

52:27D-384

LEGISLATIVE HISTORY CHECKLIST
Compiled by the NJ State Law Library

NJSA: 52:27D-384

(State Aid to
Densely
Populated
Municipalities
Act)

LAWS OF: 1990

CHAPTER: 85

Bill No: S2796

Sponsor(s): Contillo and others

Date Introduced: June 20, 1990

Committee: Assembly: -----

Senate: Revenue, Finance & Appropriations

Amended during passage: No Senate Committee enacted.

Date of Passage: Assembly: June 28, 1990

Senate: June 28, 1990

Date of Approval: August 8, 1990

Following statements are attached if available:

Sponsor statement: Yes

Committee Statement: Assembly: No

Senate: Yes

Fiscal Note: No

Veto Message: No

Message on signing: No

Following were printed:

Reports: No

Hearings: No

KBG/SLJ

DEPT. OF TREASURY
DO NOT WRITE IN THESE SPACES
NJ STATE LAW LIBRARY
PY

SENATE COMMITTEE SUBSTITUTE FOR
SENATE, No. 2796

STATE OF NEW JERSEY

ADOPTED JUNE 25, 1990

Sponsored by Senator CONTILLO

1 AN ACT concerning State aid to certain densely populated
2 municipalities and supplementing chapter 27D of Title 52 of
3 the Revised Statutes.

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

7 1. This act shall be known and may be cited as the "State Aid
8 to Densely Populated Municipalities Act."

9 2. The Legislature finds and declares that customary demands
10 on municipal services and infrastructure are amplified in
11 municipalities having high population density. The deterioration
12 of infrastructure is especially acute in high density areas when
13 the use of roads and sewerage facilities far exceeds their planned
14 specifications. Heavy concentrations of population place
15 enormous strains on police, fire, and emergency services, health
16 services, transportation systems, infrastructure, and sanitation
17 facilities that cannot be adequately addressed in any municipal
18 budget without excessively taxing already overburdened property
19 owners. In order to maintain these systems and services at
20 acceptable levels it is a proper State purpose to provide aid to
21 municipalities with extreme population density to assure the
22 health, welfare and safety of their residents.

23 3. As used in this act, "qualifying municipality" means a
24 municipality which:

25 a. does not receive aid under P.L.1978, c.14 (C.52:27D-178
26 et seq.);

27 b. has a population density that exceeds six times the State
28 population density, according to the most recent State population
29 and area estimates reported by the New Jersey Department of
30 Labor, Division of Labor Market and Demographic Research,
31 except that in the year of promulgation of a federal decennial
32 census, the census figures shall be used;

33 c. has a population that exceeds 7,500 residents; and

34 d. is located in any of the five most densely populated
35 counties, according to the most recent State population estimates
36 reported by the New Jersey Department of Labor, Division of
37 Labor Market and Demographic Research, except that in the year
38 of promulgation of a federal decennial census, the census figures
39 shall be used.

40 4. Qualifying municipalities shall be grouped into three levels
41 for the purposes of allocating funds pursuant to this act, as
42 follows:

1 Level I - Qualifying municipalities having a population of
2 30,000 or more located in a first class county.

3 Level II - Qualifying municipalities having a population
4 between 7,500 and 30,000 located in a first class county.

5 Level III - Qualifying municipalities located in a second class
6 county.

7 5. There shall be allocated to each level of qualifying
8 municipalities a portion of the funds appropriated for the
9 purposes of this act, as follows:

10 Level I - 32.5% of the funds so appropriated;

11 Level II - 57.5% of the funds so appropriated; and

12 Level III - 10% of the funds so appropriated.

13 In allocating funds to Level II qualifying municipalities, there
14 shall be additionally allocated any portion of the amount
15 allocated to Level I qualifying municipalities which is not
16 apportioned to those municipalities pursuant to section 6 of this
17 act.

18 6. Within each level of qualifying municipalities, the share of
19 each qualifying municipality of the funds allocated to that level
20 shall be determined by the following formula:

$$21 \quad MS = (RD / ARD) \times F$$

22 Where:

23 MS is the share, not to exceed \$3,900,000, to be received by
24 the qualifying municipality of the amount allocated to that
25 level;

26 F is the amount allocated to that level;

27 ARD is the aggregate of the residential densities of all
28 qualifying municipalities included in that level; and

29 RD is residential density for a qualifying municipality which
30 shall be determined as follows:

$$31 \quad RD = P \times D \times R^2$$

32 Where:

33 P is the population of the qualifying municipality;

34 D is the population density of the qualifying municipality; and

35 R is the percentage, multiplied by 100, of the aggregate
36 assessed valuation of the qualifying municipality which is
37 residential (Class 2) and apartments (Class 4c) property.

38 7. The State Treasurer shall annually, on or before
39 November 1, make a determination of the qualifying
40 municipalities and determine the amount of funds to be
41 apportioned to each qualifying municipality for the next
42 succeeding local budget year. The State Treasurer shall
43 thereupon notify the Director of the Division of Local
44 Government Services in the Department of Community Affairs
45 and the chief financial officer of each qualifying municipality of
46 the amount so determined.

