

52:27D-178

LEGISLATIVE HISTORY CHECKLIST

NJSA: 52:27D-178

("Urban aid--
allow small
municipalities to
qualify")

LAWS OF: 1987

CHAPTER: 439

Bill No: A2265

Sponsor(s): Collins

Date Introduced: May 22, 1987

Committee: Assembly: Urban Policy & Waterfront; Appropriations

Senate: Revenue, Finance & Appropriations

Amended during passage: Yes

Amendments
during passage
denoted by
asterisks

Date of Passage: Assembly May 28, 1987

Senate: December 10, 1987

Date of Approval: January 15, 1988

Following statements are attached if available:

Sponsor statement: Yes

Committee Statement: Assembly: Yes

Senate: Yes

Fiscal Note: No

Veto Message: No

Message on signing: No

Following were printed:

Reports: No

Hearings: No

P. L. 1987, CHAPTER 439, *approved January 15, 1988*

1986 Assembly No. 2665 (*Official Copy Reprint*)

AN ACT to amend "An act to provide State aid to certain municipalities for the purpose of enabling such municipalities to maintain and upgrade municipal services and to offset local property taxes," approved March 30, 1978 (P. L. 1978, c. 14) and making an appropriation therefor.

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

1 1. Section 1 of P. L. 1978, c. 14 (C. 52:27D-178) is amended to
2 read as follows:

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

5 "Base year" means the second year preceding the annual appor-
6 tionment of State aid pursuant to this act.

7 "Director" means the Director of the Division of Local Govern-
8 ment Services in the Department of Community Affairs.

9 "Net valuation taxable" means the total value of property on
10 which the general tax rate is computed as expressed in column 6
11 of the Table of Aggregates pursuant to R. S. 54:4-52 for the base
12 year.

13 "Equalization ratio" means the ratio of assessed value to true
14 value of real property as published in the Certification of Table
15 of Equalized Valuations by the Director of the Division of Taxation
16 for the base year pursuant to P. L. 1954, c. 86, s. 1 (C. 54:1-35.1).

17 "Equalized valuation" means net valuation taxable divided by
18 the equalization ratio.

19 "Municipal equalized valuation per capita" means a municipi-

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

Matter printed in italics thus is new matter.

Matter enclosed in asterisks or stars has been adopted as follows:

***—Senate committee amendments adopted September 10, 1987.**

20 pality's equalized valuation divided by the population of the
21 municipality.

22 "State equalized valuation per capita" means the sum of the
23 equalized valuations of all the municipalities of the State divided
24 by the population of the State.

25 "General tax rate" means the tax rate for local taxing purposes
26 as defined in R. S. 54:4-52 and as expressed in column 7 of the
27 Table of Aggregates for the base year.

28 "Equalized tax rate" means the general tax rate multiplied by
29 the equalization ratio.

30 "State equalized tax rate" means the sum of the total levies on
31 which the tax rates for all the municipalities of the State are
32 computed divided by the sum of the equalized valuations of all the
33 municipalities of the State for the base year.

34 "Population" means the official population count of the State
35 of New Jersey for the base year as reported by the New Jersey
36 Department of Labor, Office of Demographic and Economic
37 Analysis.

38 "Ratio H" means the proportion that residential and apartment
39 assessed valuation bears to the total assessed valuation of the real
40 property of a municipality, as calculated by the Division of Taxa-
41 tion in the Treasury Department.

42 "Publicly financed housing" means any dwelling unit constructed
43 and operated under any of the following Federal and State housing
44 programs:

45 (a) Any dwelling unit constructed under grants or mortgage
46 financing of the New Jersey Housing Finance Agency.

