

Local Finance Notice

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Philip D. Murphy
Governor

Tahesha L. Way
Lt. Governor

Jacquelyn A. Suárez
Commissioner

Michael F. Rogers
Director

Contact

Website

www.nj.gov/dca/dlgs

E-mail

dlgs@dca.nj.gov

Phone

609.292.6613

Mail and Delivery

101 South Broad St.

PO Box 803

Trenton, New Jersey

08625-0803

Distribution

Chief Finance Officers
Administrators/Managers
Procurement Officials
School Business Officials
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Fire District Officials
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Storm Response & Recovery: Budget and Procurement Guidance

Governor Murphy has declared a state of emergency via [Executive Order 392](#) in response to the severe storms experienced throughout the State on July 14, 2025. This Local Finance Notice provides guidance to impacted local units on relevant post-storm budget and procurement matters.

Emergency Appropriations (Municipalities and Counties)

N.J.S.A. 40A:4-46 et seq. establishes the process by which municipal and county officials can make unplanned appropriations and expenditures for weather-related emergencies. Such emergency expenses are those related to storm response, recovery, and restoration of services not anticipated in the current year's budget.

Adopted Budgets

When the budget has already been adopted, an emergency appropriation resolution requires approval by a two-thirds (2/3) vote of the full membership of the governing body and a certification of the Chief Financial Officer that the resolution covers expenses incurred during the emergency response. N.J.S.A. 40A:4-46 et seq. A copy of each resolution making such emergency appropriations must be filed with the Director of the Division of Local Government Services via e-mail to DLGS@dca.nj.gov with the heading "Emergency Appropriation Resolution". Emergency resolutions that exceed the three (3%) percent expenditure limit require approval of the Director pursuant to N.J.S.A. 40A:4-49. Please use the [Flexible Chart of Account \(FCOA\)](#) code corresponding with the applicable appropriation.

To the extent emergency appropriations are paying for disaster-related costs that exceed the cost of providing services under non-emergency conditions, the deferred charge to be raised in the following year's budget would be an eligible levy cap exception and municipal appropriations cap exception.

N.J.S.A. 40A:4-54 allows a municipality or county to adopt a resolution authorizing use of the special emergency funding provisions in N.J.S.A. 40A:4-55 to cover extraordinary expenses unforeseen at time of budget adoption for repair and reconstruction of streets, roads, bridges, or other public property damaged by flood (or hurricane).

Municipal Budgets to be Adopted

Municipalities that have not adopted their budgets may utilize the provisions of N.J.S.A. 40A:4-20 to make emergency temporary appropriations directly associated with storm response efforts. The normal requirements regarding emergencies must be followed.

Expenditures resulting from a state of emergency are treated as an exception to the municipal appropriations cap (N.J.S.A. 40A:4-53(bb)) and levy cap (N.J.S.A. 40A:4-45.45(b)). [N.J.A.C. 5:30-3.9](#) sets forth the process and terms under which emergency-related levy cap exceptions are permissible. Levy exceptions are only available for "extraordinary costs" incurred for the immediate preparation, response, recovery, and restoration of public services due to extreme weather conditions or other catastrophic events not anticipated in the current budget year and subject to the terms of a gubernatorial emergency declaration. Only the portion of costs exceeding the cost of providing services under non-emergency conditions may be granted as property tax levy cap exclusions.

Municipal budgets shall include upon introduction, or be amended to include before the scheduled adoption date, detailed appropriations on sheet 20 under "Operations Excluded from 'CAPS'" utilizing the heading:

"Declared State of Emergency Costs for July 2025 Storm Response & Recovery:
N.J.S.A. 40A:4-45.45(b) and 40A:4-45.3(bb)"

The Chief Financial Officer must certify that the excluded appropriations are permitted exclusions pursuant to N.J.S.A. 40A:4-45.45(b) and 40A:4-45.3(bb), respectively.

