

# 40A:4-45.4b

## LEGISLATIVE HISTORY CHECKLIST

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**LAWS OF:** 2001                   **CHAPTER:** 348  
**NJSA:** 40A:4-45.4b           (Waste management services tax – Monmouth County)  
**BILL NO:** S1586               (Substituted for A2963)  
**SPONSOR(S):** Bennett and Palaia  
**DATE INTRODUCED:** September 21, 2000  
**COMMITTEE:**           **ASSEMBLY:** Appropriations  
                              **SENATE:** Community and Urban Affairs  
**AMENDED DURING PASSAGE:** Yes  
**DATE OF PASSAGE:**           **ASSEMBLY:** January 3, 2002  
  **SENATE:** June 28, 2001  
**DATE OF APPROVAL:** January 6, 2002

### FOLLOWING ARE ATTACHED IF AVAILABLE:

**FINAL TEXT OF BILL** (Senate Substitute enacted)  
**S1586**

|  |                      |
|--|----------------------|
| <b>SPONSORS STATEMENT:</b> (Begins on page 3 of original bill)         | Yes                  |
| <b>COMMITTEE STATEMENT:</b>  | <b>ASSEMBLY:</b> Yes |
|  | <b>SENATE:</b> Yes   |
| <b>FLOOR AMENDMENT STATEMENT:</b> (attached to end of Sen. Substitute) | Yes                  |
| <b>LEGISLATIVE FISCAL ESTIMATE:</b>                                    | No                   |
| <b>FIRST REPRINT:</b>  | Yes                  |

**A2963**

|  |  |
|--|--|
| <b>SPONSORS STATEMENT:</b> (Begins on page 3 of original bill) | Yes  |
|  | Bill and Sponsors Statement identical to S1586           |
| <b>COMMITTEE STATEMENT:</b>                                    | <b>ASSEMBLY:</b> Yes    12-20-2001(Appropr.)             |
|  | Identical to Assembly Appropriations statement for S1586 |
|  | 5-17-2001(Local Gov't)                                   |
|  | <b>SENATE:</b> No  |
| <b>FLOOR AMENDMENT STATEMENT:</b>                              | No   |
| <b>LEGISLATIVE FISCAL ESTIMATE:</b>                            | No   |
| <b>VETO MESSAGE:</b>   | No   |
| <b>GOVERNOR'S PRESS RELEASE ON SIGNING:</b>                    | No   |

### FOLLOWING WERE PRINTED:

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|                            |    |
|----------------------------|----|
| <b>REPORTS:</b>            | No |
| <b>HEARINGS:</b>           | No |
| <b>NEWSPAPER ARTICLES:</b> | No |

**SENATE, No. 1586**

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**STATE OF NEW JERSEY**  
**209th LEGISLATURE**

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INTRODUCED SEPTEMBER 21, 2000

**Sponsored by:**

**Senator JOHN O. BENNETT**

**District 12 (Monmouth)**

**Senator JOSEPH A. PALAIA**

**District 11 (Monmouth)**

**SYNOPSIS**

Authorizes Monmouth County Board of Freeholders to establish by resolution a "waste management services tax."

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT authorizing as a pilot program the imposition of a "waste  
2 management services tax" by the Monmouth County Board of  
3 Freeholders and supplementing chapter 1E of Title 13 of the  
4 Revised Statutes

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

8  
9 1. The Legislature finds and declares that the proper management  
10 of solid waste is in the public interest and that the health, safety and  
11 welfare of the people of this State require safe, reliable, efficient and  
12 reasonable solid waste management services.

13 The Legislature further finds and declares that it is imperative that  
14 the State take appropriate action to authorize counties to implement  
15 measures which enable counties to continue to fund the  
16 implementation of comprehensive solid waste management plans in a  
17 manner which assures accountability to residents and businesses.

