

**52:27D-118.44 and Appropriation
LEGISLATIVE HISTORY CHECKLIST**

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LAWS OF: 2019 **CHAPTER:** 138

NJSA: 52:27D-118.44 and Appropriation (Establishes Trenton Capital City Aid Program; appropriates \$10 million.)

BILL NO: S3587 (Substituted for A5210)

SPONSOR(S) Shirley K. Turner and others

DATE INTRODUCED: 3/14/2019

COMMITTEE: **ASSEMBLY:** Appropriations

SENATE: Budget & Appropriations

AMENDED DURING PASSAGE: No

DATE OF PASSAGE: **ASSEMBLY:** 6/20/2019

SENATE: 3/25/2019

DATE OF APPROVAL: 6/26/2019

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL (Introduced bill enacted) Yes

S3587

SPONSOR'S STATEMENT: (Begins on page 2 of introduced bill) Yes

COMMITTEE STATEMENT: **ASSEMBLY:** Yes

SENATE: Yes

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL ESTIMATE: Yes

A5210

SPONSOR'S STATEMENT: (Begins on page 3 of introduced bill) Yes

COMMITTEE STATEMENT: **ASSEMBLY:** Yes

SENATE: No

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL ESTIMATE: Yes

(continued)

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: Yes

FOLLOWING WERE PRINTED:

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REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: No

RWH/CL

P.L. 2019, CHAPTER 138, *approved June 26, 2019*
Senate, No. 3587

1 AN ACT establishing the Trenton Capital City Aid Program,
2 supplementing P.L.1966, c.293 (C.52:27D-1 et seq.), and making
3 an appropriation.
4

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

8 1. There is established the Trenton Capital City Aid Program,
9 for which there shall be appropriated in each fiscal year an amount
10 not less than \$10,000,000 for the City of Trenton. Funds received
11 by the city shall be used solely and exclusively by the city for the
12 purpose of reducing the amount to be raised through the property
13 tax levy for municipal purposes. If in any year the funds dedicated
14 to the city through the Trenton Capital City Aid Program exceed the
15 amount to be raised through the property tax levy for municipal
16 purposes, the remaining balance of the State aid payment shall be
17 allocated in equal amounts to Mercer County and the Trenton
18 School District to be used to reduce the amount of the property tax
19 levies for county and school purposes, notwithstanding the
20 provisions of this section, or of any other law to the contrary. The
21 Director of the Division of Local Government Services in the
22 Department of Community Affairs shall certify annually that the
23 city has complied with the requirements of this section.
24

25 2. There is appropriated from the Property Tax Relief Fund to
26 the Department of Community Affairs for State Fiscal Year 2019
27 the sum of \$10,000,000 for the Trenton Capital City Aid Program.
28

29 3. This act shall take effect immediately.
30
31

32 STATEMENT
33

34 This bill establishes the Trenton Capital City Aid Program to
35 provide not less than \$10 million in each State fiscal year to the
36 City of Trenton in recognition of its unique status as the State
37 capital, and the budgetary stress experienced annually by the city
38 resulting from the property tax-exempt status of State property in
39 the city. Trenton Capital City Aid Program funds received by the
40 city are to be used solely and exclusively by the city for the purpose
41 of reducing the amount the city is required to raise through the
42 property tax levy for municipal purposes. However, if the amount

1 of funds received by the city in Trenton Capital City Aid Program
2 aid in any year exceeds the amount required to be raised through the
3 property tax levy for municipal purposes, the remaining balance of
4 the State aid payment shall be allocated in equal amounts to Mercer
5 County and the Trenton School District to be used to reduce the
6 amount of the property tax levies for county and school purposes.

7 The bill also makes an appropriation of \$10 million from the
8 Property Tax Relief Fund to the Department of Community Affairs
9 for State Fiscal Year 2019 for the Trenton Capital City Aid
10 Program.

11 In State Fiscal Years 2004 through 2010, there was a separate
12 category of State aid, Trenton Capital City Aid, provided to Trenton
13 by the State in acknowledgment of its unique status as the State's
14 capital city, and the fact that a significant amount of real property
15 located in the city is State-owned, and therefore property tax-
16 exempt. In addition, Trenton's property taxpayers pay for police,
17 fire, sanitation, public health, and public works services provided to
18 the State employees who work in the city, but who do not contribute
19 toward the cost of those services. The State Fiscal Year 2011
20 Appropriations Act, P.L.2011, c.85, eliminated this State aid
21 program.

