

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE SUBSTITUTE FOR

SENATE, No. 1586

STATE OF NEW JERSEY

DATED: DECEMBER 20, 2001

The Assembly Appropriations Committee reports favorably Senate Bill No. 1586 (SS).

Senate Bill No. 1586 (SS) permits 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.

This bill allows counties to handle the problem of subsidizing solid waste reclamation utility operational expenses by raising money in excess of the county budget cap that would otherwise apply. Although the bill authorizes county governments to raise real property taxes in excess of the cap, such an increase in real property taxes can have long-run benefits to the county real property taxpayers: it decreases the chances of a default on the county bonds used to construct the solid waste reclamation facility that is being subsidized.

Currently, under the county budget cap law if county wanted to subsidize its solid waste reclamation utility the county would have to transfer funds from other appropriations, with the likely result of a force reduction in services, to remain within the county budget and tax levy caps.

FISCAL IMPACT:

This bill has no impact on State revenues or expenditures. The bill allows counties to increase their real property taxes in excess of the county budget and tax levy caps to subsidize the operation of a county solid waste reclamation utility. No information is available on the counties that would use this method, or the amount of subsidies that would be raised.