

LEGISLATIVE HISTORY CHECKLIST

NJSA 52:27D-162 to 52:27D-169 ("Depressed Rural Center Aid Act.")

Laws of 1977 Chapter 260

Bill No. A1281

Sponsor(s) Foran, Weidel & Snedeker

Date Introduced Pre-filed

Committee: Assembly Appropriations

Senate Revenue, Finance & Appropriations

Amended during passage Yes ~~No~~ Amendments during passage denoted by asterisks.

Date of passage: Assembly Nov. 9, 1976

Senate April 28, 1977

Date of approval October 12, 1977

Following statements are attached if available:

Sponsor statement Yes ~~No~~

Committee Statement: Assembly ~~Yes~~ No

Senate Yes ~~No~~

Fiscal Note ~~Yes~~ No

Veto message ~~Yes~~ No

Message on signing Yes ~~No~~

Following were printed:

Reports ~~Yes~~ No

Hearings ~~Yes~~ No

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ASSEMBLY, No. 1281

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1976 SESSION

By Assemblymen FORAN, WEIDEL and SNEDEKER

AN ACT to provide State aid to certain small municipalities of dense population and low taxing capacity ***[and making an appropriation therefor]***.

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

1 1. The Legislature finds, determines and declares:

2 a. That within this State are many small municipalities, formerly
3 centers of commerce, trade and cultural life in surrounding rural
4 areas, which have suffered chronic economic decline because of
5 changes in the patterns of transportation, commerce and land
6 development;

7 b. That many of the said municipalities, with near-urban popula-
8 tion densities in the midst of rural areas, have experienced and
9 are experiencing declining property values, loss of tax ratables
10 and potential tax ratables, diminishment of local commerce and
11 increased unemployment and underemployment among their popu-
12 lations, so that they have become pockets of economic depression
13 within the areas of which they were formerly centers;

14 c. That most such municipalities cannot, without external aid,
15 maintain adequate municipal services by their own taxing capacity,
16 nor have they the resources to expand and develop that taxing
17 capacity;

18 d. That it is the purpose of this act to provide State aid supple-
19 mentary to the taxing capacity of such municipalities, for the pur-
20 pose of assisting them to maintain adequate municipal services.

1 2. This act shall be known and may be cited as the "Depressed
2 Rural Centers Aid Act."

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

1 3. For the purposes of this act, unless the context clearly indi-
2 cates otherwise:

3 “Director” means the Director of the Division of ****[Local**
4 **Finance]**** *Local Government Services* in the Department of
4A Community Affairs.

4B ****“Effective local tax rate” means that portion of the general*
4C *tax rate necessary to generate the amount which appears in*
4D *column 12CII of the county abstract of ratables multiplied by the*
4E *average ratio of assessed to true value of real property as set forth*
4F *in column 8 of the county abstract of ratables.***

5 “Equalized valuation” means equalized valuation as determined
6 pursuant to P. L. 1954, c. 86 (C. 54:1-35.1 et seq.) and promulgated
7 on or before October 1 of the year preceding the year in which
8 distribution of aid under this act is to be made pursuant to section
9 6 of this act, including any revision or correction thereof made
10 not later than January 30 of the year in which such distribution
11 is made.

12 “Ratables per capita” means for a municipality, its equalized
13 valuation divided by its population; for a county, the sum of
14 the equalized valuations of the municipalities therein
15 divided by the population of the county.

16 “Population” means population according to the official popula-
17 tion estimates issued by the Department of Labor and Industry
18 next preceding October 1 of the year in which distribution of aid
19 under this act is to be calculated pursuant to ****[subsection a. of]****
20 section 6 of this act.

21 “Population density” means the relation between the popula-
22 tion and area of a municipality or group of municipalities, ex-
23 pressed in terms of inhabitants per square mile within such mu-
24 nicipality or group of municipalities.

25 “Neighboring municipalities” means, with relation to any one
26 municipality, all other municipalities of this State having bounda-
27 ries contiguous at any point with its boundaries, whether running
28 upon land or water.