47 8. The State Treasurer, upon the warrant of the State
48 Comptroller, shall annually, on or before July 15, pay to each
49 qualifying municipality the amount determined.

1 9. The funds to be received by a qualifying municipality
2 pursuant to this act shall be appropriated by the municipality in
3 compliance with the "Local Budget Law," N.J.S.40A:4-1 et seq.
4 Notwithstanding any provisions of the "Local Budget Law," any
5 qualifying municipality may anticipate in its budget for the next
6 succeeding year the receipt of the amount determined by the
7 State Treasurer pursuant to section 7 of this act and may file
8 such amendments or corrections in its local budget as may be
9 required to properly reflect the amount. A qualifying
10 municipality shall apply all such revenues to the reduction of the
11 local property tax levy. The chief financial officer of each
12 qualifying municipality shall demonstrate in a written report,
13 appended to the local budget submitted to the Director of the
14 Division of Local Government Services, that the amount to be
15 raised by property taxation for the local budget year in which
16 funds are to be received has been reduced by an amount equal to
17 the amount to be received pursuant to this act.

18 10. The Director of the Division of Local Government Services
19 shall not approve the budget of any qualifying municipality if the
20 director determines that the funds received pursuant to this act
21 have not been used to reduce the local property tax levy.

22 11. Commencing with State fiscal year 1992, the Legislature
23 shall annually appropriate the sum of \$33,000,000 for the purpose
24 of reducing the local property tax levy in qualifying
25 municipalities.

26 12. This act shall take effect immediately.

27

28

29

LOCAL BUDGET AND FINANCE

30

31 "State Aid to Densely Populated Municipalities Act."

SENATE, No. 2796

STATE OF NEW JERSEY

INTRODUCED JUNE

By Senators CONTILLO, AMBROSIO and FELDMAN

1 AN ACT concerning State aid to certain densely populated
2 municipalities and supplementing chapter 27D of Title 52 of
3 the Revised Statutes.

4

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

7 1. This act shall be known and may be cited as the "State Aid
8 to Densely Populated Municipalities Act."

9 2. The Legislature finds and declares that customary demands
10 on municipal services and infrastructure are amplified in
11 municipalities having extreme population density. The
12 deterioration of infrastructure is especially acute in high density
13 areas when the use of roads and sewerage facilities far exceeds
14 their planned specifications. Extreme population density places
15 enormous strains on police, fire, and emergency services, health
16 services, transportation systems, infrastructure, and sanitation
17 facilities that cannot be adequately addressed in any municipal
18 budget without excessively taxing already overburdened property
19 owners. In order to maintain these systems and services at
20 acceptable levels it is a proper State purpose to provide aid to
21 municipalities with extreme population density to assure the
22 health, welfare and safety of their residents.

23 3. As used in this act:

24 a. "Qualified municipality" means a municipality which:

25 (1) Does not receive aid under P.L.1978, c.14 (C.52:27D-178 et
26 seq.);

27 (2) Has a population density that exceeds six times the State
28 average population density, according to the most recent State
29 population estimates reported by the New Jersey Department of
30 Labor, Division of Labor Market and Demographic Research,
31 except that in the year of promulgation of a federal decennial
32 census, the census figures shall be used;

33 (3) Has a population that exceeds 7,500 residents; and

34 (4) Is located in any of the five most densely populated
35 counties, according to the most recent State population estimates
36 reported by the New Jersey Department of Labor, Division of
37 Labor Market and Demographic Research, except that in the year
38 of promulgation of a federal decennial census, the census figures
39 shall be used.

40 b. "Director" means the Director of the Division of Local
41 Government Services in the Department of Community Affairs.

1 4. Prior to November 1, 1990 and prior to November 1, in each
2 year thereafter, the director shall make a determination of the
3 qualified municipalities and he shall compute the amount of funds
4 to be apportioned to each qualified municipality on a per capita
5 basis in proportion to their estimated populations for the
6 succeeding local budget year. The director shall thereupon notify
7 the chief financial officer of each qualifying municipality of the
8 amount so determined.

9 5. On or before December 1, 1990 and on or before December
10 1 in each year thereafter, the director shall certify to the State
11 Treasurer the amount of funds determined to be apportioned to
12 each qualified municipality under the provisions of this act. The
13 State Treasurer, upon the certification of the director and upon
14 the warrant of the State Comptroller, shall pay to each qualified
15 municipality the amount due.

16 6. The funds a qualified municipality shall acquire pursuant to
17 this act shall be appropriated by the municipality in compliance
18 with the "Local Budget Law," P.L.1960, c.169 (N.J.S.40A:4-1 et
19 seq.). Notwithstanding any provisions of the "Local Budget Law,"
20 any municipality qualifying for State aid under the provisions of
21 this act may anticipate in its budget for the succeeding year the
22 receipt of the amount of State aid certified to it by the director
23 and may file such amendments or corrections in its local budget
24 as may be required to properly reflect the amount certified. A
25 qualified municipality shall apply all such revenues to the
26 reduction of the local property tax levy.