18 The Legislature further finds and declares that while counties may  
19 fund the costs associated with the implementation of a solid waste  
20 management plan through the county purposes tax, it is in the public  
21 interest to more precisely identify funds designated for the  
22 implementation of a solid waste management plan. One method of  
23 identifying such funds is through the adoption of a county wide tax to  
24 offset the expenses of a solid waste management plan. However, since  
25 the imposition of a new tax generally is not favored as a remedy to  
26 solid waste disposal problems, it is appropriate that the Legislature  
27 study the efficacy of this solution in one county before approving it as  
28 a Statewide solution. Therefore, it is in the public interest to allow the  
29 governing body of Monmouth County, as a pilot program, to impose  
30 a "waste management services tax" and have that governing body  
31 report back to the Legislature as to whether such a county tax is in the  
32 best interests of the county residents.

33  
34 2. The governing body of Monmouth County may, by resolution,  
35 establish a "waste management services tax," which shall be assessed  
36 and collected in the same manner as the county purposes tax on real  
37 property, and which shall appear and be identified as a separate county  
38 line item on the property tax bills. Monies collected from this tax shall  
39 be used exclusively to fund solid waste management programs,  
40 services and activities in Monmouth County.

41 Notwithstanding the provision of any other law to the contrary,  
42 Monmouth County debt obligations that were issued for solid waste  
43 management purposes and which were previously deductible from the  
44 calculation of gross debt of the county for debt limitation purposes  
45 because it was debt issued for a self-liquidating purpose pursuant to  
46 N.J.S.40A:2-44 shall continue to be deductible notwithstanding that

1 the county may fund solid waste management costs with a "waste  
2 management services tax."

3 Notwithstanding the provisions of section 3 of P.L.1976, c.68  
4 (C:40A:4-45.3), increases to the Monmouth County budget in order  
5 to pay for solid waste management costs which were previously  
6 funded by tipping fees prior to the loss of flow control shall be exempt  
7 from budget cap requirements under applicable law.

8

9 3. The governing body of Monmouth County shall file a report  
10 with the Governor and the Legislature not later than two years  
11 following the adoption of the resolution establishing a "waste  
12 management services tax." The report shall detail the effects of the  
13 "waste management services tax" on the tipping fees for the county  
14 landfill and on the property tax burden of the average county taxpayer.

15

16 4. This act shall take effect immediately.

17

18

19

#### STATEMENT

20

21 This bill would authorize as a pilot program the imposition of a  
22 "waste management services tax" in Monmouth county to be used  
23 exclusively to fund solid waste management programs, services and  
24 activities in the county. This pilot program was requested by the  
25 Monmouth County Board of Freeholders following lengthy discussions  
26 between the board and the county's municipalities about the county's  
27 solid waste needs.

28 Under the terms of the bill, the Monmouth County Board of  
29 Freeholders would be authorized to establish, by resolution, a "waste  
30 management services tax," to be assessed and collected in the same  
31 manner as the county purposes tax on real property. The "waste  
32 management services tax" would appear and be identified as a separate  
33 county line item on the property tax bills.

34 The Board of Freeholders of Monmouth County would be required  
35 to file a report with the Governor and the Legislature not later than  
36 two years following the adoption of the resolution establishing a  
37 "waste management services tax." The report would address the  
38 effects of the "waste management services tax" on the tipping fees for  
39 the county landfill and on the property tax burden of the average  
40 county taxpayer.

# SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

## STATEMENT TO

### **SENATE, No. 1586**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: DECEMBER 14, 2000

The Senate Community and Urban Affairs Committee reports without recommendation, and with committee amendments Senate Bill No. 1586.

This bill, as amended, would authorize as a pilot program the imposition of a "waste management services tax" in Monmouth county to be used exclusively to fund solid waste management programs, services and activities in the county. This pilot program was requested by the Monmouth County Board of Freeholders following lengthy discussions between the board and the county's municipalities about the county's solid waste needs.