47 (b) Any dwelling unit constructed under the following sections
48 of the National Housing Act (Public Law 73-479) as amended and
49 supplemented: section 221(d) (3) as added to by the Housing Act
50 of 1961 (P. L. 87-70) and as subsequently amended: section 236
51 as added to by the Housing and Urban Development Act of 1968
52 (P. L. 90-448) as as subsequently amended: section 202, Housing
53 Act of 1959 (P. L. 86-372) and as subsequently amended: section
54 221-H, as added by the Demonstration Cities and Metropolitan
55 Development Act of 1966 (P. L. 89-754) and as subsequently
56 amended.

57 (c) Any dwelling unit constructed or operated under the United
58 States Housing Act of 1937 (Public Law 75-412) and as subse-
59 quently added to and amended.

60 "ADC children" means the number of children between the ages
61 of five and 17 years in the municipality enrolled in the Aid to
62 Dependent Children Program, as made available by the Division

63 of Public Welfare in the Department of Human Services for the
 64 base year in the publication "State of New Jersey, ADC Data
 65 Needed to Implement Public Law 89-10, the Elementary and
 66 Secondary Education Act of 1965." provided, however that the
 67 director shall use the best available data comparable to the data
 68 provided for the allocation of funds in 1975 pursuant to P. L. 1975,
 69 c. 68.

70 "Qualifying municipality" means a municipality in which:

71 **[Population exceeds 15,000 or exceeds 10,000 per square**
 72 **mile, and]**

73 The number of ADC children exceeds 250, except when the
 74 municipality's population exceeds 20,000 with a density exceed-
 75 ing 7,000 per square mile and the municipality's equalized
 76 valuation per capita is less than the State equalized valuation
 77 per capita by \$4,500.00 or more, and

78 There exists, *in the case of a municipality with a population*
 79 *exceeding 15,000*, publicly financed housing, and

80 The municipality's equalized tax rate exceeds the State
 81 equalized tax rate, or the municipality's equalized valuation
 82 per capita is less than the State equalized valuation per capita
 83 by \$2,000.00 or more and its population exceeds 25,000, and

84 The municipality's equalized valuation per capita is less than
 85 the State equalized valuation per capita or the municipality's
 86 equalized tax rate exceeds the State equalized tax rate by
 87 \$0.75 or more.

88 "Distribution factor" means for each qualifying municipality
 89 the following:

$$90 \quad DF = .6 \left(\frac{W}{\Sigma W} \right) + 0.4 \left(\frac{T}{\Sigma T} \right)$$

91 where, DF equals the Distribution Factor

92 W equals ADC children in the municipality

93 T equals $P (V_s - V_m) (R_m - R_s) Z$

94 For the purposes of computing the distribution factor, when
 95 T has a negative value, it shall be assigned a value of zero.

96 P equals Population

97 V_s equals State Equalized Valuation Per Capita

98 V_m equals Municipal Equalized Valuation Per Capita

99 R_m equals Municipal Equalized Tax Rate

100 R_s equals State equalized Tax Rate

101 Z equals Ratio H

1 2. There is appropriated from the General Fund ***[\$725,000.00]***

2 *\$1,096,746.00 to the Department of Community Affairs* to effectu-
3 ate the purposes of this act. *The amount of entitlement for munici-
4 palities newly qualified pursuant to this amendatory act shall be
5 calculated in a manner consistent with P. L. 1978, c. 14 (C.
6 52:27D-175 et seq.). The amount of the appropriation remaining
7 after those entitlements are determined shall be applied to provide
8 those newly qualified municipalities with aid pursuant to P. L. 1979,
9 c. 118 (C. 52:27D-118.1 et seq.).*

1 3. This act shall take effect immediately.

STATEMENT

This bill amends the "urban aid" eligibility criteria in two ways. First, it eliminates the population requirement. Under current law, a municipality must have a population exceeding 15,000 or a population density exceeding 10,000 per square mile in order to qualify for "urban aid." Second, the bill eliminates the public housing requirement for municipalities with population of less than 15,000.

These two amendments would enable small municipalities which meet all the other indices of distress (high equalized tax rates, low equalized valuations per capita and significant numbers of children in the Aid to Families with Dependent Children program) to qualify for State aid as "urban aid" municipalities.

