

54:30A-60 et seq.

LEGISLATIVE HISTORY CHECKLIST

RUSA 54:30A-60 et seq. (Public Utilities Gross Receipts Tax --revise distribution)

LANS OF 1980 CHAPTER 11

Bill No. S794

Sponsor(s) Gregorio, Merlino and Kennedy

Date Introduced January 8, 1980

Committee: Assembly Revenue, Finance and Appropriations

Senate _____

Amended during passage Yes Amendments during passage denoted by asterisks

Date of Passage: Assembly Feb. 28, 1980

Senate Jan. 29, 1980

Date of approval March 18, 1980

Following statements are attached if available:

Sponsor statement	Yes	<input checked="" type="checkbox"/>	Also attached: Senate amendments adopted 1-24-80 (with statement)
Committee Statement: Assembly	Yes	<input checked="" type="checkbox"/>	
Senate	Yes	No	
Fiscal Note	Yes	No	
Veto message	Yes	No	
Message on signing	Yes	<input checked="" type="checkbox"/>	

Following were printed.

Reports	Yes	No
Hearings	Yes	No

Comment on need for legislation in:

974.901 New Jersey. Governor (Byrne, 1974-)
G52 Sixth annual message to the
Legislature, January 8, 1980.
(p.12-13--attached)

9/1/78
EG

[SECOND OFFICIAL COPY REPRINT]

SENATE, No. 794

STATE OF NEW JERSEY

INTRODUCED JANUARY 8, 1980

By Senators GREGORIO, MERLINO and KENNEDY

(Without Reference)

AN ACT concerning the taxation of certain public utilities, and amending and supplementing P. L. 1940, c. 5 (C. 54:30A-49 et seq.).

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

1 1. Section 12 of P. L. 1940, c. 5 (C. 54:30A-60) is amended to
2 read as follows:

3 12. The balance of the excise taxes imposed by section 6(a) of
4 this act upon each taxpayer in the year 1940 and each year there-
5 after is hereby apportioned, *subject to the provisions of section 4*
6 *of this amendatory and supplementary act*, to the various municipi-
7 palities in the proportion that the apportionment value of the
8 scheduled property of such taxpayer located in, on or over any
9 public street, highway, road or other public place in each municipi-
10 pality as of the preceding July 1 bears to the total apportionment
11 value of such scheduled property of such taxpayer in this State as
12 of that date. The **[State Tax Commissioner]** *Director of the Divi-*
13 *sion of Taxation* shall, on or before May 1, 1941, and annually
14 before May 1 in each year thereafter, compute the balance of such
15 excise taxes and such apportionment thereof in the manner herein
16 provided.

1 2. Section 13 of P. L. 1940, c. 5 (C. 54:30A-61) is amended to
2 read as follows:

3 13. The balance of the excise taxes imposed by section 6(b) of
4 this act upon each taxpayer in the year 1940 and each year there-
5 after is hereby apportioned, *subject to the provisions of section 4*
6 *of this amendatory and supplementary act*, to the various municipi-
7 palities in the proportion that the apportionment value of the
8 scheduled property of such taxpayer located in each municipality

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

9 as of the preceding July 1 bears to the total apportionment value of
 10 the scheduled property of such taxpayer in this State as of that
 11 date. The **State Tax Commissioner** *Director of the Division of*
 12 *Taxation* shall on or before **June 1, 1941**, and annually before
 13 **June 1** *May 1* in each year **thereafter**, compute the balance of
 14 such taxes and the apportionment thereof in the manner herein
 15 provided.

1 3. Section 14 of P. L. 1940, c. 5 (C. 54:30-62) is amended to read
 2 as follows:

3 14. Within 5 days after making the computation and apportion-
 4 ment of the excise taxes under subsections (a) and (b) of section 6
 5 of this act, the **State Tax Commissioner** *Director of the Division*
 6 *of Taxation* shall certify to the **respective collectors of taxes or**
 7 **officers having like powers and duties to perform in each municipi-**
 8 **ality** *State Treasurer* the amount of such taxes apportioned to
 9 **such** *each* municipality **and the collectors of taxes or such other**
 10 **officers shall within 5 days after receipt of such certification deliver**
 11 **or cause to be delivered to each taxpayer named in such certificate**
 12 **a statement in writing showing the amount of such taxes payable**
 13 **to such municipality: and the amount so apportioned to each**
 14 **municipality shall become payable at the place where other taxes**
 15 **are payable in such municipality in the following manner, to wit:**
 16 **one-third thereof 30 days after the date of the certification of the**
 17 **apportionment by the State Tax Commissioner, one-third thereof**
 18 **on September 1, and one-third thereof on December 1 next there-**
 19 **after; provided, that if**. *At the same time, the director shall issue*
 20 *directly to each taxpayer statements of taxes due, and payments*
 21 *with respect thereto shall be remitted by each taxpayer to the*
 22 *director in the following manner: 35% thereof within 15 days after*
 23 *the date of certification of the apportionment by the director, 35%*
 24 *thereof on or before August 15 and 30% thereof on or before*
 25 *November 15. If for any reason the making and delivering of a*
 26 *certificate of apportionment shall be delayed until after December 1*
 27 *in any year then in that case all of the taxes for such year affected*
 28 *by such certificate of apportionment shall become due and payable*
 29 *30 days after the date of such certification of apportionment; and,*
 30 **further** provided, that in case of an appeal from any apportion-
 31 ment valuation or apportionment or any review thereof in any
 32 court, the portion of any such tax not paid prior to the commence-
 33 ment of any such appeal or proceedings for review, shall not
 34 become payable until 30 days after final determination of such
 35 appeal or review and the certification or recertification of the
 36 apportionment**, if** required. The taxes payable by each taxpayer
 37 under subsections (a) and (b) of section 6 of this act shall be

38 and remain a first lien on the property and assets of such taxpayer
 39 on and after the date the same become payable, as herein provided,
 40 until paid with interest thereon, and the same shall be collected in
 41 the same manner and subject to the same discounts, interest and
 42 penalties as personal taxes against other corporations or indi-
 43 viduals and the same proceedings now available for the collection
 44 of personal taxes against other corporations or individuals shall
 45 be applicable to the collection of the excise taxes hereby imposed
 46 and payable **[to any municipality]**.

1 4. (New section) The director shall annually apportion to each
 2 municipality the amount to be apportioned to it pursuant to sec-
 3 tions 12 and 13 of P. L. 1940, c. 5 (C. 54:30A-60 and 54:30A-61),
 4 except that^{**}: a.^{**} no municipality which in the 3 next preceding
 5 tax years had a municipal purposes tax **[levy]** *rate* of \$0.10
 6 or less shall receive a total amount pursuant to P. L. 1940, c. 4
 7 (C. 54:30A-16 et seq.) and P. L. 1940, c. 5 (C. 54:30A-49 et seq.)
 8 greater than it received in 1979, plus **[20%]** *50%* of the differ-
 9 ence between the amount it received pursuant to those laws in that
 10 year and the greater amount it would have received pursuant to
 11 those laws in the year for which the apportionment and payment
 12 is made; **[provided, however, that]**^{**} *and, b.*^{**} in no year
 13 shall any municipality receive an amount pursuant to P. L. 1940,
 14 c. 4 (C. 54:30A-16 et seq.) and P. L. 1940, c. 5 (C. 54:30A-49 et
 15 seq.) greater than an amount equal to **[\$500.00]** *[\$600.00]*^{**}
 16 *\$700.00*^{**} per capita. *Any contiguous municipalities wherein*
 17 *there are located electric generating stations included in the sched-*
 18 *uled property of a public utility, both or all of which municipalities*
 19 *would be affected by a. above but would not be limited by b. above,*
 20 *shall not be affected by the apportionment limitations of this sec-*
 21 *tion.*^{**} Any **[six]** municipality which has had a municipal pur-
 22 poses tax **[levy]** *rate* of \$0.10 or less for any 3 tax years
 23 affecting its apportionment pursuant to this section shall be re-
 24 quired to have a municipal purposes tax **[levy]** *rate* in excess
 25 of \$0.10 for 3 consecutive tax years before its apportionment shall
 26 cease to be affected pursuant to this section.