Under the terms of the bill, the Monmouth County Board of Freeholders would be authorized to establish, by resolution, a "waste management services tax," to be assessed and collected in the same manner as the county purposes tax on real property. The "waste management services tax" would appear and be identified as a separate county line item on the property tax bills.

The Board of Freeholders of Monmouth County would be required to file a report with the Governor and the Legislature not later than two years following the adoption of the resolution establishing a "waste management services tax." The report would address the effects of the "waste management services tax" on the tipping fees for the county landfill and on the property tax burden of the average county taxpayer.

The committee amended the bill to require the pilot program to expire at the end of the third year next following enactment.

[First Reprint]

**SENATE, No. 1586**

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**STATE OF NEW JERSEY**  
**209th LEGISLATURE**

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INTRODUCED SEPTEMBER 21, 2000

**Sponsored by:**

**Senator JOHN O. BENNETT**

**District 12 (Monmouth)**

**Senator JOSEPH A. PALAIA**

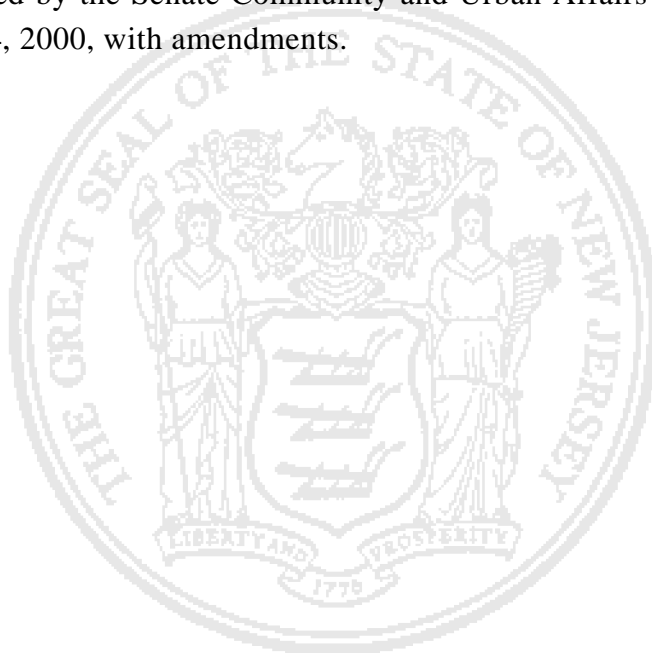
**District 11 (Monmouth)**

**SYNOPSIS**

Authorizes Monmouth County Board of Freeholders to establish by resolution a "waste management services tax."

**CURRENT VERSION OF TEXT**

As reported by the Senate Community and Urban Affairs Committee on December 14, 2000, with amendments.



1 AN ACT authorizing as a pilot program the imposition of a "waste  
2 management services tax" by the Monmouth County Board of  
3 Freeholders and supplementing chapter 1E of Title 13 of the  
4 Revised Statutes

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

8  
9 1. The Legislature finds and declares that the proper management  
10 of solid waste is in the public interest and that the health, safety and  
11 welfare of the people of this State require safe, reliable, efficient and  
12 reasonable solid waste management services.

13 The Legislature further finds and declares that it is imperative that  
14 the State take appropriate action to authorize counties to implement  
15 measures which enable counties to continue to fund the  
16 implementation of comprehensive solid waste management plans in a  
17 manner which assures accountability to residents and businesses.

18 The Legislature further finds and declares that while counties may  
19 fund the costs associated with the implementation of a solid waste  
20 management plan through the county purposes tax, it is in the public  
21 interest to more precisely identify funds designated for the  
22 implementation of a solid waste management plan. One method of  
23 identifying such funds is through the adoption of a county wide tax to  
24 offset the expenses of a solid waste management plan. However, since  
25 the imposition of a new tax generally is not favored as a remedy to  
26 solid waste disposal problems, it is appropriate that the Legislature  
27 study the efficacy of this solution in one county before approving it as  
28 a Statewide solution. Therefore, it is in the public interest to allow the  
29 governing body of Monmouth County, as a pilot program, to impose  
30 a "waste management services tax" and have that governing body  
31 report back to the Legislature as to whether such a county tax is in the  
32 best interests of the county residents.

