

LEGISLATIVE FISCAL ESTIMATE TO

ASSEMBLY, No. 982

STATE OF NEW JERSEY

DATED: JULY 5, 1996

Assembly Bill No. 982 of 1996, which amends the Delaware River Port Authority (DRPA) compact between New Jersey and Pennsylvania, directs the DRPA to annually compensate municipalities in New Jersey which have facilities used by the Port Authority Transit Corporation (PATCO), a subsidiary of the DRPA. The DRPA would pay an amount annually, based on the assessed value of the PATCO facilities in each affected municipality and the effective municipal purposes tax rate of each such municipality, to compensate each such municipality for the loss of tax revenue associated with the presence of PATCO facilities. However, the payments required by this bill are contingent upon passage of a bill of similar intent by Pennsylvania.

The Office of Legislative Services (OLS) notes that the required annual payments would not be a cost to the State's General Fund. Rather, the cost would be absorbed by DRPA revenue sources, mainly vehicle tolls on DRPA bridges and passenger fares on the PATCO rail transit system.

The annual amount that would be paid under this bill requires a detailed review of the tax assessment records of 10 municipalities in Camden county which have PATCO facilities. Preliminary discussions between OLS and several of the affected municipalities indicate that PATCO properties within such municipalities are identified by numerous tax block and lot numbers. Given the time required for local officials to sort through their tax records, OLS is unable to reasonably estimate the payment each affected municipality would receive.

However, OLS would note that the DRPA created a PATCO Community Impact Fund in 1994 to help redress the loss of local municipal tax revenue associated with the presence of PATCO facilities. This fund is to allocate \$500,000 annually between New Jersey and Pennsylvania municipalities based upon PATCO track miles. Specifically, the payments made for 1995 were:

New Jersey	
Camden	\$75,000
Cherry Hill	75,000
Collingswood	30,000
Haddon	30,000
Haddonfield	30,000
Lawnside	15,000

Lindenwold	90,000
Somerdale	15,000
Stratford	15,000
Voorhees	50,000
Pennsylvania	
Philadelphia	75,000

The legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.