N.J.S.A. 40A:4-10 requires the Director to approve proposed budget amendments prior to budget adoption. A proposed budget amendment must be uploaded to the Introduced Budget section of the Division's Financial Automation Submission Tracking (FAST) system for review. Budget amendments approved by the Division are to be uploaded into FAST's Adopted Budget section. Do not email pre-adoption budget amendments to the DLGS inbox.

N.J.S.A. 40A:4-55.1 through 55.6 sets forth the process by which municipalities can adopt, regardless of budget process stage, a special emergency ordinance to facilitate a three-year funding cycle for extraordinary expenses for the repair or reconstruction of streets, roads, or bridges damaged by flooding (Note: in winter, damage from snow, ice, and frost is also eligible). If a municipality wishes to finance over three years an appropriation by special emergency ordinance, the governing body must adopt a resolution pursuant to 40A:4-55.4. Local Finance Board approval is required before the ordinance (and financing resolution if applicable) can be adopted; the application's Executive Summary must describe the purposes for which the appropriation will be spent. A copy of the adopted ordinance, and resolution if applicable, must be filed with the Director to become effective.

Refunding Emergency Appropriations

Municipalities and counties seeking to spread the emergency-related costs over a period of years must first seek Local Finance Board approval. N.J.S.A. 40A:2-51. The Board has historically considered applications where emergency-related costs are very substantial in comparison with

the annual municipal budget and spreading the cost would result in a minimum \$50 annual increase to the average residential taxpayer over a minimum of a three-year period.

Emergency Appropriations (Fire Districts)

N.J.S.A. 40A:14-78.11 through 40A:14-78.15 establish standard requirements and procedures for emergency appropriations by fire districts. The 2026 fire district budget will contain a question verifying fire district compliance with the requirements detailed below.

In the event of a pressing need for public expenditure to protect or promote the public health, safety, morals or welfare, a fire district may make emergency appropriations post-budget adoption for purposes unforeseen at the time of budget adoption, or for which adequate provision was not made. A fire district's total emergency appropriations for one year shall not exceed three percent (3%) of the total of current operating appropriations in that year's adopted budget.

No less than two-thirds (2/3) of a Board of Fire Commissioners' full membership must adopt a resolution declaring that an emergency exists requiring a supplemental emergency appropriation. The resolution shall be in the form and content prescribed by the municipal governing body and shall set out the nature of the emergency in full. A copy of the resolution shall be filed immediately with the municipal governing body. Prior to adoption, the fire district should consult with the municipal clerk and other appropriate officials on the appropriate form and content for the resolution. The resolution shall not take effect until the municipal governing body shall, by a vote of not less than two-thirds (2/3) of the governing body's full membership, approve the emergency appropriation and certify its approval to the fire district.

The total amount of all emergency appropriations shall be provided in full by the fire district as a deferred charge in the budget of the next succeeding fiscal year. For fire districts with annual commissioner elections in February, if the voters do not approve the district budget, that deferred charge shall remain in the fire district budget adopted by the municipal governing body. A fire district may finance any emergency appropriation from the district's available surplus funds or may, subject to Local Finance Board review, borrow money for a period not to exceed one year.

N.J.S.A. 40A:4-45.45.b authorizes an exclusion to the fire district tax levy cap for "extraordinary costs" related to a declared emergency. The term "extraordinary costs" means expenditures incurred for the immediate preparation, response, recovery, and restoration of public services due to extreme weather conditions or other catastrophic events that are the subject of a gubernatorial emergency declaration, and only for that portion of costs exceeding the cost of providing services under non-emergency conditions. Pursuant to [N.J.A.C. 5:31-2.10](#), such funds can be treated as one time (non-permanent) property tax levy cap exclusions upon submission and review of certifications describing the expenditures to the Director and may be subject to adjustment to account for the receipt of any State or Federal reimbursements.

Storm Recovery Reserves

Municipalities and counties with storm recovery reserves pursuant to N.J.S.A. 40A:4-62.1 may adopt a resolution to use those reserve funds for any purpose related to storm recovery including, but not limited to, debris removal after current budget appropriations meant for storm recovery

have been expended. Any reimbursement of these expenditures shall be deposited back into the reserve.

