

13:17-74.1

LEGISLATIVE HISTORY CHECKLIST

Compiled by the NJ State Law Library

LAWS OF: 1999 **CHAPTER:** 178

NJSA: 13:17-74.1 (Intermunicipal tax sharing)

BILL NO: A3145 (Substituted for S1919)

SPONSOR(S): DiGaetano & Quigley

DATE INTRODUCED: May 17, 1999

COMMITTEE: **ASSEMBLY:** Appropriations

SENATE: ---

AMENDED DURING PASSAGE: Yes

DATE OF PASSAGE: **ASSEMBLY:** June 14, 1999

SENATE: June 24, 1999

DATE OF APPROVAL: August 4, 1999

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL: A3145 1st Reprint
(Amendments during passage denoted by superscript numbers)

A3145

SPONSORS STATEMENT: (Begins on page 3 of original bill) [Yes](#)

COMMITTEE STATEMENT: **ASSEMBLY:** [Yes](#)

SENATE: No

FLOOR AMENDMENT STATEMENTS: No

LEGISLATIVE FISCAL ESTIMATE: No

S1919

SPONSORS STATEMENT: (Begins on page 3 of original bill) [Yes](#)
Bill and Sponsors statement identical to A3145

COMMITTEE STATEMENT: **ASSEMBLY:** No

SENATE: [Yes](#) [6-7-99 \(Com. & Urban Affairs\)](#)
[Yes](#) [6-17-99 \(Budget\)](#)

FLOOR AMENDMENT STATEMENTS: No

LEGISLATIVE FISCAL ESTIMATE: No

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING:

Yes

FOLLOWING WERE PRINTED:

To check for circulating copies, contact New Jersey State Government Publications at the State Library (609) 278-2640 ext. or refdesk@njstatelib.org

REPORTS:

No

HEARINGS:

No

NEWSPAPER ARTICLES:

No

P.L. 1999, CHAPTER 178, *approved August 4, 1999*
Assembly, No. 3145 (*First Reprint*)

1 **AN ACT** concerning stabilization of intermunicipal tax sharing in the
2 meadowlands district, amending and supplementing P.L.1968, c.404
3 (C.13:17-1 et seq.).
4

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

7
8 1. Section 72 of P.L.1968, c.404 (C.13:17-74) is amended to read
9 as follows:

10 72. Meadowlands adjustment payment; determination and payment

11 (a) On or before February 1, 1973 and on or before February 1 of
12 each year thereafter, the commission shall certify to the chief financial
13 officer of each constituent municipality an amount, known as the
14 meadowlands adjustment payment. The meadowlands adjustment
15 payment for each constituent municipality shall be determined by
16 adding all the payments payable to that municipality from the
17 intermunicipal account for school district service payments, guarantee
18 payments, and apportionment payments, if any, and by subtracting
19 therefrom the obligations of that municipality to the intermunicipal
20 account, as calculated pursuant to sections 65 and 71 of this act. The
21 amount so derived shall be referred to as the meadowlands pre-
22 adjustment payment. For calendar year 2000, the meadowlands
23 adjustment payment shall be the average of the meadowlands pre-
24 adjustment payments for calendar years 1999 and 2000. For calendar
25 year 2001, the meadowlands adjustment payment shall be the average
26 of the meadowlands pre-adjustment payments for calendar years 1999,
27 2000, and 2001. For calendar year 2002 and subsequent years, the
28 meadowlands adjustment payment shall be the average of the
29 meadowlands pre-adjustment payments for the prior three calendar
30 years.

31 (b) If the meadowlands adjustment payment for any constituent
32 municipality in any adjustment year is payable to the constituent
33 municipality, the amount of said payment shall be identified in the
34 municipal budget of that municipality for that year as "meadowlands
35 adjustment" within the category "miscellaneous revenues anticipated,"
36 and shall be due and payable in three equal installments to be made by
37 the intermunicipal account to that municipality on May 15, August 15,
38 and November 15 of that year.

39 (c) If the meadowlands adjustment payment for any constituent
40 municipality in any adjustment year is payable to the intermunicipal

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly AAP committee amendments adopted June 7, 1999.

1 account, the amount of said payment shall be entered as a special line
2 item appropriation in the budget of the municipality for that year and
3 shall be payable in three equal installments to be made by the
4 municipality to the account on May 15, August 15, and November 15
5 of that year. No transfers may be made from said appropriation except
6 as is herein provided.