LOCAL BUDGET AND FINANCE

Amends criteria for "urban aid" program to permit small municipalities to qualify; appropriates \$725,000.00.

A 2602

ASSEMBLY URBAN POLICY AND WATERFRONT
DEVELOPMENT COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2665

STATE OF NEW JERSEY

DATED: SEPTEMBER 15, 1986

The Assembly Urban Policy and Waterfront Development Committee reports favorably Assembly Bill No. 2665.

Assembly Bill No. 2665 amends the "urban aid" eligibility criteria in two ways. First, it eliminates the population requirement. Under current law, a municipality must have a population exceeding 15,000 or a population density exceeding 10,000 per square mile in order to qualify for "urban aid." Second, the bill eliminates the public housing requirement for municipalities with a population of less than 15,000.

These two amendments would enable small municipalities which meet all the other indices of distress (high equalized tax rates, low equalized valuations per capita and significant numbers of children in the Aid to Families with Dependent Children program) to qualify for State aid as "urban aid" municipalities.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2665

STATE OF NEW JERSEY

DATED: MARCH 9, 1987

The Assembly Appropriations Committee favorably reports Assembly Bill No. 2665.

Assembly Bill No. 2665 amends the criteria for the "urban aid" program to permit small municipalities to qualify. The bill amends the "urban aid" eligibility criteria in two ways: (1) eliminates the population requirement where a municipality must have a population exceeding 15,000 or a population density exceeding 10,000 per square mile in order to qualify, and (2) eliminates the public housing requirement for municipalities with population of less than 15,000.

These two changes would enable small municipalities which meet all the other indices of distress, such as high equalized tax rates, low equalized valuations per capita and significant numbers of children in the Aid to Families with Dependent Children program, to qualify for State aid as "urban aid" municipalities.

FISCAL IMPACT:

The bill appropriates \$725,000.00 to effectuate the purposes of the act.

SENATE REVENUE, FINANCE AND APPROPRIATIONS
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2665

with Senate committee amendments

STATE OF NEW JERSEY

DATED: SEPTEMBER 10, 1987

The Senate Revenue, Finance and Appropriations Committee reported Assembly Bill No. 2665 favorably, with committee amendments.

Assembly Bill No. 2665, as amended, alters the "urban aid" eligibility criteria to enable 10 small municipalities which otherwise meet all the indices of distress except population and public housing to qualify for urban aid. As a result of qualifying for urban aid, the 10 municipalities will also qualify for safe and clean neighborhood aid. The bill appropriates \$1,096,746.00 to the Department of Community Affairs for urban aid and safe and clean neighborhood aid for those municipalities.

The urban aid criteria are altered in the following manner:

a. The population criteria is eliminated. Currently, a municipality must have a population exceeding 15,000 or a population density exceeding 10,000 per square mile in order to qualify; and

b. Only municipalities with a population of 15,000 or more would be required to have public housing. Currently, each qualifying municipality must have public housing.

The 10 municipalities that would now qualify for urban aid and safe and clean neighborhood aid are:

Pleasantville city, Atlantic county;

Mount Holly township, Burlington county;

Gloucester city, Camden county;

Commercial township, Cumberland county;

Fairfield township, Cumberland county;

Glassboro borough, Gloucester county;

Paulsboro borough, Gloucester county;

Woodbury city, Gloucester county;

Penns Grove borough, Salem county; and

Salem city, Salem county.

This bill, as amended, is identical to Senate Bill No. 2528, as amended.

COMMITTEE AMENDMENTS:

The committee amendments increase the appropriation to \$1,096,746.00 to account for the safe and clean neighborhood aid.

FISCAL IMPACT:

This bill, as amended, appropriates \$1,096,746.00 from the General Fund to the Department of Community Affairs for urban aid and safe and clean neighborhood aid for 10 additional municipalities.
