

40:48C-5 et al

LEGISLATIVE HISTORY CHECKLIST

HJSA 40:48C-5 et al. (Local Tax Authorization Act--continuing authorization)

LAWS OF 1979 CHAPTER 256

Bill No. S3018

Sponsor(s) Lipman and Sheil

Date Introduced Jan. 11, 1979

Committee: Assembly Taxation

Senate County and Municipal Government

Amended during passage Yes ~~xxx~~ Amendments during passage denoted by asterisks

Date of Passage: Assembly Dec. 3, 1979

Senate May 24, 1979

Date of approval Dec. 24, 1979

Following statements are attached if available:

Sponsor statement Yes ~~xxx~~

Committee Statement: Assembly Yes ~~xxx~~

Senate Yes ~~xxx~~

Fiscal Note ~~Yes~~ No

Veto message ~~Yes~~ No

Message on signing ~~Yes~~ No

Following were printed:

Reports ~~Yes~~ No

Hearings ~~Yes~~ No

9/1/78

**SENATE, No. 3018**

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**STATE OF NEW JERSEY**

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INTRODUCED JANUARY 11, 1979

By Senators LIPMAN and SHEIL

Referred to Committee on County and Municipal Government

AN ACT to amend the short title of the "Local Tax Authorization Act of 1970," approved December 23, 1970 (P. L. 1970, c. 326) so that the same shall read "Local Tax Authorization Act," amending the body of said act and repealing certain sections thereof.

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

1 1. Section 1 of P. L. 1970, c. 326 (C. 40:48C-1) is amended to  
2 read as follows:

3 1. Any municipality having a population in excess of **[350,000,]**  
4 *230,000, according to the 1970 Federal census*, hereinafter referred  
5 to as "municipality," is hereby authorized and empowered to enact  
6 an ordinance or ordinances imposing any of the taxes hereinafter  
7 provided for at the rates and in the manner hereinafter provided.

1 2. Section 2 of P. L. 1970, c. 326 (C. 40:48C-2) is amended to  
2 read as follows:

3 2. This act shall be known and may be cited as the "Local Tax  
4 Authorization Act **[of 1970].**"

1 3. Sections 5, 8, 12, 19, 26 and 32 of P. L. 1970, c. 326 (C. 40:48C-5;  
2 40:48C-8; 40:48C-12; 40:48C-19; 40:48C-26; 40:48C-32) are  
3 repealed.

1 4. This act shall take effect immediately.

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**STATEMENT**

The purpose of this bill is to provide continuing authorization to any eligible municipality to adopt and operate under the provisions of the Local Tax Authorization Act of 1970. Under the existing law, the State Legislature has had to provide annual extensions of the taxing powers authorized thereunder. 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.**

terms of this bill, eligible municipalities would no longer have to obtain periodic extensions of the taxing authority provided under said bill, but would instead have the continuing authority to levy and raise any local taxes authorized thereunder—e.g., alcoholic beverages tax, parking tax, motor fuels tax, employer payroll tax, occupancy tax, sales tax.

The State Legislature, of course, retains the ultimate authority to repeal or alter the terms of such taxing powers.

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SENATE COUNTY AND MUNICIPAL GOVERNMENT  
COMMITTEE

STATEMENT TO

**SENATE, No. 3018**

**STATE OF NEW JERSEY**

DATED: MAY 10, 1979

Senate Bill No. 3018 would amend the "Local Tax Authorization Act" (P. L. 1970, c. 326) to:

1. Make the provisions of the authorizing legislation permanent; and,
2. Extend the tax authorization to all cities having a population in excess of 230,000 (Newark and Jersey City) rather than to only cities having a population in excess of 350,000 (Newark).

The "Local Tax Authorization Act" was enacted in 1970 as a temporary act permitting Newark to levy certain taxes—an alcoholic beverage tax, a parking tax, a motor fuels tax, an employer payroll tax, an occupancy tax, and a sales tax—none of which are municipalities of this State generally authorized to levy. Only the parking tax and the payroll tax authorizations have ever been used by Newark. The life of the statute has been extended on an almost annual basis since enactment by: P. L. 1972, c. 201; P. L. 1973, c. 246; P. L. 1974, c. 188; P. L. 1975, c. 262; P. L. 1976, c. 124; P. L. 1977, c. 308; and P. L. 1978, c. 175 (Senate Bill No. 1374).

Jersey City was briefly authorized in 1975 to impose only a payroll tax pursuant to P. L. 1975, c. 20. That legislation was allowed to expire on December 31, 1975.

ASSEMBLY TAXATION COMMITTEE

STATEMENT TO

**SENATE, No. 3018**

with committee amendment

**STATE OF NEW JERSEY**

DATED: JULY 9, 1979

Senate Bill No. 3018 makes the provisions of the "Local Tax Authorization Act" permanent.