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23

24

25

26 Establishes Trenton Capital City Aid Program; appropriates \$10
27 million.

SENATE, No. 3587

STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED MARCH 14, 2019

Sponsored by:

Senator SHIRLEY K. TURNER

District 15 (Hunterdon and Mercer)

Assemblywoman VERLINA REYNOLDS-JACKSON

District 15 (Hunterdon and Mercer)

Assemblyman ANTHONY S. VERRELLI

District 15 (Hunterdon and Mercer)

Co-Sponsored by:

Assemblyman Holley

SYNOPSIS

Establishes Trenton Capital City Aid Program; appropriates \$10 million.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/21/2019)

S3587 TURNER

2

1 AN ACT establishing the Trenton Capital City Aid Program,
2 supplementing P.L.1966, c.293 (C.52:27D-1 et seq.), and making
3 an appropriation.

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

7
8 1. There is established the Trenton Capital City Aid Program,
9 for which there shall be appropriated in each fiscal year an amount
10 not less than \$10,000,000 for the City of Trenton. Funds received
11 by the city shall be used solely and exclusively by the city for the
12 purpose of reducing the amount to be raised through the property
13 tax levy for municipal purposes. If in any year the funds dedicated
14 to the city through the Trenton Capital City Aid Program exceed the
15 amount to be raised through the property tax levy for municipal
16 purposes, the remaining balance of the State aid payment shall be
17 allocated in equal amounts to Mercer County and the Trenton
18 School District to be used to reduce the amount of the property tax
19 levies for county and school purposes, notwithstanding the
20 provisions of this section, or of any other law to the contrary. The
21 Director of the Division of Local Government Services in the
22 Department of Community Affairs shall certify annually that the
23 city has complied with the requirements of this section.

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25 2. There is appropriated from the Property Tax Relief Fund to
26 the Department of Community Affairs for State Fiscal Year 2019
27 the sum of \$10,000,000 for the Trenton Capital City Aid Program.

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29 3. This act shall take effect immediately.

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32 STATEMENT

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34 This bill establishes the Trenton Capital City Aid Program to
35 provide not less than \$10 million in each State fiscal year to the
36 City of Trenton in recognition of its unique status as the State
37 capital, and the budgetary stress experienced annually by the city
38 resulting from the property tax-exempt status of State property in
39 the city. Trenton Capital City Aid Program funds received by the
40 city are to be used solely and exclusively by the city for the purpose
41 of reducing the amount the city is required to raise through the
42 property tax levy for municipal purposes. However, if the amount
43 of funds received by the city in Trenton Capital City Aid Program
44 aid in any year exceeds the amount required to be raised through the
45 property tax levy for municipal purposes, the remaining balance of
46 the State aid payment shall be allocated in equal amounts to Mercer
47 County and the Trenton School District to be used to reduce the
48 amount of the property tax levies for county and school purposes.

S3587 TURNER

1 The bill also makes an appropriation of \$10 million from the
2 Property Tax Relief Fund to the Department of Community Affairs
3 for State Fiscal Year 2019 for the Trenton Capital City Aid
4 Program.

5 In State Fiscal Years 2004 through 2010, there was a separate
6 category of State aid, Trenton Capital City Aid, provided to Trenton
7 by the State in acknowledgment of its unique status as the State's
8 capital city, and the fact that a significant amount of real property
9 located in the city is State-owned, and therefore property tax-
10 exempt. In addition, Trenton's property taxpayers pay for police,
11 fire, sanitation, public health, and public works services provided to
12 the State employees who work in the city, but who do not contribute
13 toward the cost of those services. The State Fiscal Year 2011
14 Appropriations Act, P.L.2011, c.85, eliminated this State aid
15 program.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 3587

STATE OF NEW JERSEY

DATED: MAY 20, 2019

The Assembly Appropriations Committee reports favorably Senate Bill No. 3587.