27 *If in 1980 or any year thereafter the application of the*
 28 *[\$600.00] \$700.00 per capita limitation under this section*
 29 *would reduce the amount received by any municipality pursuant to*
 30 *P. L. 1940, c. 4 (C. [54:30-16] 54:30A-16 et seq.) and*
 31 *P. L. 1940, c. 5 (C. 54:30A-49 et seq.) to less than 50% of the amount*
 32 *received pursuant to those laws in 1979, then, notwithstanding that*
 33 *limitation, the municipality shall receive in 1980 an amount equal*
 34 *to 50% of the amount received in 1979, and in any year thereafter*

35 an amount equal to 75% of the amount received in 1979; but in
 36 1981 and each year thereafter such municipality shall ****annually**
 37 **appropriate and**** pay to the county in which it is located an
 38 amount equal to ****[1/5]** **35%**** of the amount received in that
 39 year, to be used for county purposes.*

40 ****For the purposes of this section in determining per capita**
 41 **amounts, the most recent population estimates published by the**
 42 **New Jersey Department of Labor and Industry shall be utilized.****

43 Amounts apportioned in each year to each municipality shall
 44 be annually paid to them by the State Treasurer, 25% thereof
 45 within 30 days after the date of certification of the apportionment
 46 by the director; 40% thereof on or before September 1, and 35%
 47 thereof on or before December 1 next thereafter. Any portion of
 48 the balance set forth in section 12 and 13 of P. L. 1940, c. 5
 49 (C. 54:30A-60 and 54:30A-61) remaining after the apportion-
 50 ments and payments are ****[made]** **determined**** pursuant to
 51 this section shall be deposited in the "Municipal Purposes Tax
 52 Assistance Fund," established pursuant to P. L. , c.

53 (C.) (now pending before the Legislature as Senate
 54 Bill No. 795), to be used exclusively for the purposes of that fund.

55 ****Notwithstanding the provisions of the "Local Budget Law"**
 56 **(N. J. S. 40A:4-1 et seq.), any county, or municipality affected by**
 57 **the \$700.00 limitation set forth in this section, to which a payment**
 58 **is made pursuant to this section may anticipate the amount of such**
 59 **payment in its annual budget for the year in which such payment**
 60 **is made, and any municipality which is required to make an annual**
 61 **appropriation pursuant to this section shall make such appropria-**
 62 **tion in its annual budget for the year in which it shall receive the**
 63 **payment a portion of which it is required to appropriate. The**
 64 **Director of Local Government Services shall establish rules or**
 65 **regulations necessary to effectuate the purposes and provisions of**
 66 **this section.****

1 5. This act shall take effect immediately and shall apply to any
 2 taxes payable under P. L. 1940, c. 5 (C. 54:30A-49 et seq.) on or
 3 after January 1, 1980.

SENATE, No. 794

STATE OF NEW JERSEY

INTRODUCED JANUARY 8, 1980

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11 value of such scheduled property of such taxpayer in this State as
12 of that date. The **[State Tax Commissioner]** *Director of the Divi-*
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 41 the same manner and subject to the same discounts, interest and
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 4 except that no municipality which in the 3 next preceding tax years
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 6 total amount pursuant to P. L. 1940, c. 4 (C. 54:30A-16 et seq.) and
 7 P. L. 1940, c. 5 (C. 54:30A-49 et seq.) greater than it received in
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 16 \$0.10 or less for any 3 tax years affecting its apportionment pursu-
 17 ant to this section shall be required to have a municipal purposes
 18 tax levy in excess of \$0.10 for 3 consecutive tax years before its
 19 apportionment shall cease to be affected pursuant to this section.

20 Amounts apportioned in each year to each municipality shall
 21 be annually paid to them by the State Treasurer, 25% thereof
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 23 by the director; 40% thereof on or before September 1, and 35%
 24 thereof on or before December 1 next thereafter. Any portion of
 25 the balance set forth in section 12 and 13 of P. L. 1940, c. 5
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 28 deposited in the "Municipal Purposes Tax Assistance Fund,"
 29 established pursuant to P. L. , c. (C.) (now
 30 pending before the Legislature as Senate Bill No. 795), to be
 31 used exclusively for the purposes of that fund.

1 5. This act shall take effect immediately and shall apply to any
 2 taxes payable under P. L. 1940, c. 5 (C. 54:30A-49 et seq.) on or
 3 after January 1, 1980.

STATEMENT

This bill, together with Senate Bills Nos. 793 and 795, effects the first significant reform of the public utility franchise and gross receipts taxes. The package provides a modest reallocation of some of the revenue growth in these taxes from communities with low tax needs to communities with substantial ones.

