

January 26, 2016

Re: Local Finance Notice on Storm Response

Dear Mayor:

The Division of Local Government Services has recently issued [Local Finance Notice 2016-02](#) regarding storm response – financing, procurement and property tax matters in response to this past weekend's storm.

Since the Governor signed [Executive Order 202](#) declaring a State of Emergency, funds appropriated and expended for emergency responses are treated as levy cap exclusions upon submission and review of certification to the Division of Local Government Services. N.J.A.C. 5:30-3.9 permits levy cap exemptions for only “extraordinary cost[s]” incurred for the immediate preparation, response, recovery, and restoration of public services. Only the portion of costs that exceed the cost of providing services under non-emergency conditions may be granted as levy cap exclusions.

Depending upon the status of your municipal budget, you have the following options available:

- Municipalities that have **not introduced or adopted** their budgets may use the emergency temporary appropriations provisions of N.J.S.A. 40A:4-20 to provide appropriations directly associated with the emergency. Please note that emergency resolutions that exceed the 3% expenditure limit require approval of the Director. However, for this emergency, the Director is granting a blanket approval. **Formal approval of the resolution is not required in order to authorize spending, but you must still submit the appropriate paperwork to the Division.**
- Municipalities that have **introduced, but not yet adopted, their budget** must amend their budget before the scheduled date of adoption. Budget amendments must be submitted to the Division prior to the adoption of your budget.
- Municipalities that **have adopted** their budgets may adopt an [emergency resolution](#), as permitted by N.J.S.A. 40A:4-46, by a 2/3 vote of the full membership of the governing body. The amount of the emergency appropriation shall be fully funded as a deferred charged in next year's budget but will be excluded from the cap levy.

Additionally, State law permits the adoption, at any time, by a 2/3 vote of the full membership of a “special emergency ordinances” to allow a three year funding cycle for the “extraordinary expenses for the repair or reconstruction of streets, roads or bridges damaged by snow, ice, frost or flooding.” This option requires the approval of the Local Finance Board.

As a reminder, [P.L. 2015, c. 203](#) permits a governing body to pass a resolution establishing a grace period, or extending its existing grace period, for property tax payments to the first day of the next calendar month from the date upon which it became payable. If the municipality adopts a resolution extending the grace period, the Municipal Clerk must e-mail a copy of the resolution

to the Division. The Director may, by temporary order, extend the dates for payment of taxes by a municipality due to a county, school or other taxing district. Please note that the Director has not issued such an order at this time. The Division strongly recommends that any municipality considering such a resolution consult with their county, school district and other taxing districts before doing so.

If you have any questions or need additional information please do not hesitate to contact Lori Buckelew at lbuckelew@njslom.com or 609-695-3481 x112.

Sincerely,

Michael J. Darcy CAE
Executive Director