

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*

15  
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)

21  
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.