The bills stipulate that no municipality may receive more than \$500.00 per inhabitant from the two taxes. (This ceiling is nearly ten times the current State average of \$53.00 per capita.) This provision would cap receipts of seven municipalities.

Furthermore, this bill prescribes that municipalities that consistently escape local budget caps because of exceptionally low municipal tax rates (i.e., under \$0.10) would enjoy restrained revenue growth from the public utility gross receipts tax. Annual growth would be set at 20% of the increase suggested by the traditional apportionment. If the municipality's tax rate were to inch above the \$0.10 line for 3 years, it would recapture full annual growth.

Five out of six municipalities would not have their revenues trimmed in any way by this bill. Unallocated revenues after application of these limitations would be deposited in a Municipal Purposes Tax Assistance Fund.

The bill further provides for State collection and distribution of the gross receipts tax revenues. Each utility company currently pays every municipality separately.

SENATE, No. 794

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 19C *pay to the county in which it is located an amount equal to 1/5 of*
 19D *the amount received in that year, to be used for county purposes.**

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(Without Reference)

AN ACT concerning the taxation of certain public utilities, and amending and supplementing P. L. 1940, c. 5 (C. 54:30A-49 et seq.).

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

1 1. Section 12 of P. L. 1940, c. 5 (C. 54:30A-60) is amended to
2 read as follows:

3 12. The balance of the excise taxes imposed by section 6(a) of
4 this act upon each taxpayer in the year 1940 and each year there-
5 after is hereby apportioned, *subject to the provisions of section 4*
6 *of this amendatory and supplementary act*, to the various munici-
7 palities in the proportion that the apportionment value of the
8 scheduled property of such taxpayer located in, on or over any
9 public street, highway, road or other public place in each munici-
10 pality as of the preceding July 1 bears to the total apportionment
11 value of such scheduled property of such taxpayer in this State as
12 of that date. The **[State Tax Commissioner]** *Director of the Divi-*
13 *sion of Taxation* shall, on or before May 1, 1941, and annually
14 before May 1 in each year thereafter, compute the balance of such
15 excise taxes and such apportionment thereof in the manner herein
16 provided.

1 2. Section 13 of P. L. 1940, c. 5 (C. 54:30A-61) is amended to
2 read as follows:

3 13. The balance of the excise taxes imposed by section 6(b) of
4 this act upon each taxpayer in the year 1940 and each year there-
5 after is hereby apportioned, *subject to the provisions of section 4*
6 *of this amendatory and supplementary act*, to the various munici-
7 palities in the proportion that the apportionment value of the
8 scheduled property of such taxpayer located in each municipality

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

9 as of the preceding July 1 bears to the total apportionment value of
 10 the scheduled property of such taxpayer in this State as of that
 11 date. The **[State Tax Commissioner]** *Director of the Division of*
 12 *Taxation* shall on or before **[June 1, 1941, and annually before**
 13 **June 1]** *May 1* in each year **[thereafter]**, compute the balance of
 14 such taxes and the apportionment thereof in the manner herein
 15 provided.

1 3. Section 14 of P. L. 1940, c. 5 (C. 54:30-62) is amended to read
 2 as follows:

3 14. Within 5 days after making the computation and apportion-
 4 ment of the excise taxes under subsections (a) and (b) of section 6
 5 of this act, the **[State Tax Commissioner]** *Director of the Division*
 6 *of Taxation* shall certify to the **[respective collectors of taxes or**
 7 **officers having like powers and duties to perform in each municipi-**
 8 **ality]** *State Treasurer* the amount of such taxes apportioned to
 9 **[such]** *each* municipality **[and the collectors of taxes or such other**
 10 **officers shall within 5 days after receipt of such certification deliver**
 11 **or cause to be delivered to each taxpayer named in such certificate**
 12 **a statement in writing showing the amount of such taxes payable**
 13 **to such municipality; and the amount so apportioned to each**
 14 **municipality shall become payable at the place where other taxes**
 15 **are payable in such municipality in the following manner, to wit:**
 16 **one-third thereof 30 days after the date of the certification of the**
 17 **apportionment by the State Tax Commissioner, one-third thereof**
 18 **on September 1, and one-third thereof on December 1 next there-**
 19 **after; provided, that if]**. *At the same time, the director shall issue*
 20 *directly to each taxpayer statements of taxes due, and payments*
 21 *with respect thereto shall be remitted by each taxpayer to the*
 22 *director in the following manner: 35% thereof within 15 days after*
 23 *the date of certification of the apportionment by the director, 35%*
 24 *thereof on or before August 15 and 30% thereof on or before*
 25 *November 15. If for any reason the making and delivering of a*
 26 *certificate of apportionment shall be delayed until after December 1*
 27 *in any year then in that case all of the taxes for such year affected*
 28 *by such certificate of apportionment shall become due and payable*
 29 *30 days after the date of such certification of apportionment; and***[,**
 30 **further]** *provided, that in case of an appeal from any apportion-*
 31 *ment valuation or apportionment or any review thereof in any*
 32 *court, the portion of any such tax not paid prior to the commence-*
 33 *ment of any such appeal or proceedings for review, shall not*
 34 *become payable until 30 days after final determination of such*
 35 *appeal or review and the certification or recertification of the*
 36 *apportionment***[, if]** *required. The taxes payable by each taxpayer*
 37 *under subsections (a) and (b) of section 6 of this act shall be*