7 (cf: P.L.1972, c.103, s.11)

8

9 2. (New section) There is established the Hackensack
10 Meadowlands Tax Sharing Stabilization Fund in the Hackensack
11 Meadowlands Development Commission. The fund shall be comprised
12 of revenues made available from interest payments on sanitary landfill
13 closure accounts maintained by the commission or such other revenues
14 which are made available for these purposes. Moneys in the fund shall
15 be used to fully compensate municipalities from excessive fluctuations
16 in payments to or from the intermunicipal account in 1999 and
17 subsequent years, as provided hereunder. ¹In the event that there are
18 insufficient monies in the fund to fully compensate all municipalities in
19 any year, the amount paid to each municipality shall constitute the
20 same proportion of the total amount of money available to all
21 municipalities as each municipality would receive if the amount of
22 money in the fund were sufficient to fully compensate all municipalities
23 in that year.¹

24 For the purposes of this section, any increase in the payment
25 required to be made by a constituent municipality to the intermunicipal
26 account which is in excess of five percent over the previous year's
27 payment shall be considered an "excessive fluctuation." Any decrease
28 in a payment required to be made from the intermunicipal account to
29 a constituent municipality which is in excess of five percent below the
30 previous year's payment shall also be considered an "excessive
31 fluctuation."

32

33 3. This act shall take effect immediately.

34

35

36

37

38 Provides for stabilization of intermunicipal tax sharing in the
39 meadowlands district

ASSEMBLY, No. 3145

STATE OF NEW JERSEY 208th LEGISLATURE

INTRODUCED MAY 17, 1999

Sponsored by:

Assemblyman PAUL DIGAETANO
District 36 (Bergen, Essex and Passaic)
Assemblywoman JOAN M. QUIGLEY
District 32 (Bergen and Hudson)

Co-Sponsored by:

Assemblyman Kelly, Assemblywoman Heck and Assemblyman Talarico

SYNOPSIS

Provides for stabilization of intermunicipal tax sharing in the meadowlands district

CURRENT VERSION OF TEXT

As introduced.



A3145 DIGAETANO, QUIGLEY

2

1 AN ACT concerning stabilization of intermunicipal tax sharing in the
2 meadowlands district, amending and supplementing P.L.1968, c.404
3 (C.13:17-1 et seq.).

4

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

7

8 1. Section 72 of P.L.1968, c.404 (C.13:17-74) is amended to read
9 as follows:

10 72. Meadowlands adjustment payment; determination and payment

11 (a) On or before February 1, 1973 and on or before February 1 of
12 each year thereafter, the commission shall certify to the chief financial
13 officer of each constituent municipality an amount, known as the
14 meadowlands adjustment payment. The meadowlands adjustment
15 payment for each constituent municipality shall be determined by
16 adding all the payments payable to that municipality from the
17 intermunicipal account for school district service payments, guarantee
18 payments, and apportionment payments, if any, and by subtracting
19 therefrom the obligations of that municipality to the intermunicipal
20 account, as calculated pursuant to sections 65 and 71 of this act. The
21 amount so derived shall be referred to as the meadowlands pre-
22 adjustment payment. For calendar year 2000, the meadowlands
23 adjustment payment shall be the average of the meadowlands pre-
24 adjustment payments for calendar years 1999 and 2000. For calendar
25 year 2001, the meadowlands adjustment payment shall be the average
26 of the meadowlands pre-adjustment payments for calendar years 1999,
27 2000, and 2001. For calendar year 2002 and subsequent years, the
28 meadowlands adjustment payment shall be the average of the
29 meadowlands pre-adjustment payments for the prior three calendar
30 years.

31 (b) If the meadowlands adjustment payment for any constituent
32 municipality in any adjustment year is payable to the constituent
33 municipality, the amount of said payment shall be identified in the
34 municipal budget of that municipality for that year as "meadowlands
35 adjustment" within the category "miscellaneous revenues anticipated,"
36 and shall be due and payable in three equal installments to be made by
37 the intermunicipal account to that municipality on May 15, August 15,
38 and November 15 of that year.

39 (c) If the meadowlands adjustment payment for any constituent
40 municipality in any adjustment year is payable to the intermunicipal
41 account, the amount of said payment shall be entered as a special line
42 item appropriation in the budget of the municipality for that year and
43 shall be payable in three equal installments to be made by the

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

Matter underlined thus is new matter.

