

54:4-2.2e1

LEGISLATIVE HISTORY CHECKLIST  
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(State aid  
payments--in lieu  
taxes--change  
date)

LAWS OF: 1990

CHAPTER: 16

Bill No: S2581

Sponsor(s): Weiss

Date Introduced: April 5, 1990

Committee: Assembly: -----

Senate: Revenue, Finance & Appropriations

Amended during passage: No

Date of Passage: Assembly: April 30, 1990

Senate: April 30, 1990

Date of Approval: May 1, 1990

Following statements are attached if available:

Sponsor statement: Yes

Committee Statement: Assembly: No

Senate: Yes

Fiscal Note: No

Veto Message: No

Message on signing: No

Following were printed:

Reports: No

Hearings: No

KBG/SLJ

APR 30 1990  
STATE OF NEW JERSEY  
LEGISLATIVE COUNCIL

1 AN ACT concerning the dates of certain State aid payments to  
2 municipalities and amending parts of the statutory law.

3

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

6 1. Section 22 of P.L.1981, c.211 (C.54:4-2.2e1) is amended to  
7 read as follows:

8 22. Notwithstanding the provisions of section 5 of P.L.1977,  
9 c.272 (C.54:4-2.2e), if the State has provided, or by [May 1] July  
10 5 of the year immediately succeeding the year of the director's  
11 computation pursuant to that section is scheduled to provide, an  
12 advance payment or payments to a municipality subject to article  
13 IV of the "Local Government Supervision Act (1947)," P.L.1947,  
14 c.151 (C.52:27BB-54 et seq.) for the State's liability for in lieu of  
15 tax payment on behalf of any new State facility, including the  
16 land on which the facility is located, to be constructed in the  
17 municipality; then, commencing with the computations and  
18 certifications for the first year for which the State is liable to  
19 the municipality for said payments, the Director of the Division  
20 of Taxation shall exclude from the amount certified in lieu of tax  
21 payment required each year by P.L.1977, c.272, an amount equal  
22 to that which the State would otherwise be obligated to pay the  
23 municipality pursuant to P.L.1977, c.272 for that facility  
24 including the land on which the facility is located until the total  
25 amount withheld from in lieu of tax payments to the  
26 municipality equals the amount of the advance payment or  
27 payments made to the municipality.

28 The Director of the Division of Local Government Services  
29 shall each year on or before November 1 provide the Director of  
30 the Division of Taxation with a certification of the amounts and  
31 dates of said advance payments or payments which have been  
32 provided or are scheduled to be provided by [May 1] July 5 of the  
33 immediately succeeding year. ~~These certifications for a~~  
34 ~~municipality shall no longer be provided when the Director of the~~  
35 ~~Division of Taxation notifies the Director of the Division of Local~~  
36 ~~Government Services that the amount which has been excluded~~  
37 ~~for a municipality equals what the State was otherwise obligated~~  
38 ~~to pay the municipality pursuant to this section.~~  
39 (cf: P.L.1981, c.211, s.22)

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       2. Section 9 of P.L.1977, c.272 (C.54:4-2.2i) is amended to  
2 read as follows:

3       9. In lieu tax payments for local services to State property  
4 shall be made in two equal annual installments on [May 1] July 5  
5 and November 1.

6 (cf: P.L.1977, c.272, s.9)

7       3. Section 6 of P.L.1966, c.135 (C.54:11D-6) is amended to  
8 read as follows:

9       6. The distribution required to be made by the State Treasurer  
10 under this act shall be made annually in four equal installments.  
11 The installments shall be payable annually on March 1, [May 1]  
12 July 5, August 1 and November 1 of each year and shall each  
13 consist of one-fourth of the amount appropriated.

14 (cf: P.L.1978, c.177, s.1)

15       4. Section 2 of P.L.1980, c.10 (C.54:30A-24.1) is amended to  
16 read as follows:

17       2. The director shall annually apportion to each municipality  
18 the amount to be apportioned to it pursuant to section 9 of  
19 P.L.1940, c.4 (C.54:30A-24), except that: a. no municipality  
20 which in the 3 next preceding tax years had a municipal purposes  
21 tax rate of \$0.10 or less shall receive a total amount pursuant to  
22 P.L.1940, c.4 (C.54:30A-16 et seq.) and P.L.1940, c.5  
23 (C.54:30A-49 et seq.) greater than it received in 1979, plus 50%  
24 of the difference between the amount it received pursuant to  
25 those laws in that year and the greater amount it would have  
26 received pursuant to those laws in the year for which the  
27 apportionment and payment is made; and, b. in no year shall any  
28 municipality receive an amount pursuant to P.L.1940, c.4  
29 (C.54:30A-16 et seq.) and P.L.1940, c.5 (C.54:30A-49 et seq.)  
30 greater than an amount equal to \$700.00 per capita. Any  
31 contiguous municipalities wherein there are located electric  
32 generating stations included in the scheduled property of a public  
33 utility, both or all of which municipalities would be affected by a.  
34 above but would not be limited by b. above, shall not be affected  
35 by the apportionment limitations of this section. Any  
36 municipality which has had a municipal purposes tax rate of  
37 \$0.10 or less for any 3 tax years affecting its apportionment  
38 pursuant to this section shall be required to have a municipal  
39 purposes tax rate in excess of \$0.10 for 3 consecutive tax years  
40 before its apportionment shall cease to be affected pursuant to  
41 this section.