This bill establishes the Trenton Capital City Aid Program to provide not less than \$10 million in each State fiscal year to the City of Trenton in recognition of its unique status as the State capital, and the budgetary stress experienced annually by the city resulting from the property tax-exempt status of State property in the city. Trenton Capital City Aid Program funds received by the city are to be used solely and exclusively by the city for the purpose of reducing the amount the city is required to raise through the property tax levy for municipal purposes. However, if the amount of funds received by the city in Trenton Capital City Aid Program aid in any year exceeds the amount required to be raised through the property tax levy for municipal purposes, the remaining balance of the State aid payment shall be allocated in equal amounts to Mercer County and the Trenton School District to be used to reduce the amount of the property tax levies for county and school purposes.

The bill also makes an appropriation of \$10 million from the Property Tax Relief Fund (PTRF) to the Department of Community Affairs (DCA) for State Fiscal Year 2019 for the Trenton Capital City Aid Program.

In State Fiscal Years 2004 through 2010, there was a separate category of State aid, Trenton Capital City Aid, provided to Trenton by the State in acknowledgment of its unique status as the State's capital city, and the fact that a significant amount of real property located in the city is State-owned, and therefore property tax-exempt. In addition, Trenton's property taxpayers pay for police, fire, sanitation, public health, and public works services provided to the State employees who work in the city, but who do not contribute toward the cost of those services. The State Fiscal Year 2011 Appropriations Act, P.L.2011, c.85, eliminated this State aid program.

As reported by the committee, Senate Bill No. 3587 is identical to Assembly Bill No. 5210, which also was reported by the committee on this date.

FISCAL IMPACT:

The Office of Legislative Services (OLS) estimates that the enactment of the bill will result in an increase in State expenditures of

\$10 million from the Property Tax Relief Fund (PTRF) in Fiscal Year 2019, and an increase in State expenditures of not less than \$10 million during each fiscal year thereafter. The bill would also result in corresponding increases in revenue for the City of Trenton, and in circumstances, Mercer County and the Trenton School District.

Most notably, the bill establishes the Trenton Capital City Aid Program, which would provide annual State aid of not less than \$10 million to the City of Trenton for the purposes of reducing the amount to be raised through property taxation for municipal purposes. The bill also appropriates \$10 million from the PTRF to the DCA to administer the program in Fiscal Year 2019. The distribution of Trenton Capital City Aid represents a corresponding increase in DCA expenditures and local revenue.

Under the bill, if any year the amount of Trenton Capital City Aid dedicated to the City of Trenton exceeds the city's property tax levy, then the remaining balances would be equally distributed to Mercer County and the Trenton School District for the purposes of providing property tax relief. In this event, the enactment of the bill could also result in an increase in revenue for the county and school district. However, the OLS notes that Trenton's municipal tax levy equaled approximately \$80.83 million in 2017 and \$82.96 million in 2018. Accordingly the OLS does not expect the county or school district to receive additional funding through the Trenton Capital City Aid Program.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 3587

STATE OF NEW JERSEY

DATED: MARCH 18, 2019

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 3587.

Senate Bill No. 3587 establishes the Trenton Capital City Aid Program to provide not less than \$10 million in each State fiscal year to the City of Trenton in recognition of its unique status as the State capital, and the budgetary stress experienced annually by the city resulting from the property tax-exempt status of State property in the city. Trenton Capital City Aid Program funds received by the city are to be used solely and exclusively by the city for the purpose of reducing the amount the city is required to raise through the property tax levy for municipal purposes. However, if the amount of funds received by the city in Trenton Capital City Aid Program aid in any year exceeds the amount required to be raised through the property tax levy for municipal purposes, the remaining balance of the State aid payment shall be allocated in equal amounts to Mercer County and the Trenton School District to be used to reduce the amount of the property tax levies for county and school purposes.

The bill also makes an appropriation of \$10 million from the Property Tax Relief Fund to the Department of Community Affairs for State Fiscal Year 2019 for the Trenton Capital City Aid Program.

In State Fiscal Years 2004 through 2010, there was a separate category of State aid, Trenton Capital City Aid, provided to Trenton by the State in acknowledgment of its unique status as the State's capital city, and the fact that a significant amount of real property located in the city is State-owned, and therefore property tax-exempt. In addition, Trenton's property taxpayers pay for police, fire, sanitation, public health, and public works services provided to the State employees who work in the city, but who do not contribute toward the cost of those services. The State Fiscal Year 2011 Appropriations Act, P.L.2011, c.85, eliminated this State aid program.