33  
34 2. The governing body of Monmouth County may, by resolution,  
35 establish a "waste management services tax," which shall be assessed  
36 and collected in the same manner as the county purposes tax on real  
37 property, and which shall appear and be identified as a separate county  
38 line item on the property tax bills. Monies collected from this tax shall  
39 be used exclusively to fund solid waste management programs,  
40 services and activities in Monmouth County.

41 Notwithstanding the provision of any other law to the contrary,  
42 Monmouth County debt obligations that were issued for solid waste

**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.**

**Matter enclosed in superscript numerals has been adopted as follows:**

**<sup>1</sup> Senate SCU committee amendments adopted December 14, 2000.**

1 management purposes and which were previously deductible from the  
2 calculation of gross debt of the county for debt limitation purposes  
3 because it was debt issued for a self-liquidating purpose pursuant to  
4 N.J.S.40A:2-44 shall continue to be deductible notwithstanding that  
5 the county may fund solid waste management costs with a "waste  
6 management services tax."

7 Notwithstanding the provisions of section 3 of P.L.1976, c.68  
8 (C:40A:4-45.3), increases to the Monmouth County budget in order  
9 to pay for solid waste management costs which were previously  
10 funded by tipping fees prior to the loss of flow control shall be exempt  
11 from budget cap requirements under applicable law.

12

13 3. The governing body of Monmouth County shall file a report  
14 with the Governor and the Legislature not later than two years  
15 following the adoption of the resolution establishing a "waste  
16 management services tax." The report shall detail the effects of the  
17 "waste management services tax" on the tipping fees for the county  
18 landfill and on the property tax burden of the average county taxpayer.

19

20 4. This act shall take effect immediately <sup>1</sup>and shall expire at the end  
21 of the third year next following enactment<sup>1</sup>.



SENATE SUBSTITUTE FOR  
**SENATE, No. 1586**

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**STATE OF NEW JERSEY**  
**209th LEGISLATURE**

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ADOPTED JUNE 7, 2001

**Sponsored by:**

**Senator JOHN O. BENNETT**

**District 12 (Monmouth)**

**Senator JOSEPH A. PALAIA**

**District 11 (Monmouth)**

**Co-Sponsored by:**

**Assemblyman Arnone**

**SYNOPSIS**

Permits county contributions for management of self-liquidating solid waste utility to be outside budget cap limits.

**CURRENT VERSION OF TEXT**

Substitute as adopted by the Senate.



**(Sponsorship Updated As Of: 1/4/2002)**

1 AN ACT concerning county budget cap exceptions and supplementing  
2 chapter 4 of Title 40A of the New Jersey Statutes.

3

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

6

7 1. The Legislature finds and declares:

8 The proper management of solid waste is essential to the health,  
9 safety and welfare of the people of this State and it is in the public  
10 interest to assure safe, reliable, efficient and reasonably priced solid  
11 waste management services.

12 It is imperative that the State take appropriate action to authorize  
13 counties to implement measures which enable counties to continue to  
14 fund the implementation of comprehensive solid waste management  
15 plans in a manner which assures accountability to residents and  
16 businesses.

17 Due to the change in solid waste flow rules in 1997, many county  
18 solid waste operations were forced to reduce tipping fees in order to  
19 remain competitive with solid waste facilities located outside the State  
20 of New Jersey. These reductions in tipping fees have resulted in a loss  
21 of revenues to these county solid waste operations, with the potential  
22 to cause operational funding shortfalls.

23 Therefore, it is a matter of good public policy to address the issue  
24 of potential operational funding shortfalls by providing a means by  
25 which county governments can address the issue of funding shortfalls  
26 while maintaining stability in the county budget by permitting counties  
27 to fund the shortfalls through the county general fund with funds not  
28 subject to budget cap limits.

