

**ASSEMBLY CONCURRENT
RESOLUTION No. 196**

**STATE OF NEW JERSEY
211th LEGISLATURE**

INTRODUCED OCTOBER 18, 2004

Sponsored by:

Assemblyman GUY R. GREGG

District 24 (Sussex, Hunterdon and Morris)

Assemblyman UPENDRA J. CHIVUKULA

District 17 (Middlesex and Somerset)

Assemblyman LOUIS MANZO

District 31 (Hudson)

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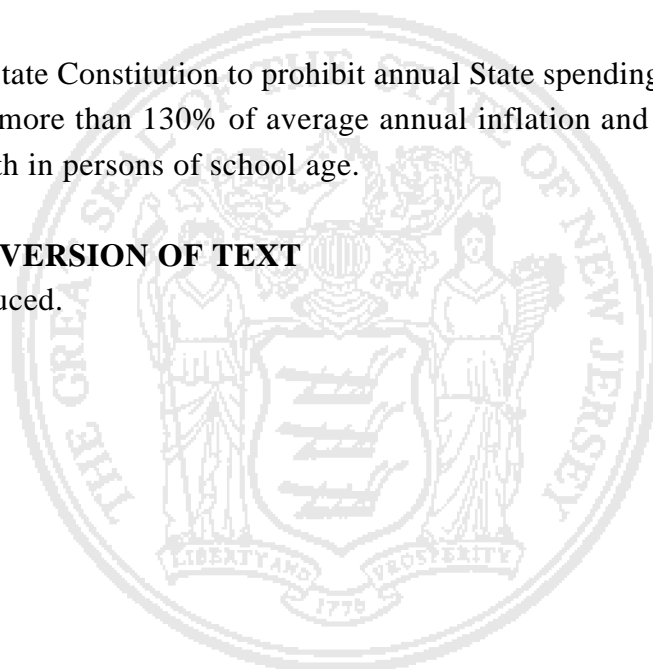
Assemblywoman McHose and Assemblyman Steele

SYNOPSIS

Amends State Constitution to prohibit annual State spending from growing annually by more than 130% of average annual inflation and the percentage annual growth in persons of school age.

CURRENT VERSION OF TEXT

As introduced.



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

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

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

10
11 **PROPOSED AMENDMENTS**

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

14 2. a. No money shall be drawn from the State treasury but for
15 appropriations made by law. All moneys for the support of the State
16 government and for all other State purposes as far as can be
17 ascertained or reasonably foreseen, shall be provided for in one general
18 appropriation law covering one and the same fiscal year; except that
19 when a change in the fiscal year is made, necessary provision may be
20 made to effect the transition. No **[general]** annual appropriation law
21 or other law appropriating money for any State purpose shall be
22 enacted if the **[appropriation]** appropriations contained therein,
23 together with all prior appropriations made for the same fiscal period,
24 shall exceed the total amount of revenue on hand and anticipated
25 which will be available to meet such appropriations during such fiscal
26 period, as certified by the Governor.

27 b. In each State fiscal year commencing after approval of the
28 amendment adding subparagraphs b. through f. of this paragraph, no
29 annual appropriation law or supplemental appropriation law or other
30 law appropriating money for any State purpose for the same fiscal year
31 shall be enacted if the appropriation or appropriations contained
32 therein, together with all prior appropriations made for the same fiscal
33 year, exclusive of:

34 (1) appropriations of State aid for local school districts,
35 municipalities, and counties, and

36 (2) appropriations to pay the interest and principal due on, or to
37 pay for the call or redemption of, State debt authorized by a majority
38 of the legally qualified voters of this State pursuant to the provisions
39 of paragraph 3 of Section II of Article VIII of this Constitution or due
40 on refinancing bonds issued pursuant thereto,
41 shall exceed the State core spending limit for the State fiscal year.

42 c. The State core spending limit for the first fiscal year
43 commencing after approval of the amendment adding subparagraphs

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

Matter underlined thus is new matter.

1 b. through f. of this paragraph shall equal actual State core spending
2 in the prior fiscal year multiplied by the State's formula growth factor,
3 plus any limit increase approved by voters pursuant to the provisions
4 of subparagraph d. of this paragraph.

5 The State core spending limit for subsequent fiscal years shall equal
6 the State core spending limit in the prior fiscal year, or 103% of
7 budgeted State spending in the prior fiscal year, whichever is less,
8 multiplied by the State's formula growth factor, plus any limit increase
9 approved by voters pursuant to the provisions of subparagraph d. of
10 this paragraph.

11 The State's formula growth factor for a fiscal year shall equal the
12 greater of 1.035 or the sum of:

13 (1) 1.0, plus

14 (2) if positive, 130 percent of average annual inflation over the
15 immediately preceding two years, where, as used in this paragraph,
16 "annual inflation" means the annual percentage increase, rounded to
17 the nearest half-percent, in a federally published national measure of
18 inflation, as shall be established by law, plus

19 (3) if any, the average annual increase in the State's annual school
20 age population over the immediately preceding two years, expressed
21 as a percentage.

