(f) By resolution of the governing body, any municipality that qualifies for local examination may choose to have its budget examined by the Director and not participate in the local examination process that year.

5:30-7.4 Eligibility for local examination

(a) Upon adoption of this rule, the Director shall randomly assign each municipality to one of three reporting year pools. Each pool shall be assigned the years in which the budget shall be considered for local examination.

1. For calendar fiscal year 1997 budgets, the Director shall notify municipalities of their status as soon as practicable.

2. In subsequent years, within 30 days after the start of each fiscal year, the Director shall determine and notify all municipalities if they are eligible or ineligible for local examination for the fiscal year.

(b) Municipalities that meet one or more of the following criteria shall not be eligible for local examination in a given year and shall have their budgets examined by the Director:

1. Have outstanding fiscal year adjustment bonds;

2. Qualify for municipal (urban) aid pursuant to N.J.S.A. 52:27D-178 et seq.;

3. Received Supplemental Municipal Property Tax Relief Discretionary (N.J.S.A. 52:27D-118.35) funds in the previous fiscal year;

4. Were subject to a Division field audit that produced negative findings in the previous fiscal year;

5. Are currently or during the previous year were under any form of Local Finance Board supervision pursuant to N.J.S.A. 52:27BB-1 et seq.;

6. Sold its tax levy if permitted by statute in the previous year;

7. The Director's subsequent review of the previous year's locally examined adopted budget shows that the budget failed to meet the requirements of local examination. Such a finding shall disqualify a municipality from local examination for the following three years; or

8. If, in the opinion of the Director, the fiscal integrity or solvency of the municipality will be jeopardized by local examination.

(c) At the initiative of the Director, the criteria in (b) above may be waived if the Director determines the fiscal integrity or solvency of the municipality shall not be jeopardized by local examination. Requests for waivers by a municipality shall not be considered by the Director.

5:30-7.5 Qualifying for budget local examination

(a) If determined to be eligible for local examination, the chief financial officer shall determine if the municipality meets all of the following criteria:

1. The outstanding indebtedness of the previous fiscal year is not in excess of 3.5 percent;

2. All emergencies approved for the previous fiscal year did not exceed three percent of total appropriations;

3. The tax collection rate exceeded 90 percent;

4. Total deferred charges did not equal or exceed four percent of the total tax levy;

5. There were no "agreed upon procedural deficiencies" not performed by the registered municipal accountant and noted on Sheet 1a of the Annual Financial Statement; and

6. There was no operating deficit for the previous fiscal year.

(b) The chief financial officer shall record the determination on a form, prepared by the Director as part of the annual financial statement, and provide a copy of the form to the governing body. Prior to introduction of the budget, if the governing body chooses not to locally examine the budget, it shall pass a resolution to that effect and immediately forward it to the Director.

(c) If all of the criteria in (a) above are met, and the governing body does not elect to have the Director examine the budget, the municipality shall locally examine its budget.

(d) If the municipality fails to meet any of the criteria in (a) above, the Director shall examine the budget for that year.

5:30-7.6 Completion of local examination

(a) Prior to adoption of the budget, the governing body and the chief financial officer shall examine the budget for the following:

1. That with reference to the following items, the amounts have been calculated pursuant to law and appropriated as such in the budget:

i. Payment of interest and debt redemption charges;

ii. Deferred charges and statutory expenditures;

iii. Cash deficit of preceding year;

iv. Reserve for uncollected taxes;

v. Other reserves and non-disbursement items; and

vi. Any inclusions of amounts required for school purposes;

2. That the provisions relating to limitation on increases of appropriations at N.J.S.A. 40A:4-45.2 and appropriations for exceptions to limits on appropriations found at N.J.S.A. 40A:4-45.3 et seq., are fully met;

3. That the budget is in such form, arrangement and content as required by the Local Budget Law and N.J.A.C. 5:30-4 and 5;

4. That, pursuant to the Local Budget Law:

i. All estimates of revenue are reasonable, accurate and correctly stated;

ii. Items of appropriation are properly set forth; and

iii. By itemization, form, arrangement, and content, the budget will permit the exercise of the comptroller function within the municipality;

5. That the budget and associated amendments have been introduced, publicly advertised, and adopted in accordance with the relevant provisions of the Local Budget Law, except that failure to meet the deadlines of N.J.S.A. 40A:4-5 shall not prevent such certification; and

6. That all other applicable statutory requirements have been fulfilled.

(b) If the chief financial officer and governing body find that the budget meets the requirements of (a) above, they shall execute the local examination certificate. The chief financial officer shall execute the local examination certificate by signature. The governing body shall execute the certification by passage of a resolution by a not less than a majority of the full membership of the governing body. No locally examined budget shall be adopted unless the local examination certificate has been approved by the chief financial officer and governing body.