29

30 2. Notwithstanding the provisions of section 4 of P.L.1976, c.68  
31 (C.40A:4-45.4) to the contrary, amounts appropriated in a county  
32 budget pursuant to N.J.S.40A:4-35 related to the operation of a  
33 county solid waste reclamation utility shall not be subject to limits on  
34 increases in the county tax levy in any budget year.

35

36 3. This act shall take effect immediately and shall be retroactive to  
37 January 1, 2001.

38

39

#### STATEMENT

40

41 This substitute bill would permit a county to appropriate monies in  
42 order to subsidize the operation of a county solid waste reclamation  
43 utility without regard to the limits on increases in the county tax levy  
44 in any budget year. Under current law, if a county wanted to subsidize  
45 its solid waste reclamation utility, it would have to take the money  
46 from other appropriations, thereby probably reducing services, to  
47 remain within the county budget and tax levy caps.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE SUBSTITUTE FOR

**SENATE, No. 1586**

**STATE OF NEW JERSEY**

DATED: DECEMBER 20, 2001

The Assembly Appropriations Committee reports favorably Senate Bill No. 1586 (SS).

Senate Bill No. 1586 (SS) permits a county to appropriate monies in order to subsidize the operation of a county solid waste reclamation utility without regard to the limits on increases in the county tax levy in any budget year.

This bill allows counties to handle the problem of subsidizing solid waste reclamation utility operational expenses by raising money in excess of the county budget cap that would otherwise apply. Although the bill authorizes county governments to raise real property taxes in excess of the cap, such an increase in real property taxes can have long-run benefits to the county real property taxpayers: it decreases the chances of a default on the county bonds used to construct the solid waste reclamation facility that is being subsidized.

Currently, under the county budget cap law if county wanted to subsidize its solid waste reclamation utility the county would have to transfer funds from other appropriations, with the likely result of a force reduction in services, to remain within the county budget and tax levy caps.

**FISCAL IMPACT:**

This bill has no impact on State revenues or expenditures. The bill allows counties to increase their real property taxes in excess of the county budget and tax levy caps to subsidize the operation of a county solid waste reclamation utility. No information is available on the counties that would use this method, or the amount of subsidies that would be raised.

# ASSEMBLY, No. 2963

## STATE OF NEW JERSEY 209th LEGISLATURE

INTRODUCED NOVEMBER 13, 2000

**Sponsored by:**

**Assemblyman MICHAEL J. ARNONE**

**District 12 (Monmouth)**

**SYNOPSIS**

Authorizes Monmouth County Board of Freeholders to establish by resolution a "waste management services tax."

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT authorizing as a pilot program the imposition of a "waste  
2 management services tax" by the Monmouth County Board of  
3 Freeholders and supplementing chapter 1E of Title 13 of the  
4 Revised Statutes.

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

8  
9 1. The Legislature finds and declares that the proper management  
10 of solid waste is in the public interest and that the health, safety and  
11 welfare of the people of this State require safe, reliable, efficient and  
12 reasonable solid waste management services.

13 The Legislature further finds and declares that it is imperative that  
14 the State take appropriate action to authorize counties to implement  
15 measures which enable counties to continue to fund the  
16 implementation of comprehensive solid waste management plans in a  
17 manner which assures accountability to residents and businesses.

18 The Legislature further finds and declares that while counties may  
19 fund the costs associated with the implementation of a solid waste  
20 management plan through the county purposes tax, it is in the public  
21 interest to more precisely identify funds designated for the  
22 implementation of a solid waste management plan. One method of  
23 identifying such funds is through the adoption of a county wide tax to  
24 offset the expenses of a solid waste management plan. However, since  
25 the imposition of a new tax generally is not favored as a remedy to  
26 solid waste disposal problems, it is appropriate that the Legislature  
27 study the efficacy of this solution in one county before approving it as  
28 a Statewide solution. Therefore, it is in the public interest to allow the  
29 governing body of Monmouth County, as a pilot program, to impose  
30 a "waste management services tax" and have that governing body  
31 report back to the Legislature as to whether such a county tax is in the  
32 best interests of the county residents.