FISCAL IMPACT:

The Office of Legislative Services (OLS) estimates that the enactment of the bill would result in an increase in State expenditures of \$10 million from the Property Tax Relief Fund during Fiscal Year 2019, and an increase in State expenditures of not less than \$10 million during each fiscal year thereafter. The bill would also result in

corresponding increases in revenue for the City of Trenton, and in certain circumstances, Mercer County and the Trenton School District.

Most notably, the bill establishes the Trenton Capital City Aid Program to provide annual State aid of not less than \$10 million to the City of Trenton for the purposes of reducing the amount to be raised through property taxation for municipal purposes. The bill also appropriates \$10 million from the Property Tax Relief Fund to support the aid program.

Under the bill, if any year the funds dedicated to Trenton through the Trenton Capital City Aid program exceed the city's property tax levy, then the remaining balances would be equally distributed to Mercer County and the Trenton School District for the purposes of providing property tax relief. In this event, the enactment of the bill could also result in an increase in revenue for the county and school district.

LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 3587
STATE OF NEW JERSEY
218th LEGISLATURE

DATED: MARCH 29, 2019

SUMMARY

Synopsis: Establishes Trenton Capital City Aid Program; appropriates \$10 million.

Type of Impact: Increase in State expenditures from Property Tax Relief Fund; increase in local revenue.

Agencies Affected: Department of Community Affairs, the City of Trenton, Mercer County, and Trenton School District.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Cost	\$10 Million Increase	At least \$10 Million Increase	
Local Revenue	\$10 Million Increase	At least \$10 Million Increase	

- The Office of Legislative Services (OLS) estimates that the enactment of the bill would result in an increase in State expenditures of \$10 million in Fiscal Year 2019, and an increase in State expenditures of not less than \$10 million during each fiscal year thereafter. The bill would also result in corresponding increases in revenue for the City of Trenton, and in certain circumstances, Mercer County and the Trenton School District.
- The bill establishes the Trenton Capital City Aid Program, which would provide not less than \$10 million in annual aid to the City of Trenton for the purposes of property tax relief. The bill also appropriates \$10 million from the Property Tax Relief Fund to the Department of Community Affairs (DCA) to administer the program in Fiscal Year 2019.
- Under the bill, if in any year the Trenton Capital City Aid dedicated to Trenton exceeds the city's property tax levy, then the remaining balances would be equally distributed to Mercer County and the Trenton School District for the purposes of property tax relief. In this event, the enactment of the bill could also result in an indeterminate increase in revenue for the county and school district.

BILL DESCRIPTION

The bill establishes the Trenton Capital City Aid Program, which would provide not less than \$10 million in annual aid to the City of Trenton. Trenton would be required to use the State aid exclusively for the purpose of reducing the amount to be raised through property taxation for municipal purposes. However, if in any year the amount of Trenton Capital City Aid dedicated to the city exceeds the amount required to be raised through property taxation for municipal purposes, the remaining aid would be allocated in equal amounts to Mercer County and the Trenton School District for the purposes of reducing the amounts to be raised through property taxation for county and school purposes.

The bill appropriates \$10 million from the Property Tax Relief Fund to the Department of Community Affairs for the Trenton Capital City Aid Program in State Fiscal Year 2019.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that the enactment of the bill would result in an increase in State expenditures of \$10 million from the Property Tax Relief Fund in Fiscal Year 2019, and an increase in State expenditures of not less than \$10 million during each fiscal year thereafter. The bill would also result in corresponding increases in revenue for the City of Trenton, and in certain circumstances, Mercer County and the Trenton School District.

Most notably, the bill establishes the Trenton Capital City Aid Program, which would provide annual State aid of not less than \$10 million to the City of Trenton for the purposes of reducing the amount to be raised through property taxation for municipal purposes. The bill also appropriates \$10 million from the Property Tax Relief Fund to the DCA to administer the program in Fiscal Year 2019. The distribution of Trenton Capital City Aid represents a corresponding increase in DCA expenditures and local revenue.

Under the bill, if in any year the amount of Trenton Capital City Aid dedicated to Trenton exceeds the city's property tax levy, then the remaining balances would be equally distributed to Mercer County and the Trenton School District for the purposes of providing property tax relief. In this event, the enactment of the bill could also result in an increase in revenue for the county and school district. However, the OLS notes that Trenton's municipal tax levy equaled approximately \$80.83 million in 2017 and \$82.96 million in 2018. As a result, the OLS does not expect the county or school district to receive additional funding through the Trenton Capital City Aid Program.