22 d. The State core spending limit for a State fiscal year may be
23 increased by such amount as may be prescribed by law as may be
24 enacted from time to time, but no such law shall take effect unless and
25 until it shall have been submitted to the people as a public question at
26 a special Statewide election and is approved by the majority of the
27 voters of the State voting thereon, which election shall be held within
28 the three month period before the beginning of the State fiscal year for
29 which voter approval of such law is sought. This Statewide special
30 election shall be held as soon as possible following the final action of
31 the Governor or the Legislature, as appropriate. The text of any such
32 question shall be published at least once in one or more newspapers of
33 each county, if any newspapers be published therein, at least 60 days
34 before the election at which it is to be submitted to the people, and the
35 results of the vote upon a question shall be void unless the text thereof
36 shall have been so published.

37 e. Appropriations in a fiscal year that are subject to the State core
38 spending limit shall only exceed the State core spending limit in the
39 case of an emergency, and shall only be enacted by the passage by the
40 Legislature of a bill making such an appropriation by the affirmative
41 vote of two-thirds of the authorized membership of each house of the
42 Legislature, notwithstanding the provisions of Article IV, Section IV,
43 paragraph 6 of this constitution to the contrary.

44 f. No item of appropriation enacted for the purposes described in
45 (1) and (2) of subparagraph b. of this paragraph shall be transferred to
46 an item of appropriation that is not also excluded from the core State

1 spending limit for the State fiscal year.
2 (cf: Art. VIII, Section II, par. 2, January 1, 1948)

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

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

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

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

19 If you favor the proposition printed below make a cross (X), plus
20 (+), or check (T) in the square opposite the word "Yes." If you are
21 opposed thereto make a cross (X), plus (+) or check (T) in the square
22 opposite the word "No."

23 b. In every municipality the following question:

1		ESTABLISHES STATE GOVERNMENT
2		SPENDING LIMIT
3		Do you approve the amendment to the New
4		Jersey Constitution that establishes a State
5		government annual spending limit that
6		provides that State appropriations for a fiscal
7		year, excluding State appropriations of State
8		aid for school districts, municipalities and
9		counties and for debt service due on, or to
10		pay for the call or redemption of, voter-
11		approved State bonds or their refinancing
12		bonds, shall not exceed an annual State core
13		spending limit equal to the State core
14		spending limit in the prior fiscal year, or
15		103% of budgeted State spending in the prior
16		fiscal year, whichever is less, multiplied by
17		the State's formula growth factor, where the
18		State's formula growth factor for a fiscal year
19		shall equal the greater of 1.035 or the sum of:
20	YES	(1) 1.0, plus (2) 130 percent of average
21		annual inflation over the immediately
22		preceding two years, expressed as a
23		percentage, plus (3) the average annual
24		increase in the annual school age population
25		of residents of the State over the immediately
26		preceding two years, expressed as a
27		percentage, which annual core spending limit
28		shall only be increased by an amount of
29		appropriations as may be approved by the
30		State's voters at a Statewide budget election
31		preceding the fiscal year by not more than
32		three months, or which annual core spending
33		limit may be exceeded in the case of an
34		emergency by the enactment of a bill making
35		such an appropriation by the affirmative vote
36		of two-thirds of the authorized membership
37		of each house of the Legislature?

1		INTERPRETIVE STATEMENT
2		This constitutional amendment, by placing
3		annual limits on State "core spending,"
4		defined as all State spending exclusive of
5		appropriations to pay for State aid to
6		counties, municipalities and school districts
7		and to pay for debt service on, or to pay for
8		the call or redemption of, voter-approved
9		State bonds, will allow for increases in the
10		State funding available to provide property
11		tax-reducing aid to counties, municipalities
12		and school districts. Mechanically, it does
13		this by creating an annual State core spending
14		limit which grows by the State's average
15		annual percentage growth in school age
16	NO	population during the preceding two years
17		plus 130% of the average inflation rate during
18		the preceding two years, or, if it is greater, by
19		3.5%. This limits annual per capita State
20		core spending growth to 1.3 times the rate of
21		inflation. The State's annual core spending
22		limit may only be increased if approved by a
23		majority of the State's voters at a special
24		election to be conducted during the three
25		months before the start of the State budget
26		period. Without such approval, State core
27		spending above the core spending limit for a
28		budget period may occur only on an
29		emergency basis if approved by a two-thirds
30		vote of each House of the Legislature.

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SCHEDULE

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STATEMENT

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This constitutional amendment, by placing annual limits on State "core spending," defined as all State spending exclusive of appropriations to pay for State aid to counties, municipalities and school districts and to pay for debt service on, or to pay for the call or

1 redemption of, voter-approved State bonds, will allow for increases in
2 the State funding available to provide property tax-reducing aid to
3 counties, municipalities and school districts. Mechanically, it does this
4 by creating an annual State core spending limit which grows by the
5 State's average annual percentage growth in school age population
6 during the preceding two years plus 130% of the average inflation rate
7 during the preceding two years, or, if it is greater, by 3.5%. This
8 limits annual per capita State core spending growth to 1.3 times the
9 rate of inflation. The State's annual core spending limit may only be
10 increased if approved by a majority of the State's voters at a special
11 election to be conducted during the three months before the start of
12 the State budget period. Without such approval, State core spending
13 above the core spending limit for a budget period may occur only on
14 an emergency basis if approved by a two-thirds vote of each House of
15 the Legislature.