33  
34 2. The governing body of Monmouth County may, by resolution,  
35 establish a "waste management services tax," which shall be assessed  
36 and collected in the same manner as the county purposes tax on real  
37 property, and which shall appear and be identified as a separate county  
38 line item on the property tax bills. Monies collected from this tax shall  
39 be used exclusively to fund solid waste management programs,  
40 services and activities in Monmouth County.

41 Notwithstanding the provision of any other law to the contrary,  
42 Monmouth County debt obligations that were issued for solid waste  
43 management purposes and which were previously deductible from the  
44 calculation of gross debt of the county for debt limitation purposes  
45 because it was debt issued for a self-liquidating purpose pursuant to  
46 N.J.S.40A:2-44 shall continue to be deductible notwithstanding that

1 the county may fund solid waste management costs with a "waste  
2 management services tax."

3 Notwithstanding the provisions of section 3 of P.L.1976, c.68  
4 (C:40A:4-45.3), increases to the Monmouth County budget in order  
5 to pay for solid waste management costs which were previously  
6 funded by tipping fees prior to the loss of flow control shall be exempt  
7 from budget cap requirements under applicable law.

8

9 3. The governing body of Monmouth County shall file a report  
10 with the Governor and the Legislature not later than two years  
11 following the adoption of the resolution establishing a "waste  
12 management services tax." The report shall detail the effects of the  
13 "waste management services tax" on the tipping fees for the county  
14 landfill and on the property tax burden of the average county taxpayer.

15

16 4. This act shall take effect immediately.

17

18

19

#### STATEMENT

20

21 This bill would authorize as a pilot program the imposition of a  
22 "waste management services tax" in Monmouth county to be used  
23 exclusively to fund solid waste management programs, services and  
24 activities in the county. This pilot program was requested by the  
25 Monmouth County Board of Freeholders following lengthy discussions  
26 between the board and the county's municipalities about the county's  
27 solid waste needs.

28 Under the terms of the bill, the Monmouth County Board of  
29 Freeholders would be authorized to establish, by resolution, a "waste  
30 management services tax," to be assessed and collected in the same  
31 manner as the county purposes tax on real property. The "waste  
32 management services tax" would appear and be identified as a separate  
33 county line item on the property tax bills.

34 The Board of Freeholders of Monmouth County would be required  
35 to file a report with the Governor and the Legislature not later than  
36 two years following the adoption of the resolution establishing a  
37 "waste management services tax." The report would address the  
38 effects of the "waste management services tax" on the tipping fees for  
39 the county landfill and on the property tax burden of the average  
40 county taxpayer.

ASSEMBLY LOCAL GOVERNMENT COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR  
**ASSEMBLY, No. 2963**

**STATE OF NEW JERSEY**

DATED: MAY 17, 2001

The Assembly Local Government Committee reports favorably an Assembly Committee Substitute for Assembly Bill No. 2963.

This committee substitute would permit a county to appropriate monies in order to subsidize the operation of a county solid waste reclamation utility without regard to the limits on increases in the county tax levy in any budget year. The original bill affected only Monmouth County and authorized the imposition of a "waste management services tax" in addition to the county purposes portion of the real property tax. The committee substitute broadens the applicability of the original bill by allowing counties to handle the problem of subsidizing solid waste reclamation utility operational expenses by raising money outside of the county budget cap. Although this committee substitute authorizes county governments to raise real property taxes in excess of the cap, it is believed that this benefits county real property taxpayers in the long-run by decreasing the chances of a default on the county bonds used to construct the solid waste reclamation facility that is being subsidized. Under current law, if a county wanted to subsidize its solid waste reclamation utility, it would have to take the money from other appropriations, thereby probably reducing services, to remain within the county budget and tax levy caps.