1 municipality to the account on May 15, August 15, and November 15
2 of that year. No transfers may be made from said appropriation except
3 as is herein provided.

4 (cf: P.L.1972, c.103, s.11)

5
6 2. (New section) There is established the Hackensack
7 Meadowlands Tax Sharing Stabilization Fund in the Hackensack
8 Meadowlands Development Commission. The fund shall be comprised
9 of revenues made available from interest payments on sanitary landfull
10 closure accounts maintained by the commission or such other revenues
11 which are made available for these purposes. Moneys in the fund shall
12 be used to fully compensate municipalities from excessive fluctuations
13 in payments to or from the intermunicipal account in 1999 and
14 subsequent years, as provided hereunder.

15 For the purposes of this section, any increase in the payment
16 required to be made by a constituent municipality to the intermunicipal
17 account which is in excess of five percent over the previous year's
18 payment shall be considered an "excessive fluctuation." Any decrease
19 in a payment required to be made from the intermunicipal account to
20 a constituent municipality which is in excess of five percent below the
21 previous year's payment shall also be considered an "excessive
22 fluctuation."

23
24 3. This act shall take effect immediately.

25
26
27 STATEMENT

28
29 This bill attempts to reduce the annual excessive fluctuations in
30 intermunicipal tax sharing within the Hackensack Meadowlands
31 District. These fluctuations occur for two principal reasons: (1) the
32 application of retroactive adjustments in the formula, which allows the
33 Hackensack Meadowlands Development Commission to recalculate at
34 least two prior comparison years; and (2) the substantial level of tax
35 appeals that have occurred in each of the constituent municipalities
36 over the past seven years.

37 The bill seeks to achieve this goal by employing moving averages
38 in the calculation of the meadowlands adjustment payment, beginning
39 in calendar year 2000. From that point forward, the meadowlands
40 adjustment payment which is calculated pursuant to section 72 of
41 P.L.1968, c.404 (C.13:17-74) shall be referred to as the pre-
42 adjustment payment, and the meadowlands adjustment payment shall
43 be calculated as an average of previous years' pre-adjustment
44 payments. For calendar year 2000, the meadowlands adjustment
45 payment shall be the average of the meadowlands pre-adjustment
46 payments for calendar years 1999 and 2000. For calendar year 2001,

A3145 DIGAETANO, QUIGLEY

4

1 the meadowlands adjustment payment shall be the average of the
2 meadowlands pre-adjustment payments for calendar years 1999, 2000,
3 and 2001. For calendar year 2002 and subsequent years, the
4 meadowlands adjustment payment shall be the average of the
5 meadowlands pre-adjustment payments for the prior three calendar
6 years.

7 The excessive fluctuation which occurs in 1999 and in subsequent
8 years will be addressed through the creation of a Hackensack
9 Meadowlands Tax Sharing Stabilization Fund in the Hackensack
10 Meadowlands Development Commission. The fund will constitute the
11 vehicle through which aid will be provided to constituent
12 municipalities which experience these fluctuations in order to fully
13 compensate them for adjustment payment increases or losses which
14 exceed five percent. The fund will be capitalized with interest
15 payments on landfill closure accounts which are currently maintained
16 by the commission.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3145

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: JUNE 7, 1999

The Assembly Appropriations Committee reports favorably Assembly Bill No. 3145, with committee amendments.

Assembly Bill No. 3145, as amended, attempts to reduce the annual excessive fluctuations in intermunicipal tax sharing within the Hackensack Meadowlands District. These fluctuations occur for two principal reasons: (1) the application of retroactive adjustments in the formula, which allows the Hackensack Meadowlands Development Commission to recalculate at least two prior comparison years; and (2) the substantial level of tax appeals that have occurred in each of the constituent municipalities over the past seven years.

The bill seeks to achieve this goal by employing moving averages in the calculation of the meadowlands adjustment payment, beginning in calendar year 2000. From that point forward, the meadowlands adjustment payment which is calculated pursuant to section 72 of P.L.1968, c.404 (C.13:17-74) shall be referred to as the pre-adjustment payment, and the meadowlands adjustment payment shall be calculated as an average of previous years' pre-adjustment payments. For calendar year 2000, the meadowlands adjustment payment shall be the average of the meadowlands pre-adjustment payments for calendar years 1999 and 2000. For calendar year 2001, the meadowlands adjustment payment shall be the average of the meadowlands pre-adjustment payments for calendar years 1999, 2000, and 2001. For calendar year 2002 and subsequent years, the meadowlands adjustment payment shall be the average of the meadowlands pre-adjustment payments for the prior three calendar years.