(c) A local examination certificate signatory who has reason to believe that any part(s) of the budget may not meet all the requirements of local examination may execute a local examination certificate and take exception to any part(s) of the budget. Such exceptions shall be specific and itemized on the form. The form shall be forwarded to the Director immediately upon execution, and the budget shall not be adopted until the Director makes a determination on the exceptions and directs the governing body to act as the Director determines to be appropriate.

(d) Failure of the governing body or the chief financial officer to execute the local examination certification shall result in the Director examining the budget in full. No budget adoption shall be valid unless all procedures of this subchapter have been followed in their entirety.

(e) Upon adoption of the budget, the municipal clerk shall include the local examination certification with the adopted budget sent to the Director pursuant to N.J.S.A. 40A:4-10.

(f) The local examination certificate shall be subject to acceptance by the Director. Acceptance shall be signified by the Director certifying the amount to be raised by taxation to the county board of taxation.

5:30-7.7 Revocation of qualification

(a) The Director may revoke qualification for local examination and assume responsibility for examination if:

1. After notice by the Director, the governing body fails to introduce or adopt the budget on a timely basis;
2. The municipality applies for a budget cap waiver pursuant to N.J.S.A. 40A:4-45.3(ee); or
3. If the introduced budget or subsequent amendments include the sale of a property tax levy if permitted by statute in the previous year.

SUBCHAPTER 8. FINANCIAL ADMINISTRATION

5:30-8.1 Mechanical and data processing accounting

(a) In any instance where a local unit is planning any mechanical, punch card or E.D.P. installation or utilizing the services of an Electronic Data Processing Center, it shall before entering into any agreement or contract submit a detailed resume of the program, the type thereof, the results to be obtained, the personnel required and the savings in operations (a complete brochure).

(b) Effective December 1, 1964, the Division will indicate its disapproval thereof if there are any unworkable features such as a failure to have at all times a complete, visible statement of a taxpayer's account, or information needed for tax searches, or conventional visible forms for other financial activities capable of being checked by approved auditing standards either in detail or by adequate "test check". (L.F.B. regulation)

Repealed by R.1979 d.16, effective January 17, 1979.
See: 10 N.J.R. 529(a), 11 N.J.R. 59(a).

Text on uniform systems of accounting repealed.
Recodified by R.1990 d.383, effective August 6, 1990.
See: 22 N.J.R. 706(b), 22 N.J.R. 2276(b).

Text on mechanical and data processing accounting recodified from 8.6.

5:30-8.2 (Reserved)

R.1977 d.81, eff. March 10, 1977.

See: 9 N.J.R. 165(a).

Repealed by R.1979 d.16, effective January 17, 1979.

See: 10 N.J.R. 529(a), 11 N.J.R. 59(a).

Text on rules and regulations repealed.

Recodified by R.1990 d.383, effective August 6, 1990.

See: 22 N.J.R. 706(b), 22 N.J.R. 2276(b).

Text on unbudgeted school aid refunds recodified from 8.9.

Repealed by R.1992 d.426, effective October 19, 1992.

See: 24 N.J.R. 2766(a), 24 N.J.R. 3723(c).

Text on unbudgeted school aid refunds per P.L. 1977 c.15 repealed.

5:30-8.3 Minimum surety bond coverage for tax collectors

(a) The Local Finance Board has further considered the provisions of N.J.S.A. 54:4-122.5 and has determined that the minimum surety bond coverage for tax collections should be made applicable to the collector of utility rentals and charges.

(b) The Local Finance Board promulgated the following requirements:

1. The minimum requirement for the surety bond of each tax collector (or the collector's office) shall be such percentage of the preceding year's tax duplicate as is required by the schedule set forth in paragraph 3 of this subsection.
2. The minimum requirement for the surety bond of each collector of utility rents shall be such percentage of the preceding year's utility charges as is required by the schedule set forth in paragraph 3 of this subsection.

3. Tax Levy or Utility Charges Minimum Bond Required

Up to \$100,000	25% of the Levy
\$100,000 to \$250,000	\$25,000 + 8% of all over \$100,000
\$250,000 to \$500,000	\$37,000 + 6% of all over \$250,000
\$500,000 to \$750,000	\$52,000 + 4% of all over \$500,000
\$750,000 to \$1,000,000	\$62,000 + 2% of all over \$750,000
\$1,000,000 to \$2,000,000	\$67,000 + 1% of all over \$1,000,000
\$2,000,000 to \$5,000,000	\$77,000 + ½% of all over \$2,000,000
\$5,000,000 and upwards	\$92,000 + ¼% of all over \$5,000,000

4. That in fixing such minimum bond the nearest even \$1,000 shall be used.

5. When the collector of taxes and the collector of utility charges is the same person the minimum surety bond coverage shall be computed separately. The required amounts shall be combined in a single surety bond.

6. That the minimum coverage arrived at by use of the foregoing schedule shall be an overall minimum amount where there is more than one person in the office. The several persons handling funds should be bonded in accordance with their responsibility.

7. The Board hereby directs that the Director of Local Finance notify every municipality that each and every collector, collector's office and utility collector or utility collector's office be bonded in accordance with the aforementioned minimum amounts.