ASSEMBLY COMMITTEE SUBSTITUTE FOR  
**ASSEMBLY, No. 2963**

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**STATE OF NEW JERSEY**  
**209th LEGISLATURE**

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ADOPTED MAY 17, 2001

**Sponsored by:**

**Assemblyman MICHAEL J. ARNONE**

**District 12 (Monmouth)**

**SYNOPSIS**

Permits county contributions for management of self-liquidating solid waste utility to be outside budget cap limits.

**CURRENT VERSION OF TEXT**

Substitute as adopted by the Assembly Local Government Committee.





1 AN ACT concerning county budget cap exceptions and supplementing  
2 chapter 4 of Title 40A of the New Jersey Statutes.

3

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

6

7 1. The Legislature finds and declares:

8 The proper management of solid waste is essential to the health,  
9 safety and welfare of the people of this State and it is in the public  
10 interest to assure safe, reliable, efficient and reasonably priced solid  
11 waste management services.

12 It is imperative that the State take appropriate action to authorize  
13 counties to implement measures which enable counties to continue to  
14 fund the implementation of comprehensive solid waste management  
15 plans in a manner which assures accountability to residents and  
16 businesses.

17 Due to the change in solid waste flow rules in 1997, many county  
18 solid waste operations were forced to reduce tipping fees in order to  
19 remain competitive with solid waste facilities located outside the State  
20 of New Jersey. These reductions in tipping fees have resulted in a loss  
21 of revenues to these county solid waste operations, with the potential  
22 to cause operational funding shortfalls.

23 Therefore, it is a matter of good public policy to address the issue  
24 of potential operational funding shortfalls by providing a means by  
25 which county governments can address the issue of funding shortfalls  
26 while maintaining stability in the county budget by permitting counties  
27 to fund the shortfalls through the county general fund with funds not  
28 subject to budget cap limits.

29

30 2. Notwithstanding the provisions of section 4 of P.L.1976, c.68  
31 (C.40A:4-45.4) to the contrary, amounts appropriated in a county  
32 budget pursuant to N.J.S.40A:4-35 related to the operation of a  
33 county solid waste reclamation utility shall not be subject to limits on  
34 increases in the county tax levy in any budget year.

35

36 3. This act shall take effect immediately and shall be retroactive to  
37 January 1, 2001.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR  
**ASSEMBLY, No. 2963**

**STATE OF NEW JERSEY**

DATED: DECEMBER 20, 2001

The Assembly Appropriations Committee reports favorably Assembly Bill No. 2963 (ACS).

Assembly Bill No. 2963 (ACS) permits a county to appropriate monies in order to subsidize the operation of a county solid waste reclamation utility without regard to the limits on increases in the county tax levy in any budget year.

This bill allows counties to handle the problem of subsidizing solid waste reclamation utility operational expenses by raising money in excess of the county budget cap that would otherwise apply. Although the bill authorizes county governments to raise real property taxes in excess of the cap, such an increase in real property taxes can have long-run benefits to the county real property taxpayers: it decreases the chances of a default on the county bonds used to construct the solid waste reclamation facility that is being subsidized.

Currently, under the county budget cap law if county wanted to subsidize its solid waste reclamation utility the county would have to transfer funds from other appropriations, with the likely result of a force reduction in services, to remain within the county budget and tax levy caps.

FISCAL IMPACT:

This bill has no impact on State revenues or expenditures. The bill allows counties to increase their real property taxes in excess of the county budget and tax levy caps to subsidize the operation of a county solid waste reclamation utility. No information is available on the counties that would use this method, or the amount of subsidies that would be raised.