Any excessive fluctuation that occurs in 1999 and in subsequent years will be addressed through the creation of a Hackensack Meadowlands Tax Sharing Stabilization Fund in the Hackensack Meadowlands Development Commission. The fund will constitute the vehicle through which aid will be provided to constituent municipalities which experience these fluctuations in order to fully compensate them for adjustment payment increases or losses which exceed five percent. The fund will be capitalized with interest payments on landfill closure accounts which are currently maintained

by the commission.

If there are not sufficient moneys in the fund to fully compensate each municipality for excessive fluctuations in any year, the amount paid to each municipality shall constitute the same proportion of the total amount of money available to all municipalities as each municipality would receive if the amount of money in the fund were sufficient to fully compensate all municipalities in that year.

As amended and reported by this committee, this bill is identical to Senate No. 1919 as amended and reported by the Senate Community and Urban Affairs Committee.

FISCAL IMPACT:

This bill has no impact on State revenues or expenditures.

COMMITTEE AMENDMENTS:

The amendments provide for the proration of funds available in the tax sharing stabilization fund if there are insufficient moneys in the fund to fully compensate municipalities for excessive fluctuations in payments into or out of the intermunicipal account.

SENATE, No. 1919

STATE OF NEW JERSEY 208th LEGISLATURE

INTRODUCED MAY 24, 1999

Sponsored by:

Senator NICHOLAS J. SACCO
District 32 (Bergen and Hudson)
Senator LOUIS F. KOSCO
District 38 (Bergen)

Co-Sponsored by:

Senator Furnari

SYNOPSIS

Provides for stabilization of intermunicipal tax sharing in the meadowlands district.

CURRENT VERSION OF TEXT

As introduced.



S1919 SACCO, KOSCO

2

1 AN ACT concerning stabilization of intermunicipal tax sharing in the
2 meadowlands district, amending and supplementing P.L.1968, c.404
3 (C.13:17-1 et seq.).

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

7
8 1. Section 72 of P.L.1968, c.404 (C.13:17-74) is amended to read
9 as follows:

10 72. Meadowlands adjustment payment; determination and payment

11 (a) On or before February 1, 1973 and on or before February 1 of
12 each year thereafter, the commission shall certify to the chief financial
13 officer of each constituent municipality an amount, known as the
14 meadowlands adjustment payment. The meadowlands adjustment
15 payment for each constituent municipality shall be determined by
16 adding all the payments payable to that municipality from the
17 intermunicipal account for school district service payments, guarantee
18 payments, and apportionment payments, if any, and by subtracting
19 therefrom the obligations of that municipality to the intermunicipal
20 account, as calculated pursuant to sections 65 and 71 of this act. The
21 amount so derived shall be referred to as the meadowlands pre-
22 adjustment payment. For calendar year 2000, the meadowlands
23 adjustment payment shall be the average of the meadowlands pre-
24 adjustment payments for calendar years 1999 and 2000. For calendar
25 year 2001, the meadowlands adjustment payment shall be the average
26 of the meadowlands pre-adjustment payments for calendar years 1999,
27 2000, and 2001. For calendar year 2002 and subsequent years, the
28 meadowlands adjustment payment shall be the average of the
29 meadowlands pre-adjustment payments for the prior three calendar
30 years.

31 (b) If the meadowlands adjustment payment for any constituent
32 municipality in any adjustment year is payable to the constituent
33 municipality, the amount of said payment shall be identified in the
34 municipal budget of that municipality for that year as "meadowlands
35 adjustment" within the category "miscellaneous revenues anticipated,"
36 and shall be due and payable in three equal installments to be made by
37 the intermunicipal account to that municipality on May 15, August 15,
38 and November 15 of that year.

39 (c) If the meadowlands adjustment payment for any constituent
40 municipality in any adjustment year is payable to the intermunicipal
41 account, the amount of said payment shall be entered as a special line
42 item appropriation in the budget of the municipality for that year and
43 shall be payable in three equal installments to be made by the

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 municipality to the account on May 15, August 15, and November 15
2 of that year. No transfers may be made from said appropriation except
3 as is herein provided.