Section: *Local Government*

Analyst: *Joseph A. Pezzulo*
Assistant Research Analyst

Approved: *Frank W. Haines III*
Legislative Budget and Finance Officer

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

ASSEMBLY, No. 5210

STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED MARCH 25, 2019

Sponsored by:

Assemblywoman VERLINA REYNOLDS-JACKSON

District 15 (Hunterdon and Mercer)

Assemblyman ANTHONY S. VERRELLI

District 15 (Hunterdon and Mercer)

Co-Sponsored by:

Assemblyman Holley

SYNOPSIS

Establishes Trenton Capital City Aid Program; appropriates \$10 million.

CURRENT VERSION OF TEXT

As introduced.



A5210 REYNOLDS-JACKSON, VERRELLI

2

1 AN ACT establishing the Trenton Capital City Aid Program,
2 supplementing P.L.1966, c.293 (C.52:27D-1 et seq.), and making
3 an appropriation.

4

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

7

8 1. There is established the Trenton Capital City Aid Program,
9 for which there shall be appropriated in each fiscal year an amount
10 not less than \$10,000,000 for the City of Trenton. Funds received
11 by the city shall be used solely and exclusively by the city for the
12 purpose of reducing the amount to be raised through the property
13 tax levy for municipal purposes. If in any year the funds dedicated
14 to the city through the Trenton Capital City Aid Program exceed the
15 amount to be raised through the property tax levy for municipal
16 purposes, the remaining balance of the State aid payment shall be
17 allocated in equal amounts to Mercer County and the Trenton
18 School District to be used to reduce the amount of the property tax
19 levies for county and school purposes, notwithstanding the
20 provisions of this section, or of any other law to the contrary. The
21 Director of the Division of Local Government Services in the
22 Department of Community Affairs shall certify annually that the
23 city has complied with the requirements of this section.

24

25 2. There is appropriated from the Property Tax Relief Fund to
26 the Department of Community Affairs for State Fiscal Year 2019
27 the sum of \$10,000,000 for the Trenton Capital City Aid Program.

28

29 3. This act shall take effect immediately.

30

31

32

STATEMENT

33

34 This bill establishes the Trenton Capital City Aid Program to
35 provide not less than \$10 million in each State fiscal year to the
36 City of Trenton in recognition of its unique status as the State
37 capital, and the budgetary stress experienced annually by the city
38 resulting from the property tax-exempt status of State property in
39 the city. Trenton Capital City Aid Program funds received by the
40 city are to be used solely and exclusively by the city for the purpose
41 of reducing the amount the city is required to raise through the
42 property tax levy for municipal purposes. However, if the amount
43 of funds received by the city in Trenton Capital City Aid Program
44 aid in any year exceeds the amount required to be raised through the
45 property tax levy for municipal purposes, the remaining balance of
46 the State aid payment shall be allocated in equal amounts to Mercer
47 County and the Trenton School District to be used to reduce the
48 amount of the property tax levies for county and school purposes.

1 The bill also makes an appropriation of \$10 million from the
2 Property Tax Relief Fund to the Department of Community Affairs
3 for State Fiscal Year 2019 for the Trenton Capital City Aid
4 Program.

5 In State Fiscal Years 2004 through 2010, there was a separate
6 category of State aid, Trenton Capital City Aid, provided to Trenton
7 by the State in acknowledgment of its unique status as the State's
8 capital city, and the fact that a significant amount of real property
9 located in the city is State-owned, and therefore property tax-
10 exempt. In addition, Trenton's property taxpayers pay for police,
11 fire, sanitation, public health, and public works services provided to
12 the State employees who work in the city, but who do not contribute
13 toward the cost of those services. The State Fiscal Year 2011
14 Appropriations Act, P.L.2011, c.85, eliminated this State aid
15 program.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 5210

STATE OF NEW JERSEY

DATED: MAY 20, 2019

The Assembly Appropriations Committee reports favorably Assembly Bill No. 5210.