42       If in 1980 or any year thereafter, the application of the \$700.00  
43 per capita limitation under this section would reduce the amount  
44 received by any municipality pursuant to P.L.1940, c.4  
45 (C.54:30A-16 et seq.) and P.L.1940, c.5 (C.54:30A-49 et seq.) to  
46 less than 50% of the amount received pursuant to those laws in  
47 1979, then, notwithstanding that limitation, the municipality  
48 shall receive in 1980 an amount equal to 50% of the amount

1 received in 1979, and in any year thereafter an amount equal to  
2 75% of the amount received in 1979; but in 1981 and each year  
3 thereafter such municipality shall annually appropriate and pay  
4 to the county in which it is located an amount equal to 35% of  
5 the amount received in that year, to be used for county purposes.

6 For the purposes of this section in determining per capita  
7 amounts, the most recent population estimates published by the  
8 New Jersey Department of Labor [and Industry] shall be utilized.

9 Amounts apportioned in each year to each municipality shall be  
10 annually paid to them by the State Treasurer, 25% thereof  
11 [within 30 days after] on July 5 next following the date of  
12 certification of the apportionment by the director; 40% thereof  
13 on or before September 1, and 35% thereof on or before  
14 December 1 next thereafter. Any portion of the balance set  
15 forth in section 9 of P.L.1940, c.4 (C.54:30A-24) remaining after  
16 the apportionments and payments are determined pursuant to  
17 this section shall be deposited in the "Municipal Purposes Tax  
18 Assistance Fund," established pursuant to P.L.1980, c.12  
19 (C.54:1-46 et seq.), to be used exclusively for the purpose of that  
20 fund.

21 Notwithstanding the provisions of the "Local Budget Law"  
22 (N.J.S.40A:4-1 et seq.), any county, or municipality affected by  
23 the \$700.00 limitation set forth in this section, to which a  
24 payment is made pursuant to this section may anticipate the  
25 amount of such payment in its annual budget for the year in  
26 which such payment is made, and any municipality which is  
27 required to make an annual appropriation pursuant to this section  
28 shall make such appropriation in its annual budget for the year in  
29 which it shall receive the payment a portion of which it is  
30 required to appropriate. The Director of Local Government  
31 Services shall establish rules or regulations necessary to  
32 effectuate the purposes and provisions of this section.

33 (cf: P.L.1980, c.10, s.2)

34 5. Section 4 of P.L.1980, c.11 (C.54:30A-61.1) is amended to  
35 read as follows:

36 4. The director shall annually apportion to each municipality  
37 the amount to be apportioned to it pursuant to sections 12 and 13  
38 of P.L.1940, c.5 (C.54:30A-60 and 54:30A-61), except that: a. no  
39 municipality which in the 3 next preceding tax years had a  
40 municipal purposes tax rate of \$0.10 or less shall receive a total  
41 amount pursuant to P.L.1940, c.4 (C.54:30A-16 et seq.) and  
42 P.L.1940, c.5 (C.54:30A-49 et seq.) greater than it received in  
43 1979, plus 50% of the difference between the amount it received  
44 pursuant to those laws in that year and the greater amount it  
45 would have received pursuant to those laws in the year for which  
46 the apportionment and payment is made; and, b. in no year shall  
47 any municipality receive an amount pursuant to P.L.1940, c.4  
48 (C.54:30A-16 et seq.) and P.L.1940, c.5 (C.54:30A-49 et seq.)

1 greater than an amount equal to \$700.00 per capita. Any  
2 contiguous municipalities wherein there are located electric  
3 generating stations included in the scheduled property of a public  
4 utility, both or all of which municipalities would be affected by a.  
5 above but would not be limited by b. above, shall not be affected  
6 by the apportionment limitations of this section. Any  
7 municipality which has had a municipal purposes tax rate of \$0.10  
8 or less for any 3 tax years affecting its apportionment pursuant  
9 to this section shall be required to have a municipal purposes tax  
10 rate in excess of \$0.10 for 3 consecutive tax years before its  
11 apportionment shall cease to be affected pursuant to this section.