8. That in any case where a municipality desires to substitute for the foregoing method any other method which it deems satisfactory and which complies with the provisions of the existing statutes, such substituted procedure, shall, if approved by the Local Finance Board, be deemed to comply with the regulations of the Board.

Repealed by R.1979 d.16, effective January 17, 1979.
See: 10 N.J.R. 529(a), 11 N.J.R. 59(a).
Text on books and forms repealed.
New Rule R.1990 d.383, effective August 6, 1990.
See: 22 N.J.R. 706(b), 22 N.J.R. 2276(b).

5:30-8.4 Minimum surety bond requirements for municipal courts

(a) The Local Finance Board reviewed the present minimum surety bond requirements for the municipal courts. The minimum surety bond requirements shall be in accordance with the following schedule:

Total Annual Receipts	Minimum Bond Required
\$1 to \$5,000	\$2,000
\$5,000 to \$10,000	\$2,000 + 30% of all over \$5,000
\$10,000 to \$20,000	\$3,500 + 25% of all over \$10,000
\$20,000 to \$50,000	\$6,000 + 15% of all over \$20,000
\$50,000 to \$100,000	\$10,500 + 12% of all over \$50,000
\$100,000 to \$200,000	\$16,500 + 8% of all over \$100,000
\$200,000 to \$500,000	\$24,500 + 5% of all over \$200,000
\$500,000 to \$1,000,000	\$39,500 + 2% of all over \$500,000
\$1,000,000 and up	\$49,500 + 1% of all over \$1,000,000

(b) The Magistrate as well as the Clerk of the Court, and all other proper officers, shall be bonded in such amount as may be deemed appropriate and adequate under the circumstances, the amount, including all assistants, to be not less than the minimum referred to in subsection (a) of this section, and in every case where the minimum requirement applies, based on the volume of annual transactions, the Magistrate and the Clerk of the Court shall be bonded in the amount of not less than \$1,000.00 each.

(c) In those cases where the minimum requirement, based on the volume of business of the Court, calls for an amount in excess of \$2,000.00, it may be appropriate to bond the Magistrate or the Clerk, as the case may be, in an amount which shall be above the \$1,000.00 minimum required by statute to the nearest \$500.00 above said minimum.

(d) The municipal governing body and the Municipal Judge may allocate the amount of the coverage as between the Magistrate, the Clerk of the Court and other employees, in accordance with the financial responsibility of each officer with due regard to the \$1,000.00 minimum for each individual.

(e) There shall be a recomputation as to the minimum bond requirement annually and if the bond presently in force is less than the minimum required by the above schedule, the bond shall be increased.

(f) In all cases, however, a new bond shall be obtained at least every three years, coinciding with the term of office of the Magistrate.

Repealed by R.1979 d.16, effective January 17, 1979.
See: 10 N.J.R. 529(a), 11 N.J.R. 59(a).
Text on installation of systems repealed.
New Rule R.1990 d.383, effective August 6, 1990.
See: 22 N.J.R. 706(b), 22 N.J.R. 2276(b).

5:30-8.5 Guidelines concerning receipt and custody of public funds

(a) No officer of a local unit shall accept in receipt of the payment of any tax, license, fee or other charge, a check in excess of the amount actually due.

(b) Under no circumstances shall said officer engage in the practice of cashing checks with public funds.

(c) The Director of the Division of Local Government Services shall provide copies of this resolution to all fiscal units together with such explanatory information as he may deem appropriate, and he is hereby directed to take such steps as are necessary to implement this resolution.

Repealed by R.1979 d.16, effective January 17, 1979.
See: 10 N.J.R. 529(a), 11 N.J.R. 59(a).
Text on instruction and consultation repealed.
New Rule R.1990 d.383, effective August 6, 1990.
See: 22 N.J.R. 706(b), 22 N.J.R. 2276(b).

5:30-8.6 Signatures on checks drawn upon the treasury of the local unit

(a) Each municipality by July 1, 1972 and at each subsequent organizational meeting shall designate by resolution the individual or individuals, in accordance with N.J.S.A. 40A:5-17b, in addition to the signature of the treasurer, or if there is no treasurer, such other person who is the custodian of funds of the municipality, whose signature or signatures shall appear on checks drawn upon the treasury of the municipality.

(b) Each county board of freeholders at its annual first organizational meeting shall designate such county officer(s), in addition to the county treasurer, or if there is no treasurer, such other person who is custodian of funds of the county, whose signature or signatures shall appear on checks drawn upon the treasury of the county.

(c) Pursuant to N.J.S.A. 40A:5-19, a different signature practice may be established by ordinance in the case of a municipality and by resolution in the case of a county, for checks for wages and salaries.

(d) The Director of the Division of Local Government Services shall provide copies of the resolution to all affected local units together with such explanatory information as he may deem appropriate, and he is hereby directed to take such steps as are necessary to implement this resolution.