4 (cf: P.L.1972, c.103, s.11)

5
6 2. (New section) There is established the Hackensack
7 Meadowlands Tax Sharing Stabilization Fund in the Hackensack
8 Meadowlands Development Commission. The fund shall be comprised
9 of revenues made available from interest payments on sanitary landfull
10 closure accounts maintained by the commission or such other revenues
11 which are made available for these purposes. Moneys in the fund shall
12 be used to fully compensate municipalities from excessive fluctuations
13 in payments to or from the intermunicipal account in 1999 and
14 subsequent years, as provided hereunder.

15 For the purposes of this section, any increase in the payment
16 required to be made by a constituent municipality to the intermunicipal
17 account which is in excess of five percent over the previous year's
18 payment shall be considered an "excessive fluctuation." Any decrease
19 in a payment required to be made from the intermunicipal account to
20 a constituent municipality which is in excess of five percent below the
21 previous year's payment shall also be considered an "excessive
22 fluctuation."

23
24 3. This act shall take effect immediately.

25
26
27 STATEMENT

28
29 This bill attempts to reduce the annual excessive fluctuations in
30 intermunicipal tax sharing within the Hackensack Meadowlands
31 District. These fluctuations occur for two principal reasons: (1) the
32 application of retroactive adjustments in the formula, which allows the
33 Hackensack Meadowlands Development Commission to recalculate at
34 least two prior comparison years; and (2) the substantial level of tax
35 appeals that have occurred in each of the constituent municipalities
36 over the past seven years.

37 The bill seeks to achieve this goal by employing moving averages
38 in the calculation of the meadowlands adjustment payment, beginning
39 in calendar year 2000. From that point forward, the meadowlands
40 adjustment payment which is calculated pursuant to section 72 of
41 P.L.1968, c.404 (C.13:17-74) shall be referred to as the pre-
42 adjustment payment, and the meadowlands adjustment payment shall
43 be calculated as an average of previous years' pre-adjustment
44 payments. For calendar year 2000, the meadowlands adjustment
45 payment shall be the average of the meadowlands pre-adjustment
46 payments for calendar years 1999 and 2000. For calendar year 2001,

S1919 SACCO, KOSCO

1 the meadowlands adjustment payment shall be the average of the
2 meadowlands pre-adjustment payments for calendar years 1999, 2000,
3 and 2001. For calendar year 2002 and subsequent years, the
4 meadowlands adjustment payment shall be the average of the
5 meadowlands pre-adjustment payments for the prior three calendar
6 years.

7 The excessive fluctuation which occurs in 1999 and in subsequent
8 years will be addressed through the creation of a Hackensack
9 Meadowlands Tax Sharing Stabilization Fund in the Hackensack
10 Meadowlands Development Commission. The fund will constitute the
11 vehicle through which aid will be provided to constituent
12 municipalities which experience these fluctuations in order to fully
13 compensate them for adjustment payment increases or losses which
14 exceed five percent. The fund will be capitalized with interest
15 payments on landfill closure accounts which are currently maintained
16 by the commission.

SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

STATEMENT TO

SENATE, No. 1919

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 7, 1999

The Senate Community and Urban Affairs Committee reports favorably and with committee amendments Senate Bill No. 1919.

Senate Bill 1919, as amended by the committee, attempts to reduce the annual excessive fluctuations in intermunicipal tax sharing within the Hackensack Meadowlands District. These fluctuations occur for two principal reasons: (1) the application of retroactive adjustments in the formula, which allows the Hackensack Meadowlands Development Commission to recalculate at least two prior comparison years; and (2) the substantial level of tax appeals that have occurred in each of the constituent municipalities over the past seven years.

The bill seeks to achieve this goal by employing moving averages in the calculation of the meadowlands adjustment payment, beginning in calendar year 2000. From that point forward, the meadowlands adjustment payment which is calculated pursuant to section 72 of P.L.1968, c.404 (C.13:17-74) shall be referred to as the pre-adjustment payment, and the meadowlands adjustment payment shall be calculated as an average of previous years' pre-adjustment payments. For calendar year 2000, the meadowlands adjustment payment shall be the average of the meadowlands pre-adjustment payments for calendar years 1999 and 2000. For calendar year 2001, the meadowlands adjustment payment shall be the average of the meadowlands pre-adjustment payments for calendar years 1999, 2000, and 2001. For calendar year 2002 and subsequent years, the meadowlands adjustment payment shall be the average of the meadowlands pre-adjustment payments for the prior three calendar years.

