

SENATE, No. 2153

STATE OF NEW JERSEY

INTRODUCED JUNE 5, 1997

By Senators INVERSO, LITTELL, LaRossa, Kyrillos and
Ewing

1 AN ACT appropriating funds for a supplemental distribution to
2 municipalities during fiscal year 1997, amending and supplementing
3 P.L.1996, c.42.

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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.1996, c.42, the
9 Fiscal Year 1997 annual appropriations act, is amended to read as
10 follows:

11 **STATE AID**

12 82 DEPARTMENT OF TREASURY

13 *70 Government Direction, Management and Control*

14 *75 State Subsidies and Financial Aid -- State Aid*

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16 [Based upon the State's fiscal circumstances in May 1997, amounts collected
17 in excess of \$960,000,000 from Public Utility Gross Receipts and
18 Franchise Taxes (combined) for fiscal year 1997 may be distributed to
19 municipalities.]
20 (cf: P.L.1996, c.42, s.1)

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22 2. In addition to the amounts appropriated under P.L.1996, c.42,
23 there is appropriated out of the General Fund the following sum for
24 the purpose specified in the following language:

25
26 **STATE AID**

27 82 DEPARTMENT OF TREASURY

28 *70 Government Direction, Management and Control*

29 *75 State Subsidies and Financial Aid -- State Aid*

30
31 There is appropriated the amount of \$45,000,000 for supplementary payments
32 to municipalities to be distributed on or before June 30, 1997 in proportion
33 to the amount of the payment each municipality received during Fiscal Year
34 1997 from the \$685,000,000 distribution from the proceeds of the public
35 utilities franchise and gross receipts taxes. A supplementary payment shall

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

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22 3. This act shall take effect immediately.

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STATEMENT

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27 This bill requires the State to make an additional distribution in
28 fiscal year 1997 of \$45,000,000 to municipalities as a supplemental
29 distribution to the \$685 million previously apportioned for
30 distribution to municipalities during Fiscal Year 1997 from public
31 utilities gross receipts and franchise taxes revenue.

32 The supplemental distribution is to be made in proportion to the
33 municipal distributions made from the \$685 million apportioned and
34 paid earlier in the fiscal year. The supplementary distribution must be
35 used by the recipient municipalities to reduce the local municipal
36 property tax levy, which shall be reflected as a change in the
37 municipal budget.

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42 _____
42 Makes FY97 supplemental appropriation of \$45,000,000 for aid to
43 municipalities as a supplemental distribution to the FY97
44 \$685,000,000 distribution of public utilities gross receipts and
45 franchise taxes.