38 and remain a first lien on the property and assets of such taxpayer
 39 on and after the date the same become payable, as herein provided,
 40 until paid with interest thereon, and the same shall be collected in
 41 the same manner and subject to the same discounts, interest and
 42 penalties as personal taxes against other corporations or indi-
 43 viduals and the same proceedings now available for the collection
 44 of personal taxes against other corporations or individuals shall
 45 be applicable to the collection of the excise taxes hereby imposed
 46 and payable [to any municipality].

1 4. (New section) The director shall annually apportion to each
 2 municipality the amount to be apportioned to it pursuant to sec-
 3 tions 12 and 13 of P. L. 1940, c. 5 (C. 54:30A-60 and 54:30A-61),
 4 except that**: a.** no municipality which in the 3 next preceding
 5 tax years had a municipal purposes tax *[levy]* *rate* of \$0.10
 6 or less shall receive a total amount pursuant to P. L. 1940, c. 4
 7 (C. 54:30A-16 et seq.) and P. L. 1940, c. 5 (C. 54:30A-49 et seq.)
 8 greater than it received in 1979, plus *[20%]* *50%* of the differ-
 9 ence between the amount it received pursuant to those laws in that
 10 year and the greater amount it would have received pursuant to
 11 those laws in the year for which the apportionment and payment
 12 is made; **[provided, however, that]** **and, b.** in no year
 13 shall any municipality receive an amount pursuant to P. L. 1940,
 14 c. 4 (C. 54:30A-16 et seq.) and P. L. 1940, c. 5 (C. 54:30A-49 et
 15 seq.) greater than an amount equal to *[\$500.00]* **[\$600.00]**
 16 **\$700.00** per capita. *Any contiguous municipalities wherein*
 17 *there are located electric generating stations included in the sched-*
 18 *uled property of a public utility, both or all of which municipalities*
 19 *would be affected by a. above but would not be limited by b. above,*
 20 *shall not be affected by the apportionment limitations of this sec-*
 21 *tion.*** Any *[six]* municipality which has had a municipal pur-
 22 poses tax *[levy]* *rate* of \$0.10 or less for any 3 tax years
 23 affecting its apportionment pursuant to this section shall be re-
 24 quired to have a municipal purposes tax *[levy]* *rate* in excess
 25 of \$0.10 for 3 consecutive tax years before its apportionment shall
 26 cease to be affected pursuant to this section.

27 *If in 1980 or any year thereafter the application of the*
 28 ***[\$600.00]** **\$700.00** per capita limitation under this section*
 29 *would reduce the amount received by any municipality pursuant to*
 30 *P. L. 1940, c. 4 (C. **[54:30-16]** **54:30A-16** et seq.) and*
 31 *P. L. 1940, c. 5 (C. 54:30A-49 et seq.) to less than 50% of the amount*
 32 *received pursuant to those laws in 1979, then, notwithstanding that*
 33 *limitation, the municipality shall receive in 1980 an amount equal*
 34 *to 50% of the amount received in 1979, and in any year thereafter*

35 an amount equal to 75% of the amount received in 1979; but in
 36 1981 and each year thereafter such municipality shall ****annually**
 37 **appropriate and**** pay to the county in which it is located an
 38 amount equal to ****[1/5]**** ****35%**** of the amount received in that
 39 year, to be used for county purposes.*