12 If in 1980 or any year thereafter the application of the \$700.00  
13 per capita limitation under this section would reduce the amount  
14 received by any municipality pursuant to P.L.1940, c.4  
15 (C.54:30A-16 et seq.) and P.L.1940, c.5 (C.54:30A-49 et seq.) to  
16 less than 50% of the amount received pursuant to those laws in  
17 1979, then, notwithstanding that limitation, the municipality shall  
18 receive in 1980 an amount equal to 50% of the amount received  
19 in 1979, and in any year thereafter such municipality shall  
20 annually appropriate and pay to the county in which it is located  
21 an amount equal to 35% of the amount received in that year, to  
22 be used for county purposes.

23 For the purposes of this section in determining per capita  
24 amounts, the most recent population estimates published by the  
25 New Jersey Department of Labor [and Industry] shall be utilized.

26 Amounts apportioned in each year to each municipality shall be  
27 annually paid to them by the State Treasurer, 25% thereof [within  
28 30 days after] on July 5 next following the date of certification  
29 of the apportionment by the director; 40% thereof on or before  
30 September 1, and 35% thereof on or before December 1 next  
31 thereafter. Any portion of the balance set forth in sections 12  
32 and 13 of P.L.1940, c.5 (C.54:30A-60 and 54:30A-61) remaining  
33 after the apportionments and payments are determined pursuant  
34 to this section shall be deposited in the "Municipal Purposes Tax  
35 Assistance Fund," established pursuant to P.L.1980, c.12  
36 (C.54:1-46 et seq.), to be used exclusively for the purposes of  
37 that fund.

38 Notwithstanding the provisions of the "Local Budget Law"  
39 (N.J.S.40A4-1 et seq.), any county, or municipality affected by  
40 the \$700.00 limitation set forth in this section, to which a  
41 payment is made pursuant to this section may anticipate the  
42 amount of such payment in its annual budget for the year in  
43 which such payment is made, and any municipality which is  
44 required to make an annual appropriation pursuant to this section  
45 shall make such appropriation in its annual budget for the year in  
46 which it shall receive the payment a portion of which it is  
47 required to appropriate. The Director of Local Government  
48 Services shall establish rules or regulations necessary to

1 effectuate the purposes and provisions of this section.  
2 (cf: P.L.1980, c.11, s.4)

3 6. This act shall take effect immediately.  
4  
5

6 STATEMENT  
7

8 This bill changes the date on which the payment of certain  
9 state aid monies is made to municipalities. These payments  
10 include utility tax payments traditionally paid in June, and  
11 payments in lieu of taxes and business personal property tax  
12 replacement revenues usually paid in May; the payments will now  
13 be made in July.

14 This bill does not change the total amount paid to  
15 municipalities by the State under these programs, nor the amount  
16 received by municipalities during their fiscal year, which  
17 corresponds to the calendar year.

18 Necessary payments will be made on schedule on behalf of  
19 municipalities which have used business personal property tax  
20 replacement revenues to support local bonds under the provisions  
21 of the "Municipal Qualified Bond Act," P.L.1976, c.38 (C.40A:3-1  
22 et seq.).  
23

24 STATE BUDGET AND FINANCE  
25

26  
27 Changes annual State aid payment dates to July 5 for payments in  
28 lieu of taxes, business personal property tax replacement  
29 revenues and public utilities tax distributions.

1 effectuate the purposes and provisions of this section.  
2 (cf: P.L.1980, c.11, s.4)

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6 STATEMENT  
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8 This bill changes the date on which the payment of certain  
9 state aid monies is made to municipalities. These payments  
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19 municipalities which have used business personal property tax  
20 replacement revenues to support local bonds under the provisions  
21 of the "Municipal Qualified Bond Act," P.L.1976, c.38 (C.40A:3-1  
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23

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25 STATE BUDGET AND FINANCE  
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27 Changes annual State aid payment dates to July 5 for payments in  
28 lieu of taxes, business personal property tax replacement  
29 revenues and public utilities tax distributions.

**SENATE REVENUE, FINANCE AND  
APPROPRIATIONS COMMITTEE**

STATEMENT TO

**SENATE, No. 2581**

**STATE OF NEW JERSEY**

DATED: APRIL 26, 1990.

The Senate Revenue, Finance and Appropriations Committee favorably reports Senate Bill No. 2581.

Senate Bill No. 2581 changes the date on which the payment of certain State aid monies is made to municipalities. These payments include utility tax payments traditionally paid in June, and payments in lieu of taxes and business personal property tax replacement revenues usually paid in May. The payments will now be made in July.

This bill does not change the total amount paid to municipalities by the State under these programs, nor the amount received by municipalities during their fiscal year, which corresponds to the calendar year.

Necessary payments will be made on schedule on behalf of municipalities which have used business personal property tax replacement revenues to support local bonds under the provisions of the "Municipal Qualified Bond Act," P.L.1976, c.38 (C.40A:3-1 et seq.).

This bill is identical to Assembly Bill No. 3322.

**FISCAL IMPACT:**

This bill shifts the payment of approximately \$144.7 million to municipalities from the State FY 1990 to FY 1991.