

**LFN 2011-2R**

**January 12, 2011**

# Local Finance Notice

**Chris Christie**  
Governor

**Kim Guadagno**  
Lt. Governor

**Lori Grifa**  
Commissioner

**Thomas H. Neff**  
Director

**Contact Information**

**Director's Office**

V. 609.292.6613  
F. 609.292.9073

**Local Government Research**

V. 609.292.6110  
F. 609.292.9073

**Financial Regulation and Assistance**

V. 609.292.4806  
F. 609.984.7388

**Local Finance Board**

V. 609.292.0479  
F. 609.633.6243

**Local Management Services**

V. 609.292.7842  
F. 609.633.6243

**Authority Regulation**

V. 609.984.0132  
F. 609.984.7388

**Mail and Delivery**

101 South Broad St.  
PO Box 803  
Trenton, New Jersey  
08625-0803

Web: [www.nj.gov/dca/dlgs](http://www.nj.gov/dca/dlgs)  
E-mail: [dlgs@dca.state.nj.us](mailto:dlgs@dca.state.nj.us)

**Distribution**

Municipal and Freeholder Clerks  
Municipal and County Chief Financial Officers

**CY 2011 Budget Deadline Extensions and Changes<sup>^</sup>**

The Director of the Division of Local Government Services is requesting the Local Finance Board to approve modification of several statutory budget deadlines in order to accommodate the February 22, 2011 presentation of the Governor's budget and the process for conducting CY 2011 budget levy cap referendums under the 2010 Levy Cap Law. This is anticipated to take place at the Board's January 14, 2011 meeting (January 12 meeting postponed due to snow). A GovConnect email will be sent after the meeting to confirm the changes.

As in the past, the changes modify the statutory dates for introduction, adoption, and Mayor/Council Faulkner Act and related budget transmissions. The changes also extend the date for holding a budget cap referendum (a Local Finance Notices will be issued containing details on the referendum process) and sets dates for actions related to referenda. The proposed changes are shown below:

| Introduction and Adoption of Budget – Non Referendum                         | Statutory Date | Revised Date* |
|--|----------------|---------------|
| Mayor/Council Faulkner Act (Executive) budget transmission to governing body | 1/15           | 2/25          |
| Municipal introduction and approval of budget                                | 2/10           | 3/11          |
| County introduction and approval of budget                                   | 1/26           | 2/25          |
| Municipal adoption   | 3/20           | 4/22          |
| County adoption  | 2/25           | 3/25          |

\* Or the next regularly scheduled governing body meeting where formal action may be taken.

| Budget Dates when an Appropriation or Levy Cap Referendum is Planned   | Statutory Date | Revised Date |
|--|----------------|--------------|
| Mayor/Council Faulkner Act (Executive) budget transmission to governing body   | 1/15           | 2/25         |
| Last day to publish "Notice of Availability of Mail-In Ballots" required to hold a referendum (N.J.S.A. 19:63-6)*  | n/a            | 3/7          |
| Introduction and approval of budget <b>and</b> deadline to submit levy cap referendum question, including amount and explanatory statement to County Clerk | 2/4            | 4/7          |
| Last date for budget publication prior to referendum   | 2/11           | 4/15         |
| Referendum date  | 2/23           | 4/27         |
| Adoption with cap referendum   | n/a            | 5/13         |

\* This Notice is the first step that authorizes a levy cap referendum and **must** be published, even if the governing body eventually decides to not hold the referendum. A resolution authorizing the Notice must be passed in sufficient time in advance of March 7 to take into account the time it takes to have the notice published in an official newspaper.

<sup>^</sup>This Notice was revised on March 4, 2011 as 2011-2R to reflect changes made in Notice 2011-10.

Notwithstanding the revised dates, a budget may be adopted anytime within 10 days of receiving the Director's certification of approval of the budget.

Follow-up Local Finance Notices to be issued shortly will describe the 2010 Cap Law as it affects CY 2011 budgets and provide an overview of the referendum process and review CY 2011 Budget issues and the impact of Transitional Aid applications on budget schedules.

The Division recognizes that despite the revised deadline, some municipalities and counties may be unable to meet the introduction or adoption deadlines. The Division will be diligently monitoring budget status and will issue orders requiring introduction for those local units that become delinquent. It is clear that prompt and timely budget adoption is an effective management tool and delayed budget adoption limits management flexibility. **Deadlines related to referendums are absolute and exceeding them will negate holding a referendum.**

Governing bodies may by resolution adopted by February 28, 2011, increase temporary budget appropriations to provide for the period between February 25 for counties, or March 20 for municipalities, and the extended adoption date of the 2011 budget. If additional appropriations are needed prior to the adoption of the budget, the local unit may adopt emergency temporary appropriations pursuant to N.J.S.A. 40A:4-20.

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Thomas H. Neff, Director