40 ****For the purposes of this section in determining per capita**
 41 **amounts, the most recent population estimates published by the**
 42 **New Jersey Department of Labor and Industry shall be utilized.****

43 Amounts apportioned in each year to each municipality shall
 44 be annually paid to them by the State Treasurer, 25% thereof
 45 within 30 days after the date of certification of the apportionment
 46 by the director; 40% thereof on or before September 1, and 35%
 47 thereof on or before December 1 next thereafter. Any portion of
 48 the balance set forth in section 12 and 13 of P. L. 1940, c. 5
 49 (C. 54:30A-60 and 54:30A-61) remaining after the apportion-
 50 ments and payments are ****[made]**** ****determined**** pursuant to
 51 this section shall be deposited in the "Municipal Purposes Tax
 52 Assistance Fund," established pursuant to P. L. , c.

53 (C.) (now pending before the Legislature as Senate
 54 Bill No. 795), to be used exclusively for the purposes of that fund.

55 ****Notwithstanding the provisions of the "Local Budget Law"**
 56 **(N. J. S. 40A:4-1 et seq.), any county, or municipality affected by**
 57 **the \$700.00 limitation set forth in this section, to which a payment**
 58 **is made pursuant to this section may anticipate the amount of such**
 59 **payment in its annual budget for the year in which such payment**
 60 **is made, and any municipality which is required to make an annual**
 61 **appropriation pursuant to this section shall make such appropria-**
 62 **tion in its annual budget for the year in which it shall receive the**
 63 **payment a portion of which it is required to appropriate. The**
 64 **Director of Local Government Services shall establish rules or**
 65 **regulations necessary to effectuate the purposes and provisions of**
 66 **this section.****

1 5. This act shall take effect immediately and shall apply to any
 2 taxes payable under P. L. 1940, c. 5 (C. 54:30A-49 et seq.) on or
 3 after January 1, 1980.

ASSEMBLY REVENUE, FINANCE AND APPROPRIATIONS
COMMITTEE

STATEMENT TO

SENATE, No. 794

with Senate and Assembly committee amendments

STATE OF NEW JERSEY

DATED: FEBRUARY 25, 1980

Senate Bills Nos. 793 and 794 provide for the redistribution of gross receipts and franchise taxes by limiting the amount of revenues municipalities may receive under those taxes. The bills, as amended by the Assembly committee, limit the total amount any municipality may receive under those taxes at \$700.00 per capita. The bills also limit the amount of growth in such revenues certain municipalities with low municipal purposes tax rates (\$0.10 or less) would annually receive at 50%. As amended by the Senate and the Assembly committee, the bills allow for certain exceptions to these limitations where generating facilities have exceptional regional impact.

The bills provide that local units which in 1980 and in any years thereafter experience a major budgetary impact from the bills, either because they are required to make certain annual payments or are entitled to receive certain annual payments, shall be permitted to do so, notwithstanding the provisions of the "Local Budget Law." The Director of Local Government Services is directed to provide for appropriate mechanisms therefor by rule or regulation.

The bills also provide for central State collection and distribution of the gross receipts and franchise taxes.

ASSEMBLY COMMITTEE AMENDMENTS TO

SENATE, No. 794

[OFFICIAL COPY REPRINT]

STATE OF NEW JERSEY

ADOPTED FEBRUARY 25, 1980

Amend page 3, section 4, line 4, after "that", insert ": a."

Amend page 3, section 4, lines 11-12, omit "provided, however, that", insert "and, b."

Amend page 3, section 4, line 15, omit "\$600.00", insert "\$700.00"; after "per capita.", insert "Any contiguous municipalities wherein there are located electric generating stations included in the scheduled property of a public utility, both or all of which municipalities would be affected by a. above but would not be limited by b. above, shall not be affected by the apportionment limitations of this section."

Amend page 3, section 4, line 18, omit "\$600.00", insert "\$700.00".

Amend page 3, section 4, line 18B, omit "54:30-16", insert "54:30A-16".

Amend page 3, section 4, line 19B, after "shall", insert "annually appropriate and".

Amend page 3, section 4, line 19C, omit "1/5", insert "35%".

Amend page 3, section 4, after line 19D, insert new paragraph as follows:

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

Amend page 4, section 4, line 27, omit "made", insert "determined".

