

## CHAPTER 260

AN ACT concerning municipal free public library funding, amending R.S.40:54-8 and P.L.1959, c.155, and supplementing chapter 54 of Title 40 of the Revised Statutes.

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

1. R.S.40:54-8 is amended to read as follows:

Library tax.

40:54-8. a. Within every municipality governed by this article there shall annually be raised by taxation a sum equal to one-third of a mill, unless a higher rate is approved by the voters pursuant to subsection b. of this section, on every dollar of assessable property within such municipality based on the equalized valuation of such property as certified by the Director of the Division of Taxation in the Department of the Treasury in accordance with the provisions of R.S.54:4-49. The amount to be raised by taxation for a free public library pursuant to this subsection shall be assessed, levied, and collected in the same manner and at the same time as other municipal purposes taxes are assessed, levied, and collected therein and shall be paid from the disbursing officer to the treasurer of the free public library on a quarterly basis.

b. (1) The governing body of a municipality may by resolution submit to the voters of the municipality, at a general election, a proposition to change the rate of the tax required to annually be raised pursuant to subsection a. of this section, as deemed appropriate for the proper maintenance of a free public library; provided, however, that the rate in the proposition shall not be lower than one-third of a mill. Upon approval of the proposition by a majority of the votes cast by the voters of the municipality, the governing body of the municipality shall implement it in the manner set forth in subsection a. of this section. If the majority of votes cast are against the proposition, the existing rate of the tax to annually be raised for a free public library shall remain unchanged.

(2) Upon petition to the governing body of a municipality signed by qualified voters of the municipality equal in number to at least 15 percent of the votes cast therein at the last preceding general election, filed with the clerk of the municipality at least 90 days before a general election, the governing body shall submit to the voters of the municipality, at the general election, a proposition otherwise authorized pursuant to paragraph (1) of this subsection.

(3) A proposition under this subsection shall not be submitted to the voters of a municipality more than once in any three-year election period.

(4) An additional sum raised by taxation for a free public library required by a proposition approved pursuant to this subsection shall, for the first tax year in which the proposition is implemented, be exempt from the limitation set forth in section 5 of P.L.1985, c.541 (C.40:54-8.1), and shall not be considered excess funds as set forth in R.S.40:54-15.

(5) If a proposition is approved pursuant to this subsection, the information required to be printed upon the property tax bill pursuant to R.S.54:4-65 shall be adjusted accordingly and shall be reflected on a single line of the property tax bill.

(6) A proposition approved pursuant to this subsection establishing a tax rate higher than one-third of a mill shall expire after 10 tax years or after the tax year in which a new proposition establishing a different tax rate is approved, whichever occurs first. The tax rate shall revert to one-third of a mill upon the expiration of a higher tax rate.

c. Following enactment of P.L.2011, c.38, the Director of the Division of Local Government Services in the Department of Community Affairs shall decrease the

municipality's adjusted tax levy pursuant to subsection d. of section 11 of P.L.2007, c.62 (C.40A:4-45.46) by the amount raised by taxation for a free public library pursuant to this section, so that there is no net impact on the amount of the adjusted tax levy available to the municipality for non-library purposes pursuant to section 9 of P.L.2007, c.62 (C.40A:4-45.44).

d. Such additional sum, as in the judgment of the municipal governing body or appropriate board of the municipality, is necessary for the proper maintenance of a free public library, may be appropriated in the municipal budget from the general purposes municipal tax levy.

2. Section 1 of P.L.1959, c.155 (C.40:54-29.3) is amended to read as follows:

C.40:54-29.3 Joint free public libraries.

1. a. (1) Any two or more municipalities may unite in the support, maintenance and control of a joint free public library for the use and benefit of the residents of such municipalities.

(2) Every library established under this chapter shall be considered a free public library as defined under R.S.40:54-1 et seq. and shall have the same benefits, powers, duties and responsibilities granted to free public libraries and their governing boards of trustees.

b. The combined minimum appropriation for the joint free public library annually shall be not less than one-third of a mill on every dollar of assessable property within the participating municipalities based upon the equalized valuation of such property within the combined municipalities as certified by the Director of the Division of Taxation in the Department of the Treasury in accordance with the provisions of R.S.54:4-49.

3. Section 7 of P.L.1959, c.155 (C.40:54-29.9) is amended to read as follows:

C.40:54-29.9 Procedure for amendment of joint library agreement.

