



LFN 2017-6

March 3, 2017

Local Finance Notice

Chris Christie
Governor

Kim Guadagno
Lt. Governor

Charles A. Richman
Commissioner

Timothy J. Cunningham
Director

Contact Information

Director's Office

V. 609.292.6613

F. 609.633.6243

Legislative and Regulatory Affairs

V. 609.292.6110

F. 609.633.6243

Financial Regulation and Assistance

V. 609.292.4806

F. 609.984.7388

Local Finance Board

V. 609.292.0479

F. 609.633.6243

Mail and Delivery

101 South Broad St.

PO Box 803

Trenton, New Jersey

08625-0803

Web:

www.nj.gov/dca/divisions/dlgs

E-mail: dlgs@dca.nj.gov

Municipal Budget Appropriations for Volunteer Fire Companies and Fire Districts

Effective August 2015, Section 27 of [P.L. 2015, c.95](#) amended [N.J.S.A. 40A:14-34](#) to increase the amount of funds that a municipality can annually appropriate for use by its volunteer fire companies or boards of fire commissioners to \$150,000. The Director is required to adjust this amount for inflation every two years in accordance with the Cost-of-Living Adjustment promulgated for the 1977 cap law ([N.J.S.A. 40A:4-45.1a](#)). Effective for CY2017/SFY2018 and CY2018/SFY2019 municipal budgets, a COLA adjustment of **one-half percent (.5%)** has been applied to adjust the annual maximum contribution to **\$150,750**.

In any municipality where there are more than three volunteer fire companies or fire districts, the governing body may appropriate an additional \$50,000 annually for each additional volunteer company or fire district; no less than 50% of which must be utilized by each company or district for the purchase of fire equipment, materials and supplies.

On top of these sums, the municipality may appropriate additional funds for the purchase of fire equipment, supplies and materials for use by a volunteer fire company or fire district; however, the municipality must control and disburse the funds as well as hold the title to the equipment purchased.

Approved: Timothy J. Cunningham, Director

Distribution
Municipal CFOs
Municipal Clerks
Fire District Officials
Auditors