

LOCAL FINANCE NOTICE

JAMES E. MCGREEVEY
GOVERNOR

SUSAN BASS LEVIN
COMMISSIONER

MATTHEW U. WATKINS
DIRECTOR

Snow Emergency – February 2003

On February 16, 2003, Governor James E. McGreevey signed [Executive Order #48](#) (EO #48) declaring a state of emergency for the snowstorm from February 16 through February 18, 2003.

For municipalities and counties subject to the Cap Law, expenditures resulting from a state of emergency must be treated as a cap exception pursuant to N.J.S.A. 40A: 4-45.3bb and N.J.S.A. 40A: 4-45.4q respectively. The statutes permit a cap exception for:

"Any expenditure mandated as a result of a natural disaster, civil disturbance or other emergency that is specifically authorized pursuant to a declaration of an emergency by the President of the United States or by the Governor."

Expenditures include, but are not limited to, government employee overtime, rental of emergency equipment, materials, supplies and other related expenses to handle the response to and cleanup of the storm.

This is the only storm in 2003 that has been declared an emergency by Governor McGreevey. No other snow removal related expenditures qualify for the exemption under the statute.

Municipalities that previously created a Snow Removal Reserve (N.J.S.A. 40A:4-62.1) may use those funds for any purpose related to snow or ice removal after the current year budget appropriation for that purpose has been expended.

Municipalities and counties may use the emergency temporary appropriations provision of N.J.S.A. 40A: 4-20 to provide appropriations directly associated with the state of emergency. You must adhere to normal rules regarding emergencies. A resolution approved by 2/3 vote of the full membership of the governing body and a certification of the Chief Financial Officer that the resolution covers expenses incurred during the emergency response to the storm must be filed. Emergency resolutions that exceed the 3% limit require approval of the Director. In all cases, the Flexible Chart of Accounts codes should correspond with the applicable appropriation.

Please follow the instructions that are appropriate to your municipality or county.

1. CY and SFY 2003 Municipalities and Counties: BUDGET NOT INTRODUCED

Include detailed appropriations on sheet 20 under "Operations Excluded from 'CAPS'" under the heading:

"Snow Emergency EO #48: N.J.S.A. (insert citation)"
Use 40A: 4-45.3bb for municipalities or 4-45.4q for counties

The Chief Financial Officer must certify that the appropriations excluded from the cap were made pursuant to N.J.S.A. 40A: 4-45.3bb or 4-45.4q.

Director's Office
(609) 292-6613

Local Government
Research
(609) 292-6110

Financial Regulation
and Assistance
(609) 292-4806

Local Finance
Board
(609) 292-0479

Local Management
Services
(609) 292-7842

Authority Regulation
(609) 984-0132

Fax
(609) 984-7388

101 South Broad Street

P.O. Box 803
www.nj.gov/dca/lgs

Trenton, New Jersey 08625-0803

2. CY and SFY 2003 Municipalities and Counties: BUDGET INTRODUCED, NOT ADOPTED

The 2003 budget must be amended before the scheduled date of adoption, to include detailed appropriations on sheet 20 under "Operations Excluded from 'CAPS'" under the heading:

"Snow Emergency EO #48: N.J.S.A. (*insert citation*)"
Use 40A: 4-45.3bb for municipalities or 4-45.4q for counties

Budget amendments must be submitted to the Division prior to the adoption of your budget.

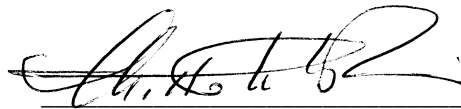
The Chief Financial Officer must certify that the appropriations excluded from the cap were made pursuant to N.J.S.A. 40A: 4-45.3bb or 4-45.4q.

3. SFY 2003 Municipalities: BUDGET ADOPTED

If the FY 2003 budget has been adopted, the budget exception does not provide any advantage.

If, however, the municipality finds it necessary to adopt an emergency resolution pursuant to N.J.S.A. 40A: 4-46 to pay for the costs associated with this storm, the deferred charge in your 2004 budget must be excluded from the CAP pursuant to the same exception, N.J.S.A. 40A: 4-45.3bb

If you have any questions concerning these practices, contact the Bureau of Financial Regulation and Assistance at 609-292-4806 or by e-mail at dlgs@dca.state.nj.us.



Matthew U. Watkins, Director
Division of Local Government Services

Distribution: Chief Financial Officers and Municipal Clerks via GovConnect. Clerks to distribute to Mayor and Governing Body