Recodified by R.1990 d.383, effective August 6, 1990.
See: 22 N.J.R. 706(b).

Text on mechanical and data processing accounting recodified to 8.1.
New Rule R.1990 d.383, effective August 6, 1990.
See: 22 N.J.R. 706(b), 22 N.J.R. 2276(b).

5:30-8.7 Type I school bonds

(a) The provisions of N.J.S.A. 18:10-15 and N.J.S.A. 18:10-29, 52 to 59 are intended to provide a method of preventing defaults in the payment of certain school bonds; and it is apparent that it will be necessary to secure information from the municipality in the case of a Type I school bond or interest which may go into default.

(b) It is the duty and responsibility of the municipal treasurer to advise the Division of Local Government Services and the Department of Education in any case where there might be a prospective default in the payment of principal or interest of any school bonds falling due from this date (1958).

Repealed by R.1990 d.383, effective August 6, 1990.
See: 22 N.J.R. 706(b), 22 N.J.R. 2276(b).

Text on tax bill receipting machine repealed.
New Rule R.1990 d.383, effective August 6, 1990.
See: 22 N.J.R. 706(b), 22 N.J.R. 2276(b).

5:30-8.8 Implementation of the Housing and Community Development Act of 1974

(a) The dedicated revenues from the Housing and Community Development Act of 1974 and appropriated for the purpose to which the revenue is dedicated will be made a part of the budget of the local unit as a dedication by rider under the provisions of N.J.S.A. 40A:4-39.

(b) The local unit shall establish a separate bank account entitled "community development block grant" which shall be part of a separate trust fund.

(c) All operating expenditures must conform to each contract.

(d) Expenditures for capital purposes shall follow the process of adoption of an ordinance authorizing such capital expenditures.

(e) All the provisions of the Local Public Contracts Law (N.J.S.A. 40A:11) and the Local Lands and Buildings Law (N.J.S.A. 40A:12) shall be complied with.

Repealed by R.1990 d.383, effective August 6, 1990.
See: 22 N.J.R. 706(b), 22 N.J.R. 2276(b).
Text on tax collector's course repealed.
New Rule R.1990 d.383, effective August 6, 1990.
See: 22 N.J.R. 706(b), 22 N.J.R. 2276(b).

5:30-8.9 Implementation of the Housing and Community Development Act of 1974; urban counties

(a) The governing body of each participating municipality shall adopt an ordinance to enter into an agreement with their respective county as prescribed by the Division of Local Government Services for compliance with the Interlocal Services Act.

(b) There may be established an interfund loan should the participating municipality expect to expend funds prior to receipt of Housing and Community Development Act of 1974 funds from the county.

(c) The dedicated revenues from the Housing and Community Development Act of 1974 and appropriated for the purpose to which the revenue is dedicated will be made a part of the budget of the local unit as a dedication by rider under the provisions of N.J.S.A. 40A:4-39.

(d) The local unit shall establish a separate bank account entitled "community development block grant" which shall be part of a separate trust fund.

(e) All operating expenditures must conform to each contract. Any expenditures not included in contract with the county shall be considered an overexpenditure and a violation of N.J.S.A. 40A:4-57.

(f) Expenditures for capital purposes shall follow the process of adoption of an ordinance authorizing such capital expenditures.

(g) All the provisions of the Local Public Contracts Law, N.J.S.A. 40A:11, and the Local Lands and Building Law, N.J.S.A. 40A:12, shall be complied with.

Recodified by R.1990 d.383, effective August 6, 1990.
See: 22 N.J.R. 706(b), 22 N.J.R. 2276(b).

Text on unbudgeted school aid refunds recodified to 8.2.
New Rule R.1990 d.383, effective August 6, 1990.
See: 22 N.J.R. 706(b), 22 N.J.R. 2276(b).

5:30-8.10 Acceptance of third party financial organization payments

When authorized through bona fide "bank-by-phone" systems, local units are permitted to accept check based payments made by banks or other financial organizations on behalf of individual persons when authorized by such persons and when such transactions provide payor information.

New Rule, R.1997 d.147, effective March 17, 1997.
See: 29 N.J.R. 4(a), 29 N.J.R. 872(a).

5:30-9.8 Individual electronic receipts

(a) Local units may permit electronic receipts generated by individuals, generically known as "bank-by-phone," where

an individual authorizes a bank or other processor organization to process a payment transaction to the local unit on the individual's behalf.



(b) The record of the transaction provided by the local unit's depository bank must provide payor identification and date of transaction.

5:30-9.9 Surcharges or convenience fees

(a) When permitted to be charged by the processor, local units may charge a percentage of the transaction or a flat fee to offset the costs of electronic receipt transactions. Such fees shall not exceed the cost of handling and processing the transaction to the local unit.

(b) Such fees shall be authorized by ordinance or resolution, as appropriate to the local unit and form of government and in accordance with procedures established by the local unit for setting other local unit fees.