Amend page 4, section 4, after line 31, insert new paragraph as follows:

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

SENATE AMENDMENTS TO
SENATE, No. 794

STATE OF NEW JERSEY

ADOPTED JANUARY 24, 1980

Amend page 3, section 4, line 5, omit "levy", insert "rate".

Amend page 3, section 4, line 8, omit "20%", insert "50%".

Amend page 3, section 4, line 14, omit "\$500.00", insert "\$600.00".

Amend page 3, section 4, line 15, omit "six"; omit "levy", insert "rate".

Amend page 3, section 4, line 18, omit "levy", insert "rate".

Amend page 3, section 4, after line 19, insert new paragraph as follows:

"If in 1980 or any year thereafter the application of the \$600.00 per capita limitation under this section would reduce the amount received by any municipality pursuant to P. L. 1940, c. 4 (C. 54:30-16 et seq.) and P. L. 1940, c. 5 (C. 54:30A-49 et seq.) to less than 50% of the amount received pursuant to those laws in 1979, then, notwithstanding that limitation, the municipality shall receive in 1980 an amount equal to 50% of the amount received in 1979, and in any year thereafter an amount equal to 75% of the amount received in 1979; but in 1981 and each year thereafter such municipality shall pay to the county in which it is located an amount equal to 1/5 of the amount received in that year, to be used for county purposes."

STATEMENT

(This amendment would increase from 20% to 50% the portion of growth in gross receipts and franchise revenues over the 1979 base year which municipalities with tax rates of \$0.10 or less from 3 consecutive years would continue to receive under the bill.

In addition, it would increase the per capita limitation from \$500.00 to \$600.00. It would also provide that any municipality which would lose in any year 50% or more of its 1979 receipts under the \$600.00 per capita limitation shall receive in 1980 50% of its 1979 receipts, and in subsequent years 75% of its 1979 receipts. The amendment additionally requires that in those subsequent years the municipality pay 20% of its receipts to the county in which it is located.)

FROM THE OFFICE OF THE GOVERNOR

FOR IMMEDIATE RELEASE

FOR FURTHER INFORMATION

MARCH 18, 1980

PATRICK SWEENEY

Governor Brendan Byrne today signed a legislative package of three bills, which will amend the provisions of the Public Utilities Gross Receipts and Franchise Tax in order to more equitably distribute the tax revenues among recipient municipalities.

S-793, S-794 and S-795 were all sponsored by Senators John T. Gregorio (D-Union), Joseph P. Merlino (D-Mercer), and Brian T. Kennedy (R-Monmouth).

The Governor said this legislative package employs "a need-based formula."

"The important elements are that this program will be permanent, it will grow, it functions outside the cap, and it will provide money for towns that are in need," said the Governor.

The recent rapid growth in revenues from the Public Utilities Gross Receipts and Franchise Tax had provided a "windfall" benefit to sparsely populated rural communities with large power plants, most notably, Lower Alloways Creek Township in Salem County, home of two nuclear power plants and 1,500 people.

These bills "cap" the amount of money any municipality can receive, while redistributing the surplus so generated, by a formula designed to benefit municipalities with low ratables and high tax rates.

These bills were introduced in the last legislative session as S-3498, S-3499, and S-3500. They received Senate approval, but never reached a final vote in the Assembly.

The present bills limit each municipality to \$700 per capita in revenues from the tax. The bills also limit each municipality with a municipal purposes tax rate of less than ten cents for three consecutive years to its 1979 amount, plus 50 percent of any increase it would have received under the old distribution formula.

These limitations, combined with a state appropriation, will generate a Municipal Purposes Tax Assistance Fund of approximately \$27 million, to be administered by the State Treasurer.

The fund will be distributed to 329 municipalities. The redistribution of the state's gross receipts tax to the state's major cities is as follows:

Newark	\$3,782,580.
Jersey City	\$2,904,670.
Paterson	\$1,955,000.
Trenton	\$1,242,000.
Camden	\$1,167,250.
East Orange	\$ 803,390.
Elizabeth	\$ 716,900.
Union City	\$ - 599,150.
Bayonne	\$ 510,830.
Irvington	\$ 506,000.
Passaic City	\$ 495,420.
Hoboken	\$ 484,150.

Governor Byrne concluded, "All 329 municipalities can anticipate the funds in this year's budget to help offset property taxes."

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