SENATE BILL NO. 1248
(Second Reprint)

To the Senate:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Senate Bill No. 1248 (Second Reprint) with my recommendations for reconsideration.

This legislation provides that every municipality, county, and local authority shall annually prepare and submit a report outlining any lawsuits to which it was a party in the preceding year, and in which it expects to spend more than $50,000 in legal fees or settlement costs, exclusive of those lawsuits which are covered or defended by a liability insurer. The report would need to be prepared by each local unit and local authority and submitted to the Director of the Division of Local Government Services in the Department of Community Affairs before its budget could be approved pursuant to the "Local Budget Law," N.J.S.A. 40A:4-1 et seq., or the "Local Authorities Fiscal Control Law," N.J.S.A. 40A:5A-1 et seq.

The sponsors’ efforts to increase transparency in the local budgeting process are laudable and should be commended. However, I am concerned that the immediate implementation of this legislation will cause wide-scale disruption of the budgeting processes currently underway. Numerous calendar year counties, municipalities, and local authorities are currently preparing and finalizing their budgets for this current year. This legislation would delay the approval of each of those budgets until those entities have completed the report required by this legislation.

Therefore, I am returning this legislation with my recommendation that its application be delayed until the next full fiscal year for any entities that will be required to
prepare a report under its terms. My recommendations also make several technical changes that will allow the Division of Local Government Services in the Department of Community Affairs to streamline implementation of this legislation.

Accordingly, I herewith return Senate Bill No. 1248 (Second Reprint) and recommend that it be amended as follows:

Page 2, Section 1, Line 13: After “report shall” insert “be in a format approved by the director and shall”

Page 2, Section 1, Line 34: Delete “A summary of the local unit’s liability insurance plan, indicating” and insert “An indication”

Page 2, Section 1, Lines 37-40: Delete “transmit a copy of each report to the Commissioner of Community Affairs, who shall render each report to the Governor and the Legislature pursuant to section 3 of P.L. 1966, c. 293 (C.52:27D-3)” and insert “make a copy of each report available on the division’s website for a period of at least one year”

Page 3, Section 2, Line 6: After “report shall” insert “be in a format approved by the director and shall”

Page 3, Section 2, Line 27: Delete “A summary of the authority’s liability insurance plan, indicating” and insert “An indication”

Page 3, Section 2, Lines 30-33: Delete “transmit a copy of each report to the Commissioner of Community Affairs, who shall render each report to the Governor and the Legislature pursuant to section 3 of P.L. 1966, c. 293 (C.52:27D-3)” and insert “make a copy of each report available on the division’s website for a period of at least one year”

Page 3, Section 2, Lines 35-37: Delete “previous January 1 to December 31 for any authority operating under a calendar fiscal year or the previous July 1 to June 30 for any authority operating under a State fiscal year” and insert “twelve month period preceding the
Page 3, Section 3, Line 39:

After “effect immediately” insert “, but shall not apply to any local unit or local authority until that entity’s first full fiscal year next following enactment”

Respectfully,

/s/ Chris Christie
Governor

[seal]

Attest:

/s/ Jeffrey S. Chiesa
Chief Counsel to the Governor