27 7. The director shall not certify the budget of any qualified
28 municipality if he determines that the funds received pursuant to
29 this act have not been used to reduce the local property tax levy.

30 8. The Legislature shall annually appropriate the sum of
31 \$20,000,000 for the purpose of reducing the local property tax
32 levy in qualified municipalities, beginning in State fiscal year
33 1992.

34 9. This act shall take effect immediately.
35
36

37 STATEMENT

38
39 This bill establishes a State aid program for municipalities with
40 extreme population density. These municipalities are faced with
41 extraordinary strains on their infrastructure and social service
42 systems. To qualify for State aid under this bill a municipality
43 must have a population of more than 7,500 residents, must have a
44 population density exceeding six times the State average, and
45 must be located in one of the State's five most densely populated
46 counties. Furthermore, a municipality shall not be a recipient of
47 State aid under the "urban aid" law, P.L.1978, c.14
48 (C.52:27D-178 et seq.) to qualify for this program.

1 The bill requires the Legislature to annually appropriate \$20
2 million dollars for this program for the purposes of reducing the
3 local property tax levy in qualified municipalities. Prior to
4 November 1, the Director of the Division of Local Government
5 Services in the Department of Community Affairs is required to
6 determine the qualifying municipalities using annual population
7 density data from the Department of Labor. The director is then
8 required to apportion the State aid among the qualifying
9 municipalities on a per capita basis in proportion to their
10 estimated populations. In the year in which federal decennial
11 census data is promulgated, the census figures shall be used
12 instead of data from the Department of Labor.

13 The director is required to certify his apportionment figures to
14 the chief financial officers of the qualifying municipalities. The
15 qualified municipalities are permitted to anticipate the State aid
16 amount in the budget for the succeeding local budget year.

17 On or before December 1, the director is required to certify
18 the amount of funds due to each qualified municipality to the
19 State Treasurer who, upon warrant of the State Comptroller,
20 shall pay to each qualified municipality the amount due.

21
22
23
24
25

LOCAL BUDGET AND FINANCE

"State Aid to Densely Populated Municipalities Act."

SENATE REVENUE, FINANCE AND APPROPRIATIONS
COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR

SENATE, No. 2796

STATE OF NEW JERSEY

DATED: JUNE 25, 1990

The Senate Revenue, Finance and Appropriations Committee favorably reports a Senate Committee Substitute for Senate Bill No. 2796.

Senate Committee Substitute for Senate Bill No. 2796 establishes a State aid program for municipalities with extreme population density. To qualify for State aid under the provisions of the substitute, a municipality must have a population of more than 7,500 residents, a population density exceeding six times the State average, and be located in one of the State's five most densely populated counties. In addition, a municipality shall not be a recipient of State aid under the "urban aid" law, P.L.1978, c.14 (C.52:27D-178 et seq.) to qualify for this program.

The bill requires the Legislature to annually appropriate \$33 million beginning in State fiscal year 1992 for this program to be used to reduce the local property tax levy in qualifying municipalities. The chief financial officer of each qualifying municipality is required to demonstrate in a report appended to the municipal budget that the amount to be raised by property taxation has been reduced by the amount to be received in aid. The Director of the Division of Local Government Services in the Department of Community Affairs shall not approve a municipality's budget if the director determines that the amount to be raised by taxation has not been reduced.

There are three levels established for qualifying municipalities based on different population requirements. The moneys for the program are to be apportioned among the levels according to percentages established in the substitute, except that no municipality may receive more than \$3.9 million. Prior to November 1, the State Treasurer is required to determine the qualifying municipalities and the amounts each qualifying municipality is to receive. Qualifying municipalities will receive the aid on or before July 15.

COMMITTEE SUBSTITUTE

The bill received by the committee contained different criteria for qualification and recommended annual appropriations of \$20 million. The substitute altered the criteria and increased the recommended annual appropriations to \$33 million.

FISCAL IMPACT

This substitute contains no appropriation. The substitute provides that the Legislature shall annually appropriate \$33 million beginning with State fiscal year 1992.

The five most densely populated counties are Bergen, Essex, Hudson, Passaic and Union. At this time, 26 municipalities would qualify: in Bergen county: Fort Lee, Hackensack, Teaneck, Bergenfield, Bogota, Cliffside Park, Dumont, Elmwood Park, Fairview, Hasbrouck Heights, Little Ferry, Lodi, Maywood, New Milford, North Arlington, Palisades Park, Ridgefield Park, Rutherford, Wallington, and Wood-Ridge; in Essex county: Caldwell and Nutley; in Hudson county: Harrison Town; in Passaic county: Clifton; and in Union county: Rahway and Roselle Park.