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Masser, Michelle

From: Kevin S. Watsey <Kevin.Watsey@amwater.com>
Sent: Tuesday, January 12, 2016 10:10 AM
Subject: New Law Saves Towns Time and Money

Mayors, Clerks, and Managers/Administrators,

Yesterday, Governor Christie signed S1940/A2893 (linked below) into law. This law exempts boards of education and local government payments to entities under BPU jurisdiction from certain certification requirements. In short, the new law means that towns no longer need to go through the voucher process in order to pay their regulated utility bills (Electric, Gas, Water etc.). Going forward, you may now pay your regulated utility bills when they are received.

This bill was supported by the NJ Conference of Mayors, League of Municipalities, School Boards Association of NJ, NJ Association of Counties, and the Municipal Clerks Association. The New Jersey Utilities Association will be working with those organizations to spread the word about this exciting change in the law.

Please let me know if you have any questions

http://www.njleg.state.nj.us/2014/Bills/S2000/1940_R2.PDF

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[Second Reprint]

SENATE, No. 1940

STATE OF NEW JERSEY

216th LEGISLATURE

INTRODUCED APRIL 28, 2014

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District 24 (Morris, Sussex and Warren)

Senator JEFF VAN DREW

District 1 (Atlantic, Cape May and Cumberland)

Assemblyman JOHN J. BURZICHELLI

District 3 (Cumberland, Gloucester and Salem)

Assemblyman PARKER SPACE

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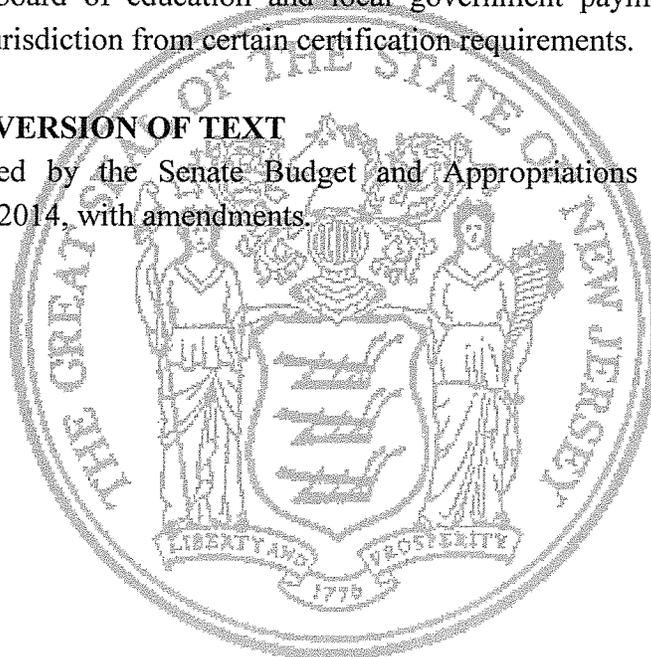
Assemblyman Coughlin and Assemblywoman Phoebus

SYNOPSIS

Exempts board of education and local government payments to entities under BPU jurisdiction from certain certification requirements.

CURRENT VERSION OF TEXT

As reported by the Senate Budget and Appropriations Committee on December 8, 2014, with amendments.



1 AN ACT concerning certain bill payment certification to boards of
2 education and local government bodies and amending
3 ¹**[N.J.S.18A:19-4 and N.J.S.40A:5-16]** various parts of the New
4 Jersey Statutes and P.L.1982, c.196¹ .
5

6 **BE IT ENACTED** by the Senate and General Assembly of the State
7 of New Jersey:
8

9 ¹1. N.J.S.18A:19-1 is amended to read as follows:

10 18A:19-1. **[The]** Except as provided in subsection b. of
11 N.J.S.18A:19-4, the money or funds of the board of education in the
12 custody of the secretary or treasurer of school moneys shall be
13 expended by the secretary or treasurer of school moneys by, and
14 only by, warrants, each made payable to the order of the person
15 entitled to receive the amount thereof and specifying the object for
16 which **[it]** the warrant is issued, signed by the president and
17 secretary of the board of education and the chief school
18 administrator or by the treasurer of school moneys, as appropriate
19 to the district,

20 (a) After audit of the account or demand to be paid, by the
21 secretary, and after approval by the board of education, or

22 (b) In accordance with payrolls duly certified as provided by
23 this title, or

24 (c) For debt service, or

25 (d) When provided by resolution of the board of education, after
26 audit of the account or demand to be paid, and approval by a person
27 designated by the board of education.¹

28 (cf: P.L.2010, c.39, s.14)
29

30 ¹2. N.J.S.18A:19-2 is amended to read as follows:

31 18A:19-2. **[No]** Except as provided in subsection b. of
32 N.J.S.18A:19-4, a claim or demand against a school district shall
33 not be paid by the secretary or treasurer of school moneys, as
34 appropriate, unless **[it]** the claim or demand is authorized by law
35 and the rules of the board of education of the district, is fully
36 itemized and verified, has been duly audited as required by law, has
37 been presented to, and approved by, the board of education at a
38 meeting thereof, or presented to, and approved by, a person
39 designated by the board of education for that purpose, and the
40 amount required to pay the **[same]** claim or demand is available for
41 **[said]** that purpose.¹

42 (cf: P.L.2010, c.39, s.15)
43

1 5. N.J.S.18A:19-3 is amended to read as follows:

2 18A:19-3. **[All]** Except as provided in subsection b. of
3 N.J.S.18A:19-4, all claims and demands, that equal or exceed
4 **[15%]** 15 percent of the bid threshold amount established pursuant
5 to N.J.S.18A:18A-3, except for payrolls and debt service, shall be
6 verified by affidavit, or by a signed declaration in writing,
7 contained therein or annexed thereto, to the effect that the [same]
8 claims and demands are correct in all particulars, that the articles
9 have been furnished or the services rendered as stated therein, and
10 that no bonus has been given or received on account thereof.²
11 (cf: P.L.2007, c.42, s.3)

12
13 ¹**[1.]** ²**[3.]**¹ 4.² N.J.S.18A:19-4 is amended to read as follows:

14 18A:19-4. a. All claims and demands against the board of
15 education, except [such as] those which are to be paid from funds
16 derived from athletic events or other activities of pupil
17 organizations, shall, unless otherwise provided by resolution of the
18 board of education, be examined, audited, and certified in writing
19 by the secretary and presented by [him] the secretary to the board
20 of education for its approval at a regularly called meeting, and if
21 found to be correct, shall be ordered paid by the board of education,
22 whereupon the secretary and the president of the board of education
23 and the chief school administrator shall issue and sign a warrant in
24 payment therefor. In a district which has a treasurer of school
25 moneys, the secretary thereupon shall forward the warrant to the
26 treasurer of school moneys.

27 b. The provisions of subsection a. of this section shall not
28 apply to payments made by a board of education for the provision
29 of:

30 (1) telecommunications² or basic cable² service provided by a
31 telecommunications² or cable television² company under the
32 jurisdiction of the Board of Public Utilities;

33 (2) electric, gas, water, or sewer utility service provided by a
34 public utility, as that term is defined pursuant to R.S.48:2-13,
35 ²**[and]** that is² regulated by the Board of Public Utilities pursuant
36 to Title 48 of the Revised Statutes; or

37 (3) a service that is provided under a contract between a public
38 utility, as that term is defined pursuant to R.S.48:2-13, and a board
39 of education that is approved by the Board of Public Utilities under
40 which rates for service are controlled by the² [board of education
41 pursuant to the]² terms of the contract.

42 (cf: P.L.2010, c.39, s.16)

43

44 ²**[14.]** ²5.² Section 4 of P.L.1982, c.196 (C.18A:19-4.1) is
45 amended to read as follows:

1 paid pursuant to subsection a. of N.J.S.18A:19-4, and provide for
2 approval of [such] the account or demand by [such] that person or
3 the secretary prior to presentation to the board of education. Any
4 [such] account or demand approval shall be presented to the board
5 of education at their next meeting for ratification. The board of
6 education may establish a maximum dollar amount for which
7 payment may be authorized without prior board of education
8 approval.¹

9 (cf: P.L.1982, c.196, s.4)

10
11 ¹[2.] ²[5.] ¹6.² N.J.S.40A:5-16 is amended to read as follows:
12 40A:5-16. The governing body of any local unit shall not pay
13 out any of its moneys;

14 a. unless the person claiming or receiving [the same] payment
15 [shall] first [present] presents a detailed bill of items or demand,
16 specifying particularly how the bill or demand is made up, with the
17 certification of the party claiming payment that [it] the bill or
18 demand is correct. The governing body may, by resolution, require
19 an affidavit in lieu of the [said] certification, and the clerk or
20 disbursing officer of the local unit may take [such] the affidavit
21 without cost [,]; and

22 b. unless [it] the payment carries a written or electronic
23 certification of some officer or duly designated employee of the
24 local unit having knowledge of the facts that the goods have been
25 received by, or the services rendered to, the local unit.

26 c. Notwithstanding the provisions of subsection a. of this
27 section, upon adoption by the Local Finance Board of rules adopted
28 pursuant to the "Administrative Procedure Act," P.L.1968, c.410
29 (C.52:14B-1 et seq.) that provide for procedures to be followed by
30 local units and under those circumstances deemed appropriate by
31 the [board] Local Finance Board, a local unit shall be permitted to
32 pay out its moneys without requiring a certification of the party
33 claiming payment as otherwise required by subsection a. of this
34 section. [Such] Those circumstances may include, but shall not be
35 limited to:

36 (1) when payment to vendors is required in advance of the
37 delivery of certain materials or services that cannot be obtained
38 from any other source at comparable prices; [or]

39 (2) when ordering, billing, and payment transactions for goods
40 or services are made through a computerized electronic transaction;
41 or

42 (3) when the claim or demand is less than a threshold set by the
43 [board] Local Finance Board and the certification is not readily
44 obtainable by the contracting unit; but [such] the exceptions shall
45 not include reimbursement of employee expenses or payment for

1 a. The provisions of subsection a. of this section shall not
2 apply to payments made by a governing body of a local unit for the
3 provision of:

4 (1) telecommunications² or basic cable² service provided by a
5 telecommunications² or cable television² company under the
6 jurisdiction of the Board of Public Utilities;

7 (2) electric, gas, water, or sewer utility service provided by a
8 public utility, as that term is defined pursuant to R.S.48:2-13, ²that
9 is² regulated by the Board of Public Utilities pursuant to Title 48 of
10 the Revised Statutes; or

11 (3) a service that is provided under a contract between a public
12 utility, as that term is defined pursuant to R.S.48:2-13, and a
13 governing body that is approved by the Board of Public Utilities
14 under which rates for service are controlled by the ²[governing
15 body pursuant to the]² terms of the contract.

16 (cf: P.L.2000, c.126, s.21)

17

18 ¹[2.]²[6.¹] 7.² This act shall take effect immediately, but
19 shall remain inoperative for 60 days following the date of
20 enactment.