Assembly Bill No. 5210 establishes the Trenton Capital City Aid Program to provide not less than \$10 million in each State fiscal year to the City of Trenton in recognition of its unique status as the State capital, and the budgetary stress experienced annually by the city resulting from the property tax-exempt status of State property in the city. Trenton Capital City Aid Program funds received by the city are to be used solely and exclusively by the city for the purpose of reducing the amount the city is required to raise through the property tax levy for municipal purposes. However, if the amount of funds received by the city in Trenton Capital City Aid Program aid in any year exceeds the amount required to be raised through the property tax levy for municipal purposes, the remaining balance of the State aid payment shall be allocated in equal amounts to Mercer County and the Trenton School District to be used to reduce the amount of the property tax levies for county and school purposes.

The bill also makes an appropriation of \$10 million from the Property Tax Relief Fund to the Department of Community Affairs for State Fiscal Year 2019 for the Trenton Capital City Aid Program.

In State Fiscal Years 2004 through 2010, there was a separate category of State aid, Trenton Capital City Aid, provided to Trenton by the State in acknowledgment of its unique status as the State's capital city, and the fact that a significant amount of real property located in the city is State-owned, and therefore property tax-exempt. In addition, Trenton's property taxpayers pay for police, fire, sanitation, public health, and public works services provided to the State employees who work in the city, but who do not contribute toward the cost of those services. The State Fiscal Year 2011 Appropriations Act, P.L.2011, c.85, eliminated this State aid program.

As reported by the committee, Assembly Bill No. 5210 is identical to Senate Bill No.3587, which also was reported by the committee on this date.

FISCAL IMPACT:

The Office of Legislative Services (OLS) estimates that the enactment of the bill will result in an increase in State expenditures of \$10 million from the Property Tax Relief Fund (PTRF) in Fiscal Year

2019, and an increase in State expenditures of not less than \$10 million during each fiscal year thereafter. The bill would also result in corresponding increases in revenue for the City of Trenton, and in circumstances, Mercer County and the Trenton School District.

Most notably, the bill establishes the Trenton Capital City Aid Program, which would provide annual State aid of not less than \$10 million to the City of Trenton for the purposes of reducing the amount to be raised through property taxation for municipal purposes. The bill also appropriates \$10 million from the PTRF to the DCA to administer the program in Fiscal Year 2019. The distribution of Trenton Capital City Aid represents a corresponding increase in DCA expenditures and local revenue.

Under the bill, if any year the amount of Trenton Capital City Aid dedicated to the City of Trenton exceeds the city's property tax levy, then the remaining balances would be equally distributed to Mercer County and the Trenton School District for the purposes of providing property tax relief. In this event, the enactment of the bill could also result in an increase in revenue for the county and school district. However, the OLS notes that Trenton's municipal tax levy equaled approximately \$80.83 million in 2017 and \$82.96 million in 2018. Accordingly the OLS does not expect the county or school district to receive additional funding through the Trenton Capital City Aid Program.

LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY, No. 5210
STATE OF NEW JERSEY
218th LEGISLATURE

DATED: MAY 24, 2019

SUMMARY

Synopsis: Establishes Trenton Capital City Aid Program; appropriates \$10 million.

Type of Impact: Increase in State expenditures from Property Tax Relief Fund; increase in local revenue.

Agencies Affected: Department of Community Affairs, the City of Trenton, Mercer County, and Trenton School District.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Cost Increase	\$10 million	At least \$10 million	At least \$10 million
Local Revenue Increase	\$10 million	At least \$10 million	At least \$10 million

- The Office of Legislative Services (“OLS”) estimates that enacting this bill would increase State expenditures by \$10 million in FY 2019 and at least \$10 million each fiscal year thereafter. The bill would also result in corresponding increases in revenue for the City of Trenton, and in certain circumstances, Mercer County and the Trenton School District.
- The bill establishes the Trenton Capital City Aid Program, which would provide at least \$10 million in annual aid to the City of Trenton solely for the purposes of property tax relief. The bill also appropriates \$10 million from the Property Tax Relief Fund to the Department of Community Affairs (“DCA”) to administer the program in FY 2019.
- The bill requires that in any year the Trenton Capital City Aid dedicated to Trenton exceeds the city’s property tax levy, the remaining balances would be equally distributed to Mercer County and the Trenton School District for property tax relief. In this event, there would be an indeterminate revenue increase for the county and the school district.

