

EXECUTIVE ORDER NO. 4

WHEREAS, the New Jersey State Government has for many years imposed an ever-increasing number of legal requirements on local governments, without regard to the costs such requirements impose on already-strained local budgets, and without providing additional funding to enable local governments to comply; and

WHEREAS, the New Jersey State Government has imposed such unfunded mandates in order to improperly transfer responsibility for providing certain services to local governments, in an effort to meet the State's balanced budget requirement; and

WHEREAS, New Jersey's local governments derive much of their funding from property taxation; and

WHEREAS, New Jersey's property taxes have increased disproportionately, and are now the highest in the Nation; and

WHEREAS, the current recession and ongoing economic crisis have had a negative impact on real estate values in New Jersey, yet most property taxes continue to be assessed based on a previously-inflated real estate market, thus compounding the tax burden borne by New Jersey residents; and

WHEREAS, such unfunded mandates are generally prohibited by the New Jersey State Constitution and statute (N.J. Const. Art. VIII, § II, ¶ 5 and N.J. Stat. 52:13H-1 *et seq.*); and

WHEREAS, the Council on Local Mandates lacks the legal authority to review and take action on regulations that have not yet taken effect; and

WHEREAS, the Governor has the duty under the New Jersey Constitution to take care that the laws concerning unfunded mandates be faithfully executed;

WHEREAS, responsible government dictates that the budgetary impact of any proposed regulation or rule be reviewed and evaluated in advance of adoption to determine the potential costs to, and administrative burdens on, local governments, including any anticipated effects on the level of local taxation;

NOW, THEREFORE, I, CHRIS CHRISTIE, Governor of the State of New Jersey, by virtue of the authority vested in me by the Constitution and by the Statutes in this State, do hereby, ORDER AND DIRECT all agencies, boards, commissions, departments and authorities over which the Governor has the power to veto minutes (collectively "State agencies") to implement and adhere to the following Common Sense Principles:

1. No State agency shall recommend, propose, publish or submit any regulation containing an unfunded mandate, as defined under New Jersey law (N.J. Stat. 52:13H-2), unless expressly authorized in writing by the Governor or the Lieutenant Governor.

2. Before recommending, proposing, publishing or submitting a regulation containing any mandate on local government, a State agency shall prepare a detailed written report analyzing and evaluating the fiscal impact of such mandate on local government, quantifying the mandate's estimated cost to local government, comparing the costs to the benefits, and identifying sources of revenue to offset any such costs. The State agency shall also solicit information regarding the proposed mandate from potentially affected local governments, businesses, residents, and public stakeholders. The report shall summarize the information and opinions received, and

indicate whether the agency revised the proposed mandate in response.

3. The report shall be submitted to the Lieutenant Governor and shall be made publicly available. Within thirty (30) days of receiving the report, the Lieutenant Governor, or her designee, shall communicate in writing to the State agency whether the proposed regulation would constitute an unfunded mandate under New Jersey law, and, if so, make recommendations for changes that would bring the proposal into compliance with the law. If the Lieutenant Governor deems the report insufficient to render a decision, she may request, and the State agency shall timely provide, additional information or analysis. The Lieutenant Governor may also request additional information or analysis from local government or from other interested persons.

4. If the proposed regulation is necessary to respond to emergent circumstances that threaten the public health, safety or welfare, the responsible agency head may suspend the reporting requirement, by written notice to the Lieutenant Governor. However, as soon as practicable after the emergency has been addressed, the Lieutenant Governor shall reinstate the reporting requirement by giving written notice to the responsible agency head, providing a specific deadline for the agency to comply.

5. This Order is not intended to, and does not, confer any legal rights upon local government or other persons or entities regulated by any agency of the New Jersey State Government, and it shall not be used as a basis for legal challenges to statutes, regulations, or other actions or to any inaction of any governmental entity subject to it.



6. This Order shall take effect immediately.

GIVEN, under my hand and seal this  
20th day of January,  
Two Thousand and Ten, and  
of the Independence of the  
United States, the Two  
Hundred and Thirty-Fourth.

[seal]

/s/ Chris Christie

Governor

Attest:

/s/ Jeffrey S. Chiesa

Chief Counsel to the Governor