To establish a storm recovery reserve or convert a preexisting snow removal reserve to storm recovery, the governing body shall adopt a Dedication by Rider resolution (N.J.S.A. 40A:4-39) establishing the reserve and submit the resolution through the FAST system. Municipalities and counties need not have had a snow removal reserve to establish a storm recovery reserve. Unexpended balances budgeted annually for expenses relating to storm recovery may be lapsed into the reserve.

Emergency Procurement under the Local Public Contracts Law & Public School Contracts Law

In circumstances where an emergency affecting the public health, safety or welfare requires the immediate delivery of goods or the performance of services, a contract may be awarded without public bidding regardless of the bid threshold. N.J.S.A. 40A:11-6 (Local Public Contracts Law); N.J.S.A. 18A:18A-7 (Public School Contracts Law) and N.J.A.C. 5:34-6.1 are annexed as an appendix to this Notice. Pursuant to N.J.S.A. 19:44A-20.12, emergency contracts awarded for purposes of response are excepted from Pay-to-Play due to [public exigency](#). Please note that, pursuant to a [November 4, 2016 directive](#) of the State Treasurer, contracting units awarding contracts that fall under the “public exigency” exception to Pay-to-Play are no longer required to file an “emergency procurement report” with the State.

The Division of Purchase and Property’s [NJ Start website](#) lists all State cooperative purchasing contracts available to local governments. Contracting units are also advised to consult the storm recovery-relevant contracts of any Division of Local Government Services-registered cooperative purchasing systems of which they are a registered member.

Contracting units may enter into emergency contracts without first obtaining a vendor’s or contractor’s Business Registration Certificate (BRC), so long as the vendor or contractor agrees to provide their BRC within two weeks of the contract’s execution. The contracting unit, which should inform the vendor or contractor of the BRC requirement upon awarding an emergency contract, cannot make payment until a copy of the BRC is provided to the contracting agency. N.J.S.A. 52:32-44.

Contractors awarded public works contracts under emergency procedures must be notified of applicable Public Works Contractor Registration (PWCR) and prevailing wage requirements at the time of award. The contracting unit shall confirm compliance prior to making payment for completed work. A similar practice is recommended for truly emergent contracts that require Russia-Belarus and Iran certifications ([See Local Finance Notices 2023-11](#) and [2024-04](#) for further explanation).

Approved: Michael F. Rogers, Director

Document	Internet Address
Executive Order 392	https://nj.gov/infobank/eo/056murphy/pdf/EO-392.pdf
Budget FCOA Codes	https://www.nj.gov/dca/dlgs/FAST/Budget_FCOA_Codes.xlsx
N.J.A.C. 5:30-3.9	https://www.nj.gov/dca/divisions/dlgs/resources/rules_docs/5_30/njac_5303.pdf
N.J.A.C. 5:31-2.10	https://www.nj.gov/dca/divisions/dlgs/resources/rules_docs/5_31/njac_5312.pdf
1/17/06 Treasurer Public Exigency Directive	https://www.nj.gov/dca/divisions/dlgs/programs/lpcl_docs/public_exigencies.pdf
11/4/16 Treasurer Directive	https://www.nj.gov/dca/divisions/dlgs/programs/lpcl_docs/treasurer_scudder_directive_re_public_exigencies.pdf
State Contracts Listing	https://www.njstart.gov/bsol/
LFN 2023-11	https://www.nj.gov/dca/dlgs/lfn/2023/2023-11.pdf
LFN 2024-04	https://www.nj.gov/dca/dlgs/lfn/2024/2024-04.pdf

Appendix

N.J.S.A. 40A:11-6. Emergency contracts (Local Public Contracts Law)

Any contract may be negotiated or awarded for a contracting unit without public advertising for bids and bidding therefor, notwithstanding that the contract price will exceed the bid threshold, when an emergency affecting the public health, safety or welfare requires the immediate delivery of goods or the performance of services; provided that the awarding of such contracts is made in the following manner:

- a. The official in charge of the agency wherein the emergency occurred, or such other officer or employee as may be authorized to act in place of that official, shall notify the purchasing agent, a supervisor of the purchasing agent, or a designated representative of the governing body, as may be appropriate to the form of government, of the need for the performance of a contract, the nature of the emergency, the time of its occurrence and the need for invoking this section. If that person is satisfied that an emergency exists, that person shall be authorized to award a contract or contracts for such purposes as may be necessary to respond to the emergent needs. Such notification shall be reduced to writing and filed with the purchasing agent as soon as practicable.
- b. Upon the furnishing of such goods or services, in accordance with the terms of the contract, the contractor furnishing such goods or services shall be entitled to be paid therefor and the contracting unit shall be obligated for said payment. The governing body of the contracting unit shall take such action as shall be required to provide for the payment of the contract price.
- c. The Director of the Division of Local Government Services in the Department of Community Affairs shall prescribe rules and procedures to implement the requirements of this section.
- d. The governing body of the contracting unit may prescribe additional rules and procedures to implement the requirements of this section.

18A:18A-7 Emergency contracts (Public School Contracts Law)

Any contract may be negotiated or awarded for a board of education without public advertising for bids and bidding therefor, notwithstanding that the contract price will exceed the bid threshold when an emergency affecting the health or safety of occupants of school property requires the immediate delivery of goods or the performance of services, provided that the contracts are awarded in the following manner:

- a. The official in charge of the building, facility or equipment wherein the emergency occurred or such other officer or employee as may be authorized to act in place of that official, shall notify the purchasing agent or a supervisor of the purchasing agent of the need for the performance of a contract, the nature of the emergency, the time of its occurrence and the need for invoking this section. If that person is satisfied that an emergency exists, that person shall be authorized to award a contract or contracts for such purposes as may be necessary to respond to the emergent needs. Such notification shall be reduced to writing and filed with the purchasing agent as soon as practicable.

- b. Upon the furnishing of such goods or services, in accordance with the terms of the contract, the contractor furnishing such goods or services, shall be entitled to be paid therefor and the board of education shall be obligated for said payment. The board of education shall take such action as shall be required to provide for the payment of the contract price.
- c. The Division of Local Government Services in the Department of Community Affairs, after consultation with the Commissioner of Education, shall prescribe rules and procedures to implement the requirements of this section.
- d. The board of education may prescribe additional rules and procedures to implement the requirements of this section.

N.J.A.C. 5:34-6.1 Emergency Purchases/General requirements

(a) The use of emergency purchasing pursuant to N.J.S.A. 40A:11-6 or 18A:18A-7 shall be subject to the following requirements:

- 1. An actual or imminent emergency must exist requiring the immediate delivery of the goods or the performance of the service;
- 2. As soon as reasonably possible, but within three days of declaring the emergency, the chief school administrator of a board of education shall notify the superintendent of education for the county of the nature of the emergency and the estimated needs for goods and services necessary to respond to it;
- 3. The emergency purchasing procedure may not be used unless the need for the goods or services could not have been reasonably foreseen or the need for such goods or services has arisen notwithstanding a good faith effort on the part of the contracting unit to plan for the purchase of any goods or services required by the contracting unit;
- 4. The contract shall be of such limited duration as to meet only the immediate needs of the emergency; and
- 5. Under no circumstances shall the emergency purchasing procedure be used to enter into a multi-year contract.

(b) The governing body of each contracting unit shall adopt rules or regulations as appropriate to the contracting unit to ensure that there is a procedure for determining and confirming the existence of an emergency and that the provisions for emergency purchasing pursuant to N.J.S.A. 40A:11-6 or 18A:18A-7 may be implemented. Such rules or regulations shall include such provisions that ensure that if initially designated individuals are not available, there is a designated chain of command to ensure that there are always appropriate individuals available to make such decisions.