

SENATE, No. 1819

STATE OF NEW JERSEY

INTRODUCED JANUARY 27, 1997

By Senator CIESLA

1 AN ACT concerning State aid to certain shore municipalities and
2 supplementing chapter 27D of Title 52 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. The act shall be known and may be cited as the "Shore Aid Act."

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9 2. The Legislature finds and declares that it is in the interest of the
10 residents of this State to maintain, support, foster, and promote the
11 financial foundation and stability of certain less affluent shore
12 municipalities in the State by providing State aid to them. The
13 populations of these municipalities swell during the summer tourism
14 season and in the off-season face an inflow of welfare recipients.
15 Such extreme fluctuations in population result in unpredictable system
16 and service demands being placed on the municipal budgets of these
17 shore municipalities. Enormous strains are placed on police, fire,
18 emergency services, health services, transportation systems,
19 infrastructure, and sanitation facilities that cannot be adequately
20 alleviated without excessively taxing existing property owners in the
21 less affluent shore municipalities. In order to maintain core public
22 safety systems and services at acceptable levels throughout the year in
23 these less affluent shore municipalities it is a proper State purpose to
24 provide State aid to such municipalities. Earmarking this State aid for
25 core public safety functions will assure the health, welfare and safety
26 of regular residents and summer shore tourists in these municipalities.

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28 3. As used in this act:

29 a. "Equalized municipal tax rate" means the 1996 municipal
30 purpose tax levy divided by the 1996 net valuation on which county
31 taxes are apportioned as reported in the county table of aggregates
32 prepared pursuant to R.S.54:4-52.

33 b. "Qualifying shore municipality" means a municipality:

34 (1) that borders on the Atlantic Ocean;

35 (2) that had a 1989 per capita income of less than \$20,000; and

36 (3) that had a 1996 equalized municipal tax rate of .0030 or

1 greater.

2 c. "State equalized municipal tax rate" means the State total of
3 municipal purpose tax levies divided by the State total net valuation on
4 which county taxes are apportioned as reported in the county table of
5 aggregates prepared pursuant to R.S.54:4-52.

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7 4. A qualifying shore municipality's share of the funds allocated as
8 State aid pursuant to this act shall be determined by the following
9 formula:

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$$SF = (1,500,000/IR) \times PR \times TRR$$

11 Where:

12 SF is the amount of the total State aid allocated to each
13 qualifying shore municipality pursuant to this act, which amount shall
14 not exceed \$200,000;

15 IR is the ratio of a qualifying shore municipality's 1989 per
16 capita income to the State's 1989 per capita income;

17 PR is the ratio of a qualified shore municipality's 1990 census
18 year round population to the 1990 census year round population sum
19 of all qualified shore municipalities multiplied by the number of
20 qualified shore municipalities;

21 TRR is the ratio of a qualifying shore municipality's 1996
22 equalized municipal tax rate to the State's 1996 average equalized
23 municipal tax rate.

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25 5. The State Treasurer shall annually, on or before June 30, make
26 a determination of the qualifying shore municipalities and determine
27 the amount of funds to be apportioned to each qualifying shore
28 municipality for the next succeeding local budget year. The State
29 Treasurer shall thereupon notify the Director of the Division of Local
30 Government Services in the Department of Community Affairs and the
31 governing body of each qualifying shore municipality of the amount so
32 determined.

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34 6. The State Treasurer, upon certification by the Director of the
35 Division of Budget and Accounting in the Department of the Treasury
36 that there are sufficient monies in the General Fund for the purposes
37 of this act, shall annually, on or before July 15, allocate to each
38 qualifying shore municipality the amount determined.

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40 7. The funds to be received by a qualifying shore municipality
41 pursuant to this act shall be appropriated by the governing body of the
42 shore municipalities in compliance with the "Local Budget Law,"
43 N.J.S.40A:4-1 et seq. Any shore municipality qualifying for State aid
44 under the provisions of this act may on or after July 1, 1997 anticipate
45 in its budget receipt of the amount allocated by the State Treasurer
46 pursuant to section 6 of P.L. , c. (C.) (pending before the

1 Legislature as this bill) and may file such amendments or corrections
2 in its budget as may be required to properly reflect the amount. All
3 State aid revenues obtained under the provisions of this act shall be
4 applied by the recipient municipality to core public safety functions.
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6 8. In State fiscal year 1998, the Legislature shall appropriate the
7 sum of \$4,300,000 for the purposes of this act. Thereafter, the
8 Legislature shall annually appropriate the amount determined by the
9 State Treasurer.

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11 9. This act shall take effect immediately.
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14 STATEMENT 15

16 This bill, entitled the "Shore Aid Act," would establish a State aid
17 program for less affluent shore municipalities which experience
18 dramatic temporary population growth during the summer tourism
19 season and in the off-season face a large inflow of welfare recipients.

20 Specifically, these municipalities are compelled to bear the
21 additional costs of added police, fire, emergency services, health
22 services, transportation systems, infrastructure, and sanitation facilities
23 that cannot be adequately addressed in their municipal budgets without
24 excessively taxing existing property owners. In order to maintain
25 these systems and services at acceptable levels and to equitably
26 distribute the costs of providing services, it is necessary to provide
27 State aid to such shore municipalities.

28 To qualify for State aid under this bill, a shore municipality must
29 border on the Atlantic Ocean, have a 1989 per capita income of less
30 than \$20,000; and have a 1996 equalized municipal tax rate of .0030
31 or greater.

32 The bill requires the Legislature to appropriate \$4.3 million for this
33 program. This State aid program would employ a formula that
34 allocates this State aid among qualified shore municipalities based on
35 population driven demands, the ability of their residents to pay
36 property taxes and the shore municipality's current tax rate dedicated
37 to municipal services.

38 Prior to June 30 annually, the State Treasurer would determine
39 qualifying shore municipalities and the amount of funds to be
40 apportioned to each qualifying shore municipality for the next
41 succeeding local budget year. The State Treasurer would then notify
42 the Director of the Division of Local Government Services in the
43 Department of Community Affairs and the governing body of the
44 qualifying shore municipalities of the amount so determined.

45 The State Treasurer, upon the warrant of the Director of the
46 Division of Budget and Accounting, annually, on or before July 15 is

1 directed, to pay to each qualifying shore municipality the amount
2 determined.

3 The shore municipalities would be required to apply all State aid
4 revenues obtained under the provisions of this act to core public safety
5 functions.

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10 Provides State aid to less affluent shore municipalities.