29 ****“Adjusted population” means the product of the number of*
30 *persons in the population multiplied by the quotient obtained by*
31 *dividing the municipality’s effective local tax rate by the State’s*
32 *average effective local tax rate, to which product is added the*
33 *number of persons within that population aged 65 and over living*
34 *in households with household incomes under \$5,000.00.***

1 4. Such sums as are appropriated for distribution under this
 2 act shall**[, except as provided in section 7 of this act,]** be
 3 distributed annually, in the manner prescribed in sections 5 and 6
 4 of this act, as State aid to each municipality which:

5 a. Has a population not exceeding 5,000;

6 b. Has a population density which is:

7 (1) Not less than 1,000 per square mile; and

8 (2) Not less than four times the population density of ***each*
 9 *of*** its neighboring municipalities***, *unless within such neighbor-*
 9A *ing municipality is a national cemetery***; **[and]*****

10 c. Has ratables per capita not exceeding four-fifths the ratables
 11 per capita of the county in which it is situate**[.]** **; and**

12 ***d. Has either (1) an effective local tax rate above the State's*
 13 *average effective local tax rate, or (2) a per capita personal income*
 14 *that does not exceed 0.8 times the State per capita personal*
 15 *income.***

1 5. Distribution of State aid under this act shall be to each mu-
 2 nicipality entitled thereto under section 4 of this act in proportion
 3 as its ***adjusted*** population is to the total ***adjusted*** popula-
 4 tion of all municipalities so entitled.

1 6. On or before February 1 in each year the director shall
 2 determine the municipalities entitled to aid under this act and the
 3 amounts of their respective entitlements, and shall certify the same
 4 to the State Treasurer and to the chief financial officer of each
 5 municipality. As soon as practicable after receiving such certifica-
 6 tion, and not later than March 31 next following, the State Trea-
 7 surer shall upon warrant of the Comptroller pay and distribute
 8 to each such municipality the amount so certified.

1 7. Each municipality receiving State aid under this act shall
 2 not later than October 1 in each year in which such aid is received
 3 submit to the director a detailed report on its utilization of such
 4 aid for the purposes intended by this act; and the director shall
 5 on or before December 31 in each year submit to the Governor
 6 and the Legislature a summary report of the distribution and
 7 utilization of funds distributed under this act during the year.
 8 No municipality may receive aid under this act in any year if it
 9 has not submitted the report required under this section on the
 10 utilization of any such aid which it received in the previous year;
 11 except that the director may extend for not more than 60 days the
 12 date by which, such report must be submitted.

1 8. Any decision of the director as to the entitlement of any
 2 municipality to aid under this act, or the amount thereof, shall
 3 be final and conclusive, and no appeal shall be taken therefrom or

4 any review thereof, except in the case of an arithmetical or typo-
5 graphical error in the calculation of any distribution of funds.

1 9. There ***[is hereby]*** **shall be** appropriated ***from the*
2 *Property Tax Relief Fund established pursuant to N. J. S.*
3 *54A:9-25,*** for the purposes of distribution as State aid under
4 this act during the fiscal year of the State in which the first
5 distribution of aid is made after its enactment~~**,**~~ the sum of
6 ***[\$500,000.00]*** **\$400,000.00**.

1 10. This act shall take effect immediately.

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5 municipality. As soon as practicable after receiving such certifica-
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4 any review thereof, except in the case of an arithmetical or typo-
5 graphical error in the calculation of any distribution of funds.

1 9. There is hereby appropriated for the purposes of distribution
2 as State aid under this act during the fiscal year of the State in
3 which the first distribution of aid is made after its enactment the
4 sum of \$500,000.00.

1 10. This act shall take effect immediately.