7. a. The joint library agreement may be amended by agreement among the parties thereto but such amendments shall not become effective until approved in each of the participating municipalities by ordinance, which ordinances may incorporate such amendments by reference.

b. (1) The governing body of each municipality shall, by resolution, submit to the voters of the municipality, at a general election, a proposition to change the rate of the tax required to annually be raised to support the joint free public library agreement and, pursuant to section 15 of P.L.1959, c.155 (C.40:54-29.17), as deemed appropriate for the proper maintenance of a joint free public library; provided, however, that the rate in the proposition shall not be lower than one-third of a mill on every dollar of assessable property within the participating municipalities based upon the equalized valuation of such property within the combined municipalities as certified by the Director of the Division of Taxation in the Department of the Treasury in accordance with the provisions of R.S.54:4-49. Upon approval of the proposition by a majority of the votes cast by the voters of the municipality, the governing body of the municipality shall implement it in the manner set forth in section 15 of P.L.1959, c.155 (C.40:54-29.17).

(2) Upon petition to the governing body of a municipality signed by qualified voters of the municipality equal in number to at least 15 percent of the votes cast therein at the last preceding general election, filed with the clerk of the municipality at least 90 days before a general election, the governing body shall submit to the voters of the municipality, at the

general election, a proposition otherwise authorized pursuant to paragraph (1) of this subsection.

(3) A proposition under this subsection shall not be submitted to the voters of a municipality more than once in any three-year election period.

(4) An additional sum raised by taxation for a joint free public library required by a proposition approved pursuant to this subsection shall be exempt from the limitation set forth in section 5 of P.L.1985, c.541 (C.40:54-8.1) for the first tax year in which the proposition is implemented and shall not be considered excess funds as set forth in R.S.40:54-15.

(5) If a proposition is approved pursuant to this subsection changing the rate of tax required to annually be raised to support the joint free public library agreement, the information required to be printed upon the property tax bill pursuant to R.S.54:4-65 shall be adjusted accordingly and shall be reflected on a single line of the property tax bill.

(6) Whenever one municipality in a joint free public library system changes the rate of its dedicated joint free public library tax rate, any of the participating municipalities in that joint free public library system may demand that the joint free public library agreement be amended or renegotiated.

(7) A proposition approved pursuant to this subsection establishing a tax rate higher than one-third of a mill shall expire after 10 tax years or after the tax year in which a new proposition establishing a different tax rate is approved, whichever occurs first. The tax rate shall revert to one-third of a mill upon the expiration of a higher tax rate.

c. Following the effective date of P.L.2011, c.38 (March 21, 2011), the Director of the Division of Local Government Services in the Department of Community Affairs shall decrease the municipality's adjusted tax levy pursuant to subsection d. of section 11 of P.L.2007, c.62 (C.40A:4-45.46) by the amount raised by taxation for a joint free public library pursuant to this section so that there is no net impact on the amount of the adjusted tax levy available to the municipality for non-library purposes pursuant to section 9 of P.L.2007, c.62 (C.40A:4-45.44).

d. Such additional sum, as in the judgment of the municipal governing body or appropriate board of the municipality, is necessary for the proper maintenance of a joint free public library, may be appropriated in the municipal budget from the general purposes municipal tax levy.

#### C.40:54-8.2 Preparation of ballots.

4. a. The officer charged with the duty of preparing the ballots for an election in which a proposition is to be submitted to the voters pursuant to subsection b. of R.S.40:54-8 or pursuant to subsection b. of section 7 of P.L.1959, c.155 (C.40:54-29.9) shall cause the proposition to be printed on the official ballots for such election in substantially the following form, as applicable.

(1) If the proposition is to increase the rate of the tax to annually be raised for the support of a free public library established pursuant to R.S.40:54-1 et seq.:

“Shall the rate of the tax annually levied for the support of the free public library in ..... (name of municipality) be increased from ..... cents per \$100 of assessed equalized value of real property to ..... cents per \$100 of assessed equalized value of real property?”

(2) If the proposition is to reduce the rate of the tax to annually be raised for the support of a free public library established pursuant to R.S.40:54-1 et seq.:

“Shall the rate of the tax annually levied for the support of the free public library in ..... (name of municipality) be reduced from ..... cents per \$100 of assessed

equalized value of real property to ..... cents per \$100 of assessed equalized value of real property?”

b. The officer charged with the duty of preparing the ballots for an election in which a proposition is to be submitted to the voters pursuant to subsection b. of R.S.40:54-8 shall also cause an accompanying explanatory statement to be printed on the official ballots for such election, which statement shall include the following, as applicable:

(1) The minimum amount required to annually be raised by taxation for the support of the free public library pursuant to subsection a. of R.S.40:54-8;

(2) The current amount annually raised by taxation for the support of the free public library if above the minimum amount required to annually be raised by taxation pursuant to subsection a. of R.S.40:54-8;

(3) The proposed change in the amount to annually be raised by taxation for the support of the free public library;

(4) The effect of the proposed change on the property taxes of a residential property assessed at the average assessed value of residential properties in the municipality; and

(5) The length of time that a higher tax rate will be in effect, if applicable.

5. This act shall take effect immediately.

Approved January 8, 2018.