The act authorizes taxes to be levied on alcoholic beverages, parking, motor fuels, employer payrolls, occupancy, and retail sales. To date, Newark has imposed taxes on payrolls and parking.

**COMMITTEE AMENDMENT:**

The amendment would eliminate Jersey City's eligibility to impose these taxes.

ASSEMBLY COMMITTEE AMENDMENT TO  
**SENATE, No. 3018**

**STATE OF NEW JERSEY**

ADOPTED JULY 9, 1979

Amend page 1, section 1, line 4, omit "230,000", insert "350,000".

[ASSEMBLY REPRINT]

SENATE, No. 3018

with Assembly committee amendment adopted July 9, 1979

STATE OF NEW JERSEY

INTRODUCED JANUARY 11, 1979

By Senators LIPMAN and SHEIL

Referred to Committee on County and Municipal Government

AN ACT to amend the short title of the "Local Tax Authorization Act of 1970," approved December 23, 1970 (P. L. 1970, c. 326) so that the same shall read "Local Tax Authorization Act," amending the body of said act and repealing certain sections thereof.

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

1 1. Section 1 of P. L. 1970, c. 326 (C. 40:48C-1) is amended to  
2 read as follows:

3 1. Any municipality having a population in excess of **[350,000]**  
4 **\*[230,000]\*** *\*350,000\**, according to the 1970 Federal census, here-  
5 inafter referred to as "municipality," is hereby authorized and  
6 empowered to enact an ordinance or ordinances imposing any of  
7 the taxes hereinafter provided for at the rates and in the manner  
8 herinafter provided.

1 2. Section 2 of P. L. 1970, c. 326 (C. 40:48C-2) is amended to  
2 read as follows:

3 2. This act shall be known and may be cited as the "Local Tax  
4 Authorization Act **[of 1970]**."

1 3. Sections 5, 8, 12, 19, 26 and 32 of P. L. 1970, c. 326 (C. 40:48C-5;  
2 40:48C-8; 40:48C-12; 40:48C-19; 40:48C-26; 40:48C-32) are  
3 repealed.

1 4. This act shall take effect immediately.

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

ASSEMBLY AMENDMENTS TO  
**SENATE, No. 3018**  
[ASSEMBLY REPRINT]

**STATE OF NEW JERSEY**

ADOPTED NOVEMBER 26, 1979

Amend page 1, title, line 1, omit "short title of the".

Amend page 1, title, lines 3-5, omit.

Amend page 1, sections 1-3, omit and insert new sections 1 through 6 as follows:

"1. Section 5 of P. L. 1970, c. 326 (C. 40:48C-5) is amended to read as follows:

5. No tax shall be imposed under any ordinance adopted pursuant to this article with respect to alcoholic beverages delivered to a taxpayer on or after January 1, **[1980]** 1982.

2. Section 8 of P. L. 1970, c. 326 (C. 40:48C-8) is amended to read as follows:

8. No tax shall be imposed under any ordinance adopted pursuant to this article with respect to parking services provided on or after January 1, **[1980]** 1982.

3. Section 12 of P. L. 1970, c. 326 (C. 40:48C-12) is amended to read as follows:

12. No tax shall be imposed under any ordinance adopted pursuant to this article with respect to sales of motor fuels on or after January 1, **[1980]** 1982.

4. Section 19 of P. L. 1970, c. 326 (C. 40:48C-19) is amended to read as follows:

19. No tax shall be imposed under any ordinance adopted pursuant to this article with respect to services performed prior to January 1, 1971, in a calendar quarter prior to that in which the ordinance is adopted on or after January 1, **[1980]** 1982, but any such ordinance shall remain in effect with respect to the right of the municipality to receive reports and enforce and collect taxes due thereunder for any period prior to January 1, **[1980]** 1982.

5. Section 26 of P. L. 1970, c. 326 (C. 40:48C-26) is amended to read as follows:

26. No tax shall be imposed under any ordinance adopted pursuant to this article with respect to rental for use or occupancy of commercial premises on or after January 1, **[1980]** 1982.

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



6. Section 32 of P. L. 1970, c. 326 (C. 40:48C-32) is amended to read as follows:

32. No tax shall be imposed under any ordinance adopted pursuant to this article with respect to transactions taking place on or after January 1, **[1980]** 1982.”

Amend page 1, section 4, line 1, omit “4.”, insert “7.”.

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[SECOND ASSEMBLY REPRINT]

**SENATE, No. 3018**

with Assembly committee amendments adopted July 9, 1979

**STATE OF NEW JERSEY**

INTRODUCED JANUARY 11, 1979

By Senators LIPMAN and SHEIL

Referred to Committee on County and Municipal Government

AN ACT to amend the **\*\*[short title of the]\*\*** "Local Tax Authorization Act of 1970," approved December 23, 1970 (P. L. 1970, c. 326) **\*\*[so that the same shall read "Local Tax Authorization Act," amending the body of said act and repealing certain sections thereof]\*\***.