STATEMENT

This bill provides a formula for distributing State aid to certain municipalities with small but densely-concentrated population and distinctly low taxing capacity. These municipalities may generally be described as the former "town centers" of rural (or formerly rural) areas; and such centers have lost or are losing their economic vitality because of changes in the patterns of transportation, commerce and land development. Except for size (5,000 or less population) the municipalities which this bill would aid suffer from the same pattern of decline which has afflicted the larger urban centers. To qualify for aid under this bill a small municipality would have to have a population density which is (1) not less than

1,000 per square mile and (2) not less than four times that of the neighboring municipalities of its area; and its tax ratables per capita would have to be no more than four-fifths the average of the county in which it is situated.

All the municipalities qualifying under those criteria would receive a proportion of whatever amount is appropriated for the purpose. The share of each qualifying municipality would bear the same proportion to the total amount distributed as its population bears to the total population of all qualifying municipalities. The actual amounts involved depend upon the appropriation made by law, which is not specified in this bill.

SENATE REVENUE, FINANCE AND
APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1281

STATE OF NEW JERSEY

DATED: JANUARY 24, 1977

This bill proposes a new State aid program and is to be cited as the "Depressed Rural Centers Aid Act." The purpose of the act, as provided in Section 1, is to provide State aid supplementary to the taxing capacity of certain municipalities, for the purpose of assisting them to maintain adequate municipal services.

Qualified municipalities are those of \$5,000.00 or less population, high population density, and ratables per capita not more than four-fifths the ratables per capita of the county in which it is situate. Applying these criteria 26 municipalities in 12 counties would be qualified for aid.

Determination of entitlement is made on February 1 by the Director of the Division of Local Finance, Department of Community Affairs, with distribution of funds to be made not later than March 31.

With Assembly committee amendments, this bill calls for, but does not provide, an appropriation of \$400,000.00 for the fiscal year in which distribution of aid is made after its enactment.

COMMITTEE AMENDMENTS

Committee amendments provide for an adjustment in the distribution factor and adds an additional qualifying factor. The distribution factor before amendments is the municipal population as a percent of population in all qualified municipalities. As amended, population would be adjusted by first applying a percentage representing the relative position of the municipality's effective local tax rate to the State's average effective local tax rate and then adding to that the population within that municipality aged 65 and over, living in households with household incomes under \$5,000.00. The additional factor for qualifying for aid is an effective local tax rate above the State's average effective local tax rate or a per capita personal income that does not exceed 0.8 times the State per capita personal income.

Further committee amendments prescribe that the funding source for this program will be the Property Tax Relief Fund established in the New Jersey Gross Income Tax Act.

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FROM THE OFFICE OF THE GOVERNOR

FOR IMMEDIATE RELEASE

FOR FURTHER INFORMATION

OCTOBER 12, 1977

ANNE BURNS

Governor Brendan Byrne today signed into law A-1281, sponsored by Assemblyman Walter Foran (R-Mercer) and Assemblyman Karl Weidel (R-Mercer), which authorizes a new State aid program for \$400,000 to be established under the "Depressed Rural Centers Aid Act."

This bill provides State aid which is supplementary to the taxing capacity of certain municipalities in order to help these municipalities maintain adequate municipal services.

An earlier version of this bill was line-itemed vetoed from the supplemental appropriation bill last year. This bill has been amended to reflect the Governor's comments.

A list of eligible municipalities and their share of the funds is attached.

The bill was signed at the Beverly Municipal Building in Beverly, Burlington County.

* * * *

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Method II

Beverly City	.0908	36,320
National Park Boro.	.1160	46,400
Swedesboro Boro.	.0750	30,000
Califon Boro.	.0286	11,440
Frenchtown Boro.	.0457	18,280
Lambertville City	.1193	47,720
Englishtown Boro.	.0340	13,600
Shrewsbury Twp.	.0451	18,040
Lakehurst Boro.	.1023	40,920
Elmer Boro.	.0504	20,160
Woodstown Boro.	.0872	34,880
Sussex Boro.	.0705	28,200
Hampton Boro.	.0476	19,040
High Bridge	<u>.0875</u>	<u>85,000</u>
	1.0000	\$400,000