The excessive fluctuation which occurs in 1999 and in subsequent years will be addressed through the creation of a Hackensack Meadowlands Tax Sharing Stabilization Fund in the Hackensack Meadowlands Development Commission. The fund will constitute the vehicle through which aid will be provided to constituent municipalities which experience these fluctuations in order to fully compensate them for adjustment payment increases or losses which exceed five percent. The fund will be capitalized with interest

payments on landfill closure accounts which are currently maintained by the commission.

In the event that there are insufficient moneys in the fund to fully compensate all municipalities for excessive fluctuations in any year, the amount paid to each municipality shall constitute the same proportion of the total amount of money available to all municipalities as each municipality would receive if the amount of money in the fund were sufficient to fully compensate all municipalities in that year.

The committee amended the bill to provide for the proration in the event that there are insufficient monies in the fund to fully compensate municipalities for excessive fluctuations in payments into or out of the intermunicipal account. As introduced, the bill did not address the apportionment of funds to address excessive fluctuations in the event that there are insufficient funds available to compensate all municipalities.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 1919

STATE OF NEW JERSEY

DATED: JUNE 17, 1999

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 1919 (1R).

The purpose of this bill is to moderate the annual fluctuations in intermunicipal tax sharing within the Hackensack Meadowlands District. These fluctuations occur for two principal reasons: (1) the application of retroactive adjustments in the formula, which allows the Hackensack Meadowlands Development Commission to recalculate at least two prior comparison years; and (2) the substantial level of tax appeals that have occurred in each of the constituent municipalities over the past seven years.

The bill seeks to achieve this goal by employing moving averages in the calculation of the meadowlands adjustment payment, beginning in calendar year 2000. From that point forward, the meadowlands adjustment payment which is calculated pursuant to section 72 of P.L.1968, c.404 (C.13:17-74) shall be referred to as the pre-adjustment payment, and the meadowlands adjustment payment shall be calculated as an average of previous years' pre-adjustment payments. For calendar year 2000, the meadowlands adjustment payment shall be the average of the meadowlands pre-adjustment payments for calendar years 1999 and 2000. For calendar year 2001, the meadowlands adjustment payment shall be the average of the meadowlands pre-adjustment payments for calendar years 1999, 2000, and 2001. For calendar year 2002 and subsequent years, the meadowlands adjustment payment shall be the average of the meadowlands pre-adjustment payments for the prior three calendar years.

The excessive fluctuation which occurs in 1999 and in subsequent years will be addressed through the creation of a Hackensack Meadowlands Tax Sharing Stabilization Fund in the Hackensack Meadowlands Development Commission. The fund will constitute the vehicle through which aid will be provided to constituent municipalities which experience these fluctuations in order to fully compensate them for adjustment payment increases or losses which exceed five percent. The fund will be capitalized with interest

payments on landfill closure accounts which are currently maintained by the commission.

FISCAL IMPACT

This bill has not been certified as having a fiscal impact.

Office of the Governor
NEWS RELEASE

PO BOX 004
TRENTON, NJ 08625

CONTACT: Gene Herman
609-777-2600

RELEASE: August 4, 1999

Gov. Christie Whitman today signed the following piece of legislation:

A-3145, sponsored by Assembly Members Paul DiGaetano (R- Bergen/Essex /Passaic) and Joan M. Quigley (D-Bergen/Hudson) and Senators Nicholas J. Sacco (D-Bergen/Hudson) and Louis F. Kosko (R-Bergen), provides for stabilization of intermunicipal tax sharing in the Hackensack Meadowlands District. The present tax sharing formula utilized by the Hackensack Meadowlands Development Commission (HMDC) has caused excessive fluctuations to occur in certain municipalities as a result of tax appeals. The bill addresses the excessive fluctuation in tax rates by creating the Hackensack Meadowlands Tax Sharing Stabilization Fund within the HMDC. Monies in the fund will be used to fully compensate municipalities for excessive fluctuations in payments to or from the intermunicipal account. The fund will be capitalized from interest payments on sanitary landfill closure accounts, which are currently maintained by the HJMDC and used for environment improvements and landfill closures in the District. The HMDC will receive no money from the fund.

Payments from the fund will be made to municipalities which suffer from excessive fluctuations in 1999 and subsequent years. An excessive fluctuation is defined in the bill as any increase or decrease in payments to or from the intermunicipal account which is in excess of five percent over or under the payment from the previous year. The bill also revises the current tax sharing formula used by the HMDC. The new formula will eliminate the variations and uncertainties which have created difficulties for the affected municipalities when municipal officials attempt to plan their budgets.