(c) Any surcharge or convenience fee shall be itemized separately on the invoice, charge slip, or receipt, and shall be disclosed to the payor at the time the transaction occurs.

(d) Local units subject to the provisions of the Local Budget Law, N.J.S.A. 40A:4-1 et seq., assessing such surcharges or convenience fees shall establish a dedicated trust fund account entitled "Electronic Receipt Fees" pursuant to N.J.S.A. 40A:4-39, through which such fees shall be deposited and expended. Local units subject to the provisions of the Local Authority Fiscal Control Law, N.J.S.A. 40A:5A-1 et seq., shall utilize the procedures of that law for handling these transactions.

5:30-9.10 Payment of electronic receipt fees

(a) Service charges or fees charged to the local unit for electronic receipt transactions shall be paid in one of the following ways:

1. Charged against a suitable appropriation in the local unit's annual budget. The appropriation may be a sub-account of an Other Expense line item.

2. Transactions that include fees that are offset by surcharges or convenience fees collected pursuant to N.J.A.C. 5:30-9.9 which shall be paid through a trust funds transaction pursuant to N.J.A.C. 5:30-9.9(d).

3. When included in a contract, as a cost charged against the local unit's banking service compensating balance account.

(b) Local units are authorized to permit a processor to routinely debit the bank account to which deposits are made, or other agreed upon account, in payment of fees and service charges for electronic receipt transactions. When such transfers are made, the processor shall provide a written statement itemizing the charges. The local unit's chief financial officer or designee shall complete and attach it to a voucher, and certify that the payment was correct and was paid. Statements shall be provided anytime prior to, or within 48 hours after the execution of the debit.

5:30-9.11 Interpretations of the rules

At the request of a local unit, the Director shall provide interpretations of this subchapter to address unanticipated circumstances or new technologies.

SUBCHAPTER 10. MUNICIPAL PORT AUTHORITIES

5:30-10.1 Annual budgets of municipal port authorities

(a) Every municipal port authority shall submit its annual budget to the Local Finance Board at least 45 days prior to the date upon which such budget is scheduled for final adoption for approval by the Local Finance Board.

(b) In reviewing and approving each such budget, the Local Finance Board shall consider whether:

1. All estimates of revenue contained in such budget are reasonable, accurate and fairly stated;
2. The items of appropriation contained in such budget are properly set forth;
3. The budget, in itemization, form, arrangement and content will permit the exercise of the comptroller function within the authority; and
4. The operating income anticipated in such budget will, together with all other anticipated revenues:
 - i. Produce sufficient revenues to satisfy all obligations to the bondholders of the authority;
 - ii. Meet operating expenses, capital outlays and debt service requirements; and
 - iii. Provide for necessary reserves, all as may be required by law, regulations or terms of contracts and agreements.

(c) The Local Finance Board may require that a municipal port authority provide it with whatever information and documentation it may deem necessary in connection with its review.

(d) If the Local Finance Board finds that the foregoing conditions have been satisfied, it shall approve the budget; otherwise, it may determinè either to disapprove it or to require amendments thereto. In consideration whether or not to approve the budget, the Local Finance Board shall not substitute its discretion with respect to an amount of an appropriation when the amount is not made mandatory by law or regulation.

(e) In the event the Local Finance Board shall disapprove the proposed budget, the Board shall notify the authority and shall give the authority and any other interested parties an opportunity to be heard.

5:30-10.2 Approval of municipal port authorities obligations; municipal guarantees of authority bonds; financing agreements; and leases, sales or dispositions of real property

(a) No authority shall adopt any final resolution authorizing:

1. The issuance of bonds, notes, mortgages or other obligations;
2. The entry into any agreement providing for a municipal guarantee of authority bonds;
3. The entry into any financing agreement; or
4. The entry into any agreement for the leasing, sale or disposition of real property unless and until it shall have obtained the approval of the Local Finance Board to do so.

(b) Prior to the adoption of any such proposed resolution, the authority shall submit the proposed resolution to the Local Finance Board for review and approval.

(c) The Local Finance Board may, by resolution adopted within a reasonable time, approve or disapprove any such resolution proposed by the authority, or may require changes in the proposed resolution.

(d) The Local Finance Board shall, in the course of its review, give consideration to:

1. The nature, purpose and scope of the proposed project financing or of the lease, sale or disposition of real property;
2. The engineering and feasibility studies or appraisals prepared in connection therewith;
3. The terms and provisions of the proposed agreements for the lease, sale or disposition of real property, financing agreements, security agreements and, in the instance of a negotiated offering, the proposed or maximum conditions of sale;
4. The proposed or maximum schedule of debt service payments required and the impact thereof on the budget and financial condition of the authority and of the local unit or units which created the authority;
5. The estimate of the annual cost of operating and maintaining the project as set forth in the engineering report and feasibility studies; and the initial rate, rent, fee or change schedule or structure proposed by the authority, or other proposed method of raising the amounts required to finance the operations of the authority, pay debt service on its obligations and maintain reserves required by law, regulation or term of contracts and agreements. The Local Finance Board may examine the estimates, computations or calculations made in connection with this submission, may require the submission of any papers, documents, appraisals, witnesses, information, audits or investigations and may take any action which it may determine advisable in connection with this project.

