

ASSEMBLY, No. 1729

STATE OF NEW JERSEY

INTRODUCED MARCH 18, 1996

By Assemblyman ZISA

1 AN ACT concerning hospitals in certain municipalities and
2 supplementing chapter 48 of Title 40 of the Revised Statutes.

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4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

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7 1. a. The governing body of a municipality which is the county
8 seat of a county of the first class and has a population of less than
9 100,000, according to the latest federal decennial census, may adopt
10 an ordinance imposing upon each association or corporation organized
11 exclusively for hospital purposes that is located within the municipality
12 and is exempt from local property taxation pursuant to the provisions
13 of R.S.54:4-3.6, a user fee equal to a maximum of \$1.00 a day for
14 each person over the age of 21 who enters for the purpose of receiving
15 health care treatment or services any building actually used in the work
16 of the association or corporation.

17 b. The association or corporation organized exclusively for hospital
18 purposes that is subject to a user fee pursuant to subsection a. of this
19 section shall assume the cost of the fee in full and shall not pass along
20 any portion of this cost to a health insurer, health maintenance
21 organization, employee or employer self-insured health benefits plan,
22 patient or other public or private payer.

23 c. The chief administrator of the association or corporation
24 organized exclusively for hospital purposes shall remit the necessary
25 monies pursuant to subsection a. of this section, on a quarterly basis,
26 to the municipality in a manner specified under an ordinance adopted
27 pursuant to subsection a. of this section.

28 d. The monies collected by a municipality from the assessment
29 imposed by an ordinance adopted pursuant to this act shall be used by
30 the municipality for any public safety purpose for which tax revenues
31 of the municipality may be expended.

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33 2. This act shall take effect immediately.

STATEMENT

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This bill authorizes a municipality which is the county seat of a county of the first class and has a population of less than 100,000, according to the latest federal decennial census, to impose a user fee on any hospital located within the municipality that is exempt from local property taxation, of up to \$1.00 a day for each person over the age of 21 who enters that hospital for the purpose of health care treatment or services.

The bill requires that a hospital subject to this fee assume the cost of the fee in full and not pass along any portion of this cost to a health insurer, health maintenance organization, employee or employer self-insured health benefits plan, patient or other public or private payer.

Generally, hospitals in this State are exempted by law from local property taxation but place one of the heaviest demands of all exempt properties on municipal public safety police and fire services. Under this bill, a hospital exempt from local property taxation in the municipality will be required to pay a user charge for maintaining the ready and available benefit of municipal police and fire protection. The monies collected by the municipality from the assessment shall be used by the municipality for any public safety purpose for which tax revenues of the municipality may be expended.

Allows certain municipalities to impose user fee on hospitals.