

ASSEMBLY LOCAL GOVERNMENT COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, No. 2963

STATE OF NEW JERSEY

DATED: MAY 17, 2001

The Assembly Local Government Committee reports favorably an Assembly Committee Substitute for Assembly Bill No. 2963.

This committee substitute would permit a county to appropriate monies in order to subsidize the operation of a county solid waste reclamation utility without regard to the limits on increases in the county tax levy in any budget year. The original bill affected only Monmouth County and authorized the imposition of a "waste management services tax" in addition to the county purposes portion of the real property tax. The committee substitute broadens the applicability of the original bill by allowing counties to handle the problem of subsidizing solid waste reclamation utility operational expenses by raising money outside of the county budget cap. Although this committee substitute authorizes county governments to raise real property taxes in excess of the cap, it is believed that this benefits county real property taxpayers in the long-run by decreasing the chances of a default on the county bonds used to construct the solid waste reclamation facility that is being subsidized. Under current law, if a county wanted to subsidize its solid waste reclamation utility, it would have to take the money from other appropriations, thereby probably reducing services, to remain within the county budget and tax levy caps.