P.L. 2001, CHAPTER 348, *approved January 6, 2002*  
Senate Substitute for  
Senate, No. 1586

1 **AN ACT** concerning county budget cap exceptions and supplementing  
2 chapter 4 of Title 40A of the New Jersey Statutes.

3

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

6

7 1. The Legislature finds and declares:

8 The proper management of solid waste is essential to the health,  
9 safety and welfare of the people of this State and it is in the public  
10 interest to assure safe, reliable, efficient and reasonably priced solid  
11 waste management services.

12 It is imperative that the State take appropriate action to authorize  
13 counties to implement measures which enable counties to continue to  
14 fund the implementation of comprehensive solid waste management  
15 plans in a manner which assures accountability to residents and  
16 businesses.

17 Due to the change in solid waste flow rules in 1997, many county  
18 solid waste operations were forced to reduce tipping fees in order to  
19 remain competitive with solid waste facilities located outside the State  
20 of New Jersey. These reductions in tipping fees have resulted in a loss  
21 of revenues to these county solid waste operations, with the potential  
22 to cause operational funding shortfalls.

23 Therefore, it is a matter of good public policy to address the issue  
24 of potential operational funding shortfalls by providing a means by  
25 which county governments can address the issue of funding shortfalls  
26 while maintaining stability in the county budget by permitting counties  
27 to fund the shortfalls through the county general fund with funds not  
28 subject to budget cap limits.

29

30 2. Notwithstanding the provisions of section 4 of P.L.1976, c.68  
31 (C.40A:4-45.4) to the contrary, amounts appropriated in a county  
32 budget pursuant to N.J.S.40A:4-35 related to the operation of a  
33 county solid waste reclamation utility shall not be subject to limits on  
34 increases in the county tax levy in any budget year.

35

36 3. This act shall take effect immediately and shall be retroactive to  
37 January 1, 2001.

38

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STATEMENT

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41 This substitute bill would permit a county to appropriate monies in  
42 order to subsidize the operation of a county solid waste reclamation  
43 utility without regard to the limits on increases in the county tax levy

1 in any budget year. Under current law, if a county wanted to subsidize  
2 its solid waste reclamation utility, it would have to take the money  
3 from other appropriations, thereby probably reducing services, to  
4 remain within the county budget and tax levy caps.  
5  
6  
7 \_\_\_\_\_  
8  
9 Permits county contributions for management of self-liquidating solid  
10 waste utility to be outside budget cap limits.

## CHAPTER 348

AN ACT concerning county budget cap exceptions and supplementing chapter 4 of Title 40A of the New Jersey Statutes.

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

1. The Legislature finds and declares:

The proper management of solid waste is essential to the health, safety and welfare of the people of this State and it is in the public interest to assure safe, reliable, efficient and reasonably priced solid waste management services.

It is imperative that the State take appropriate action to authorize counties to implement measures which enable counties to continue to fund the implementation of comprehensive solid waste management plans in a manner which assures accountability to residents and businesses.

Due to the change in solid waste flow rules in 1997, many county solid waste operations were forced to reduce tipping fees in order to remain competitive with solid waste facilities located outside the State of New Jersey. These reductions in tipping fees have resulted in a loss of revenues to these county solid waste operations, with the potential to cause operational funding shortfalls.

Therefore, it is a matter of good public policy to address the issue of potential operational funding shortfalls by providing a means by which county governments can address the issue of funding shortfalls while maintaining stability in the county budget by permitting counties to fund the shortfalls through the county general fund with funds not subject to budget cap limits.

C.40A:4-45.4b Budget cap exception for solid waste reclamation utility.

2. Notwithstanding the provisions of section 4 of P.L.1976, c.68 (C.40A:4-45.4) to the contrary, amounts appropriated in a county budget pursuant to N.J.S.40A:4-35 related to the operation of a county solid waste reclamation utility shall not be subject to limits on increases in the county tax levy in any budget year.

3. This act shall take effect immediately and shall be retroactive to January 1, 2001.

Approved January 6, 2002.