

SENATE, No. 1279

STATE OF NEW JERSEY

INTRODUCED JUNE 3, 1996

By Senator KENNY

1 AN ACT appropriating certain public utility taxes for a supplemental
2 distribution to municipalities during fiscal year 1996, amending
3 P.L.1995, 164.

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

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8 1. The following provision in section 1 of P.L.1995, c.164, the
9 Fiscal Year 1996 annual appropriations act, is amended to read as
10 follows:

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12 **STATE AID**
13 **82 DEPARTMENT OF TREASURY**
14 *70 Government Direction, Management and Control*
15 *75 State Subsidies and Financial Aid -- State Aid*

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17 Notwithstanding the provisions of section 2 of P.L.1980, c.10 (C.54:30A-24.1), section 4 of
18 P.L.1980, c.11 (C.54:30A-61.1), section 27 of P.L.1991, c.184 (C.54:30A-24.4), and section 28
19 of P.L.1991, c.184 (C.54:30A-61.4), the payments to municipalities from the proceeds of the
20 public utilities franchise and gross receipts taxes during fiscal year 1996 shall be \$685,000,000
21 and shall be distributed in the same amounts to the same municipalities as received such payments
22 in calendar year 1994 pursuant to the 1995 annual appropriations law, P.L.1994, c.67; provided
23 however, that amounts collected in excess of amounts distributed shall be anticipated as revenue
24 for general State purposes.

25 Notwithstanding any provision of law to the contrary, the payments to municipalities from the
26 proceeds of the public utilities franchise and gross receipts taxes shall be distributed on the
27 following schedule: July 15, 35% of the total amount due; August 1, 10% of the total amount
28 due; September 1, 30% of the total amount due; October 1, 15% of the total amount due;
29 November 1, 5% of the total amount due; and December 1, 5% of the total amount due.

30 [Based upon the State's fiscal circumstances in May, 1996, amounts] Amounts collected in excess
31 of \$960,000,000 from Public Utility Gross Receipts and Franchise Taxes (combined) for fiscal
32 year 1996 [may be distributed to municipalities; provided that such amounts collected in excess
33 of \$960,000,000 shall not be anticipated as municipal revenue for the purposes of the "Local
34 Budget Law", P.L.1960, c.169 (C.40A:4-1 et seq.)] are appropriated as supplementary payments
35 to municipalities and shall be distributed on or before June 30, 1996 in proportion to the amount

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

1 of the payment each municipality received during Fiscal Year 1996 from the \$685,000,000
2 distribution. A supplementary payment shall be used solely and exclusively by each municipality
3 for the purpose of reducing the amount the municipality is required to raise by local property tax
4 levy for municipal purposes. If the amount of the supplementary payment exceeds the amount
5 required to be raised by local property tax levy for municipal purposes, the balance of the
6 supplementary payment shall be used to reduce the amount the municipality is required to raise
7 for county purposes, notwithstanding the provisions of law to the contrary. Notwithstanding any
8 provisions of the "Local Budget Law," N.J.S.40A:4-1 et seq., each municipality may anticipate
9 the receipt of the amount of supplementary payment as shall be certified to it by the Director of
10 the Division of Taxation in the Department of the Treasury and shall file any amendment or
11 correction in its local budget as may be required to properly reflect that payment. The Director
12 of the Division of Taxation shall provide the Director of the Division of Local Government
13 Services in the Department of Community Affairs with a list of the certified supplementary
14 payments for all affected municipalities. The Director of the Division of Local Government
15 Services in the Department of Community Affairs shall certify that each municipality has
16 complied with the requirements set forth herein concerning the use of the supplementary
17 payments.

18 (cf: P.L.1995, c.164, s.1)

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20 2. This act shall take effect immediately.

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STATEMENT

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25 This bill requires the State to make an additional distribution of
26 public utilities gross receipts and franchise taxes revenue during Fiscal
27 Year 1996. The amount of the distribution is equal to the amount by
28 which collections of these taxes have exceeded the State anticipated
29 retention of \$275 million plus the \$685 million previously apportioned
30 for distribution to municipalities during Fiscal Year 1996. In
31 statements to the Senate Budget and Appropriations Committee and
32 the Assembly Appropriations Committee on April 2, and May 22,
33 1996, the State Treasurer indicated that the State estimates this
34 amount to be \$45 million.

35 The distribution of the additional collections is to be made in
36 proportion to the municipal distributions made from the \$685,000,000
37 apportioned and paid earlier in the fiscal year. The supplementary
38 distribution is required to be used by the recipient municipalities to
39 reduce the local municipal property tax levy, which shall be reflected
40 as a change in the municipal budget. The distribution method is
41 identical to the method used to distribute the fiscal year 1995
42 supplementary distribution.

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47 Appropriates FY1996 public utilities gross receipts and franchise taxes

S1279
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1 in excess of \$960,000,000.