BILL DESCRIPTION

The bill establishes the Trenton Capital City Aid Program, which would provide at least \$10 million in annual State aid to the City of Trenton to be used exclusively for the purpose of

reducing the amount to be raised through property taxation for municipal purposes. However, if in any year the amount of Trenton Capital City Aid dedicated to the city exceeds the amount required to be raised through property taxation for municipal purposes, the remaining aid would be allocated in equal amounts to Mercer County and the Trenton School District for the purposes of reducing the amounts to be raised through property taxation for county and school purposes.

The bill appropriates \$10 million from the Property Tax Relief Fund to the Department of Community Affairs for the Trenton Capital City Aid Program in State Fiscal Year 2019.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that enacting this bill would increase State expenditures by \$10 million in FY 2019 and at least \$10 million each fiscal year thereafter. The bill would also result in corresponding increases in revenue for the City of Trenton, and in certain circumstances, Mercer County and the Trenton School District.

Most notably, the bill establishes the Trenton Capital City Aid Program, which would provide at least \$10 million in annual State aid to the City of Trenton solely for the purposes of property tax relief. The bill also appropriates \$10 million from the Property Tax Relief Fund to the DCA to administer the program in FY 2019. The distribution of Trenton Capital City Aid represents a corresponding increase in DCA expenditures and local revenue.

The bill requires that in any year the amount of Trenton Capital City Aid dedicated to Trenton exceeds the city's property tax levy, the remaining balances would be equally distributed to Mercer County and the Trenton School District for property tax relief. In this event, there would be an indeterminate revenue increase for the county and the school district. However, the OLS notes that Trenton's municipal tax levy equaled approximately \$80.83 million in 2017 and \$82.96 million in 2018. As a result, the OLS does not expect the county or school district to receive additional funding through the Trenton Capital City Aid Program.

Section: Local Government
Analyst: Joseph A. Pezzulo
Associate Research Analyst
Approved: Frank W. Haines III
Legislative Budget and Finance Officer

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).



Governor Phil Murphy

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Newark, N.J.

Governor Murphy Takes Action on Legislation

06/26/2019

TRENTON – Today, Governor Phil Murphy signed the following bills into law:

A5381 (Reynolds-Jackson, Verrelli/Turner) – Authorizes State Treasurer to sell surplus real property located in City of Trenton, Mercer County.

S2863 (Sarlo, Sweeney/Benson, Jones, Calabrese) – Revises requirements for grant recipients of Transportation Trust Fund Authority local aid program.

S2920 (Smith, Bateman, Greenstein/McKeon, Pinkin, Zwicker) – Establishes funding allocations for constitutionally dedicated CBT revenues for Fiscal Year 2020 and thereafter and revises law for State's open space, farmland, and historic preservation programs; appropriates \$500,000.

S3164 (Greenstein, Diegnan/Benson, Lopez, Murphy) – "New Jersey Transit Corporation Employee Protection Act"; prohibits NJT from asserting sovereign immunity in certain situations and subjects NJT to certain federal statutes and regulations.

S3587 (Turner/Reynolds-Jackson, Verrelli) – Establishes Trenton Capital City Aid Program; appropriates \$10 million.

S3651 (Pou, Singleton/Conaway, Mukherji) – Revises law concerning Medicare supplement insurance coverage.

Governor Phil Murphy

[Home](#)

[Key Initiatives](#)

[Social](#)

[Administration](#)

[Economy & Jobs](#)

[Facebook](#)

Statewide

[Back to top](#)

[NJ Home](#)

[Services A to Z](#)

[Departments/Agencies](#)

[Governor Phil Murphy](#)

[Lt. Governor Sheila](#)

[Oliver](#)

[First Lady Tammy](#)

[Snyder Murphy](#)

[Cabinet](#)

[Boards, Commissions &](#)

[Authorities](#)

[Internship Opportunities](#)

[Governor's Residence -](#)

[Drumthwacket](#)

[Education](#)

[Environment](#)

[Health](#)

[Law & Justice](#)

[Transportation](#)

[News & Events](#)

[Press Releases](#)

[Public Addresses](#)

[Executive Orders](#)

[Statements on](#)

[Legislation](#)

[Administration Reports](#)

[Transition Reports](#)

[Press Kits](#)

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