(e) If after such review and consideration, the Local Finance Board determines that the project cost has been accurately determined, that the method for funding the project and the proposed financing arrangements are reasonable and feasible, that the proposed arrangements would not impose an undue financial burden on the authority, the local unit or the residents of the local unit which created the authority and would not materially impair the credit of the authority of the local unit or substantially reduce their ability to pay punctually the principal and interest on their outstanding indebtedness and supply essential public services and improvements; and in the case of a lease, sale or disposition of real property, that the terms of the lease, sale or disposition are fair and reasonable in light of current market conditions, it shall approve the resolution proposed by the port authority.

(f) The Local Finance Board may waive the provisions of (d) and (e) above when the proposed financing agreement, guarantee agreement or debt authorization does not exceed \$50,000 or when the proposed agreement for the leasing, sale or disposition of real property does not exceed an annual rental or total sale proceeds of \$15,000.

(g) At any time within 12 months after approval of the Local Finance Board, the authority may adopt the resolution so approved and, after adoption, shall immediately transmit a copy to the Local Finance Board. Failure of any authority to act within 12 months after approval by the Local Finance Board will void the resolution adopted by the Local Finance Board.

SUBCHAPTER 11. (RESERVED)

Subchapter Historical Note

Subchapter 11, School Bonds, was effective April 13, 1970 as R.1970 d.40. See: 1 N.J.R. 17(d), 2 N.J.R. 39(a). N.J.A.C. 5:30-11.1 through 11.7 were repealed by R.1979 d.16, effective January 17, 1979. N.J.A.C. 5:30-11.8 was repealed by R.1990 d.383, effective August 6, 1990. See: 22 N.J.R. 706(b), 22 N.J.R. 2276(b).

See section annotations following for specific subjects.

5:30-11.1 Bonds in excess of statutory limitations

Repealed by R.1979 d.16, effective January 17, 1979.
See: 10 N.J.R. 529(a), 11 N.J.R. 59(a).

Text on bonds in excess of statutory limitations repealed.

5:30-11.2 Submission for consideration

Repealed by R.1979 d.16, effective January 17, 1979.
See: 10 N.J.R. 529(a), 11 N.J.R. 59(a).

Text on submission for consideration repealed.

5:30-11.3 Approval or disapproval by Commissioner

Repealed by R.1979 d.16, effective January 17, 1979.
See: 10 N.J.R. 529(a), 11 N.J.R. 59(a).

Text on approval or disapproval by Commissioner repealed.

5:30-11.4 Approval or disapproval by Local Finance Board

Repealed by R.1979 d.16, effective January 17, 1979.
See: 10 N.J.R. 529(a), 11 N.J.R. 59(a).
Text on approval or disapproval by Local Finance Board repealed.

5:30-11.5 Change of maturities; application to Local Finance Board

Repealed by R.1979 d.16, effective January 17, 1979.
See: 10 N.J.R. 529(a), 11 N.J.R. 59(a).
Text on change of maturities; application to Local Finance Board repealed.

5:30-11.6 Change of maturities; approval or disapproval by Local Finance Board

Repealed by R.1979 d.16, effective January 17, 1979.
See: 10 N.J.R. 529(a), 11 N.J.R. 59(a).
Text on change of maturities; approval or disapproval by Local Finance Board repealed.

5:30-11.7 Issuance of bonds in accordance with maturities approved by Local Finance Board

Repealed by R.1979 d.16, effective January 17, 1979.
See: 10 N.J.R. 529(a), 11 N.J.R. 59(a).

Text on issuance of bonds in accordance with maturities approved by Local Finance Board repealed.

5:30-11.8 Type I school bonds

Repealed by R.1990 d.383, effective August 6, 1990.
See: 22 N.J.R. 706(b), 22 N.J.R. 2276(b).
Text on Type I school bonds repealed.

SUBCHAPTER 12. FEDERAL GRANTS FOR LIBRARY CONSTRUCTION AND STATE LIBRARY AID

5:30-12.1 General provisions

The following procedures are hereby promulgated covering the accounting procedures to be used by local units in accounting for Federal grants under the Federal Library Services and Construction Act and State Library Aid per N.J.S.A. 18A-74.

5:30-12.2 Procedure

(a) An appropriation for the full amount of construction costs must be made in the usual manner by either ordinance or budget appropriation.

(b) The Federal grant may be used as an anticipated revenue to partially finance such appropriations.

(c) It is emphasized that only the governing body can adopt either the ordinance or the budget.

