

FAQ for the Municipal Library Tax Levy Law (P.L. 2011, c. 38)

1. Why is there a new *Public Library Tax* on my property tax bill?

This is not a new library tax. The statute that sets minimum funding for joint and municipal libraries at one third of a mill has been in place since 1884. Legislation passed in 2010 requires this funding to be presented to taxpayers in a transparent way on your tax bill. Residents in areas served by county libraries have already had their library tax line broken out from their tax bill.

2. How does this legislation affect my taxes?

The new line on your tax bill reflects the minimum funding for the library per New Jersey Statute, N.J.S.A. 40:54-8. When this funding was moved out from the municipal tax levy, each municipality's levy cap was reduced by the same amount, making this change levy cap neutral. **Example:** If the municipality's levy cap is \$10,000,000 and the library's minimum funding is \$500,000, then the municipal cap is reduced by \$500,000 to \$9,500,000.

3. Why is public library funding different from other governmental funding?

Public libraries in New Jersey are established by a referendum of the voters, per N.J.S.A. 40:54-1 et seq. With the referendum, libraries receive a dedicated minimum amount of funding to operate each year. Libraries are not mandated by state government but rather created by the people.

4. How is minimum funding for my public library determined?

The minimum funding statute for joint and municipal libraries (N.J.S.A. 40:54-8) sets the minimum funding rate at 33 cents on each \$1,000 of equalized value of all assessable property in the town. This minimum funding amount is the total of what your local municipality must, at minimum, allocate in its budget, according to the law.

5. If my library is funded above the minimum funding amount, how does that funding appear on my tax bill?

Any funding for your library above the minimum funding level will not be listed separately on your tax bill, but will remain part of the municipal budget. These additional funds are subject to the 2% levy cap.

6. Will the service at my local library change?

This legislation does not change existing financial, operational, personnel, or other relationships between a municipality and its library. Also, this legislation only changes the way the tax bill is presented in towns that support municipal or joint libraries. Residents in municipalities that belong to county libraries already have the library tax broken out on their tax bills.

Additional Resources

North Jersey.com, http://www.northjersey.com/news/opinions/118970909_Libraries_break_out.html

Local Finance Notice, NJ Division of Local Government Services:

<http://www.state.nj.us/dca/lgs/lfns/11lfns/2011-14.doc>