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

1 **\*\*[1. Section 1 of P. L. 1970, c. 326 (C. 40:48C-1) is amended to**  
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3 1. Any municipality having a population in excess of **[350,000,**  
4 **\*[230,000]\* \*350,000\***, according to the 1970 Federal census, here-  
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2 40:48C-8; 40:48C-12; 40:48C-19; 40:48C-26; 40:48C-32) are  
3 repealed.]\*\*

1 **\*\*1. Section 5 of P. L. 1970, c. 326 (C. 40:48C-5) is amended**  
2 to read as follows:

3 5. No tax shall be imposed under any ordinance adopted pursuant  
4 to this article with respect to alcoholic beverages delivered to a  
5 taxpayer on or after January 1, **[1980]** 1982.

1 2. Section 8 of P. L. 1970, c. 326 (C. 40:48C-8) is amended to  
2 read as follows:

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

3 8. No tax shall be imposed under any ordinance adopted pursuant  
4 to this article with respect to parking services provided on or after  
5 January 1, [1980] 1982.

1 3. Section 12 of P. L. 1970, c. 326 (C. 40:48C-12) is amended  
2 to read as follows:

3 12. No tax shall be imposed under any ordinance adopted pur-  
4 suant to this article with respect to sales of motor fuels on or after  
5 January 1, [1980] 1982.

1 4. Section 19 of P. L. 1970, c. 326 (C. 40:48C-19) is amended  
2 to read as follows:

3 19. No tax shall be imposed under any ordinance adopted pur-  
4 suant to this article with respect to services performed prior to  
5 January 1, 1971, in a calendar quarter prior to that in which the  
6 ordinance is adopted on or after January 1, [1980] 1982, but any  
7 such ordinance shall remain in effect with respect to the right of  
8 the municipality to receive reports and enforce and collect taxes  
9 due thereunder for any period prior to January 1, [1980] 1982.

1 5. Section 26 of P. L. 1970, c. 326 (C. 40:48C-26) is amended  
2 to read as follows:

3 26. No tax shall be imposed under any ordinance adopted pur-  
4 suant to this article with respect to rental for use or occupancy of  
5 commercial premises on or after January 1, [1980] 1982.

1 6. Section 32 of P. L. 1970, c. 326 (C. 40:48C-32) is amended  
2 to read as follows:

3 32. No tax shall be imposed under any ordinance adopted pur-  
4 suant to this article with respect to transactions taking place on  
5 or after January 1, [1980] 1982.\*\*

1 \*\*[4.]\*\* \*\*7.\*\* This act shall take effect immediately.

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[OFFICIAL COPY REPRINT]  
**SENATE, No. 3018**

**STATE OF NEW JERSEY**

INTRODUCED JANUARY 11, 1979

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5 January 1, **[1980]** 1982.

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4 suant to this article with respect to transactions taking place on  
5 or after January 1, **[1980]** 1982.\*\*

1 \*\***[4.]**\*\* \*\*7.\*\* This act shall take effect immediately.

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FROM THE OFFICE OF THE GOVERNOR

FOR IMMEDIATE RELEASE

FOR FURTHER INFORMATION

DECEMBER 24, 1979

PATRICK SWEENEY

Governor Brendan Byrne today signed the following bills:

A-63, sponsored by Assemblyman Richard Codey (D-Essex), which amends the the "Savings and Loan Act" to permit savings and loan associations to offer non-commerical checking accounts.

Under the former law, only commerical banks and savings banks had been permitted to offer checking accounts.

The bill also repeals the authority of savings and loan associations to charge points in mortgage transactions.

According to the bill, checking accounts are limited in size to \$150,000. Withdrawals can be in the form of checks, drafts or electronic transfer orders.

The accounts may be interest or non-interest bearing and the association may impose service charges.

The prohibition on commerical accounts is consistent with the theory that savings and loans serve individual depositors and are not permitted to make commerical loans.

S-3018, sponsored by Senator Wynona M. Lipman (D-Essex), which extends the provisions of the Local Tax Authorization Act until January 1, 1982. The present authorization is due to expire on January 1, 1980.

Under this law, eligible municipalities have the authority to levy and raise local taxes on alcoholic beverages, parking, motor fuels, employer payrolls, occupancy and retail sales. Newark imposes taxes on payrolls and parking.

S-3439, sponsored by Senator Steven P. Perskie (D-Atlantic), which will amend the law governing terms and appointment of municipal court judges.

Under the former statute (N.J.S.2A; 8-5), a municipal court judge served for a three year term. If a vacancy occurred, the appointment to fill the vacancy was for the unexpired term.