5:30-12.3 Federal grants for library services

(a) When a Federal grant for extended library services is received by the municipal treasurer it should be credit to "Reserve for Library Services with Federal Aid." (The 1966 and subsequent years' municipal budget forms will include "State or Federal Aid for Maintenance of Libraries" in the "Dedication by Rider—N.J.S.A. 40A:4-39".)

1. If budget appropriations and other moneys are customarily turned over in full to the treasurer of the board of trustees as provided in N.J.S.A. 40:54-13, the municipal treasurer should promptly draw his check on the "Reserve" account and turn the funds over to the library board.

2. If budget appropriations are customarily retained in the custody of the municipal treasurer and disbursed by him after approval by the board of trustees of the free public library, the municipal treasurer should credit the money received from the Federal grant to the aforementioned "Reserve" account and expend such moneys in the same manner as other funds are expended by the library board.

5:30-12.4 State library aid

(a) Effective January 1, 1966, the present method of budgeting and accounting for this money will be completely revised as follows:

1. The "Dedication by Rider—N.J.S.A. 40A:4-39" in the 1966 and subsequent years' municipal budget forms will include "State or Federal Aid for maintenance of libraries".

2. The item of anticipated revenue for "State Library Aid—N.J.S.A. 18:24A" together with the required, applicable appropriation will be eliminated from the 1966 and subsequent years' budget documents.

3. All municipal treasurers are instructed to credit all moneys received after January 1, 1966, for "State Library Aid—N.J.S.A. 18:24A" to a special reserve in the current fund entitled (depending upon which title is applicable in his municipality): "Reserve for maintenance of free public library with State aid" or "Reserve for aid to privately owned library or reading room with State aid".

(b) If budget appropriations are customarily turned over in full to the board of trustees of the free public library or the privately owned library, the municipal treasurer should promptly draw his check on the "Reserve" account and turn over the funds to such library.

(c) If budget appropriations are customarily retained in the custody of the municipal treasurer and disbursed by him after approval by the board of trustees of the free public library or for the aid of a privately owned library, the municipal treasurer should retain the funds in the proper "reserve" account and should expend such moneys in the same manner as other funds are expended by or for the library.

(d) All appropriations for "expense of participation in free county library" are always expended directly by the municipality for the purpose of aiding and improving the service rendered within the municipality by the free county library. State library aid for this purpose, therefore, should always be credited by the municipal treasurer to "reserve for expense of participation in free county library with State aid" and expenditures should be made in the same manner as other expenditures are made for this purpose in those municipalities where this is applicable.

(e) Unexpended balances of 1965 appropriations "with State aid" for any of the purposes cited in subsection (a)3 of this Section should be transferred at December 31, 1965, to the proper "reserve" in an amount up to, but not exceeding, the actual amount of State aid received in 1965.

SUBCHAPTER 13. (RESERVED)

Subchapter Historical Note

Subchapter 13, Forms, was effective April 13, 1970 as R.1970 d.40. See: 1 N.J.R. 17(d), 2 N.J.R. 39(a). N.J.A.C. 5:30-13.1 through 13.5

were repealed by R.1990 d.383, effective August 6, 1990. See: 22 N.J.R. 706(b), 22 N.J.R. 2276(b). See section annotations following for specific subjects.

5:30-13.1 General provisions

Repealed by R.1990 d.383, effective August 6, 1990.
See: 22 N.J.R. 706(b), 22 N.J.R. 2276(b).

5:30-13.2 Form of resolution requesting change in priorities of State and Local Fiscal Assistance Act of 1972 entitlement period allotment(s)

Repealed by R.1990 d.383, effective August 6, 1990.
See: 22 N.J.R. 706(b), 22 N.J.R. 2276(b).

5:30-13.3 Tax sale certificate for unpaid municipal liens

R.1975 d.107, eff. April 24, 1975 (Exempt, Procedure Rule.)
See: 7 N.J.R. 201(a).
Repealed by R.1990 d.383, effective August 6, 1990.
See: 22 N.J.R. 706(b), 22 N.J.R. 2276(b).

5:30-13.4 Certificate of sale for unpaid municipal liens; form

R.1979 d.40, eff. February 2, 1979.
See: 11 N.J.R. 7(a), 11 N.J.R. 117(e).
Repealed by R.1990 d.383, effective August 6, 1990.
See: 22 N.J.R. 706(b), 22 N.J.R. 2276(b).

5:30-13.5 Certificate of search for municipal liens; form

R.1979 d.41, eff. February 2, 1979.
See: 11 N.J.R. 7(b), 11 N.J.R. 117(f).
Repealed by R.1990 d.383, effective August 6, 1990.
See: 22 N.J.R. 706(b), 22 N.J.R. 2276(b).

SUBCHAPTER 14. (RESERVED)

Subchapter Historical Note

Subchapter 14, Local Public Contracts, became effective May 20, 1977 as R.1977 d.128. See: 8 N.J.R. 371(c), 9 N.J.R. 212(a). Subchapter 14, Local Public Contracts, was repealed by R.1990 d.595, effective December 3, 1990. See: 22 N.J.R. 724(a), 22 N.J.R. 3629(a).

SUBCHAPTER 15. (RESERVED)

Subchapter Historical Note

Subchapter 15, Appropriation Caps, was effective April 13, 1970, as R.1970 d.40. See: 1 N.J.R. 17(d), 2 N.J.R. 39(a). N.J.A.C. 5:30-15.1 through 15.2 were repealed by R.1990 d.383, effective August 6, 1990. See: 22 N.J.R. 706(b), 22 N.J.R. 2276(b). See section annotations following for specific subjects.

5:30-15.1 Procedures for municipalities to exceed appropriation caps via referendum

R.1976 d.384, effective January 1, 1977.
See: 8 N.J.R. 10(a).

Repealed by R.1990 d.383, effective August 6, 1990.
See: 22 N.J.R. 706(b), 22 N.J.R. 2276(b).

5:30-15.2 Procedure and form of emergency ordinance under N.J.S.A. 40A:4-45.3(c)

R.1978 d.211, eff. June 22, 1978.
See: 10 N.J.R. 317(b).
Repealed by R.1990 d.383, effective August 6, 1990.
See: 22 N.J.R. 706(b), 22 N.J.R. 2276(b).

SUBCHAPTER 16. (RESERVED)

Subchapter Historical Note

Subchapter 16, Tenants Property Tax Rebate Program, was effective July 8, 1977 as R.1977 d.241. See: 9 N.J.R. 257(c), 9 N.J.R. 357(b). See section annotations following for specific rulemaking.

5:30-16.1 Background of program

Repealed by R.1990 d.383, effective August 6, 1990.
See: 22 N.J.R. 706(b), 22 N.J.R. 2276(b).
Text added as new at N.J.A.C. 5:33-3.1.

5:30-16.2 Definitions

Repealed by R.1990 d.383, effective August 6, 1990.
See: 22 N.J.R. 706(b), 22 N.J.R. 2276(b).
Text added as new at N.J.A.C. 5:33-3.2.

5:30-16.3 Responsibility of municipal tax collector

Repealed by R.1990 d.383, effective August 6, 1990.
See: 22 N.J.R. 706(b), 22 N.J.R. 2276(b).
Text added as new at N.J.A.C. 5:33-3.3.

5:30-16.4 Rebate or credit distribution process

Repealed by R.1990 d.383, effective August 6, 1990.
See: 22 N.J.R. 706(b), 22 N.J.R. 2276(b).
Text added as new at N.J.A.C. 5:33-3.4.

5:30-16.5 Applicability of property tax reduction

Repealed by R.1990 d.383, effective August 6, 1990.
See: 22 N.J.R. 706(b), 22 N.J.R. 2276(b).
Text added as new at N.J.A.C. 5:33-3.5.

5:30-16.6 Responsibility of property owner

Repealed by R.1990 d.383, effective August 6, 1990.
See: 22 N.J.R. 706(b), 22 N.J.R. 2276(b).
Text added as new at N.J.A.C. 5:33-3.6.

5:30-16.7 Tenant rebate or credit

Repealed by R.1990 d.383, effective August 6, 1990.
See: 22 N.J.R. 706(b), 22 N.J.R. 2276(b).
Text added as new at N.J.A.C. 5:33-3.7.

5:30-16.8 Failure to provide rebate or credit

Repealed by R.1990 d.383, effective August 6, 1990.
See: 22 N.J.R. 706(b), 22 N.J.R. 2276(b).

Text added as new at N.J.A.C. 5:33-3.8.

5:30-16.9 Consistency with municipal ordinances

Repealed by R.1990 d.383, effective August 6, 1990.

See: 22 N.J.R. 706(b), 22 N.J.R. 2276(b).

Text added as new at N.J.A.C. 5:33-3.9.

5:30-16.10 Severability

Repealed by R.1990 d.383, effective August 6, 1990.

See: 22 N.J.R. 706(b), 22 N.J.R. 2276(b).

Text added as new at N.J.A.C. 5:33-3.10.

5:30-16.11 Expiration of Tenants Property Tax Rebate Act

Amended by R.1978 d.233, eff. July 17, 1978.

See: 10 N.J.R. 318(a).

Repealed by R.1990 d.383, effective August 6, 1990.

See: 22 N.J.R. 706(b), 22 N.J.R. 2276(b).

SUBCHAPTER 17. (RESERVED)**Subchapter Historical Note**

Subchapter 17, Cooperative Pricing and Joint Purchasing Systems, was recodified to N.J.A.C. 5:34-7 by R.1990 d.595. See: 22 N.J.R. 724(a), 22 N.J.R. 3639(a).

APPENDIX (RESERVED)

R.1978 d.233, effective July 17, 1978.

See: 10 N.J.R. 318(a).

Repealed by R.1990 d.383, effective August 6, 1990.

See: 22 N.J.R. 706(b), 22 N.J.R. 2276(b).

Text added as new at N.J.A.C. 5:33-3.11.