

[First Reprint]

SENATE, No. 762

STATE OF NEW JERSEY
216th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2014 SESSION

Sponsored by:

Senator PAUL A. SARLO

District 36 (Bergen and Passaic)

Senator JENNIFER BECK

District 11 (Monmouth)

Assemblyman GARY S. SCHAER

District 36 (Bergen and Passaic)

Assemblywoman MARLENE CARIDE

District 36 (Bergen and Passaic)

Assemblyman JOSEPH A. LAGANA

District 38 (Bergen and Passaic)

Assemblyman TIMOTHY J. EUSTACE

District 38 (Bergen and Passaic)

Co-Sponsored by:

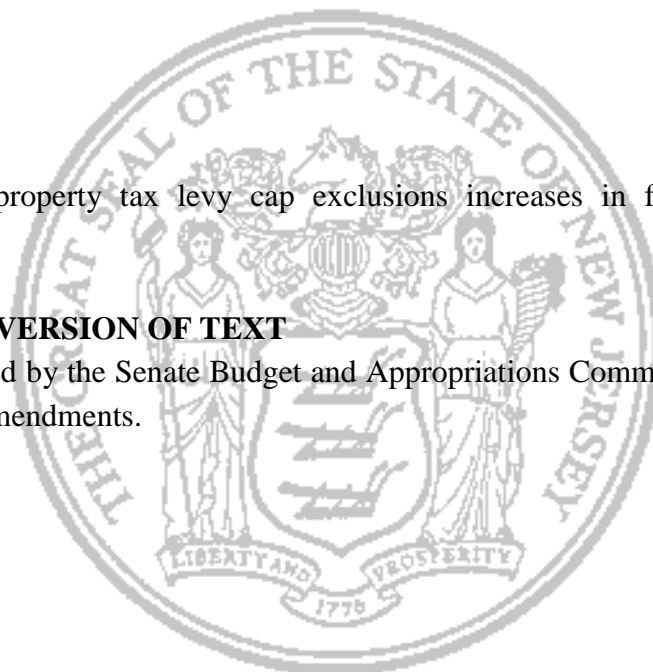
Senators Stack, Gordon, Greenstein and Assemblyman Coughlin

SYNOPSIS

Adds to property tax levy cap exclusions increases in flood insurance premiums.

CURRENT VERSION OF TEXT

As reported by the Senate Budget and Appropriations Committee on June 5, 2014, with amendments.



(Sponsorship Updated As Of: 6/24/2014)

1 AN ACT concerning the calculation of the local property tax levy
2 cap and amending P.L.2007, c.62.

3

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

6

7 1. Section 10 of P.L.2007, c.62 (C.40A:4-45.45) is amended to
8 read as follows:

9 10. a. (1) In the preparation of its budget the amount to be
10 raised by taxation by a local unit shall not exceed, except as
11 provided in paragraph (2) of this subsection, the sum of new
12 ratables, the adjusted tax levy, and the total of waivers approved
13 pursuant to section 11 of P.L.2007, c.62 (C.40A:4-45.46); provided,
14 however, that in the case of a county, the amount to be raised by
15 taxation shall not exceed the amount permitted by section 4 of
16 P.L.1976, c.68 (C.40A:4-45.4).

17 (2) A local unit that has not been granted approval for a waiver
18 pursuant to section 11 of P.L.2007, c.62 (C.40A:4-45.46), may add
19 to its adjusted tax levy in any one of the next three succeeding
20 years, the amount of the difference between the maximum
21 allowable amount to be raised by taxation or county purposes tax,
22 as applicable, for the current local budget year pursuant to
23 paragraph (1) of this subsection and the actual amount to be raised
24 by taxation or county purposes tax, as applicable, for the current
25 local budget year.

26 b. The following exclusions shall be added to the calculation of
27 the adjusted tax levy:

28 increases in amounts required to be raised by taxation for capital
29 expenditures, including debt service as defined by law; increases in
30 pension contributions and accrued liability for pension
31 contributions in excess of 2.0%; increases in health care costs equal
32 to that portion of the actual increase in total health care costs for the
33 budget year that is in excess of 2.0% of the total health care costs in
34 the prior year, but is not in excess of the product of the total health
35 care costs in the prior year and the average percentage increase of
36 the State Health Benefits Program, P.L.1961, c.49 (C.52:14-17.25 et
37 seq.), as annually determined by the Division of Pensions and
38 Benefits in the Department of the Treasury; ¹for local units with
39 flood insurance in the prior year,¹ increases in flood insurance
40 premiums in excess of 2.0% over the amount of the prior year's
41 flood insurance premiums ¹**[, except that for]** ¹in ¹the initial year
42 ¹**[of a flood insurance expense resulting from]** ¹following¹ changes
43 to federal flood insurance ¹**[rate]**¹ maps ¹**[, the entire cost shall be**
44 excluded]¹ ; ¹for local units without flood insurance in the prior

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 underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SBA committee amendments adopted June 5, 2014.

1 year, the entire initial cost for flood insurance premiums in the
2 initial year following changes to federal flood insurance maps; for
3 any local units in the second, third, and fourth year following
4 changes to federal flood insurance maps, flood insurance premiums
5 in excess of 2.0% over the amount of the prior year's flood
6 insurance premiums;¹ and extraordinary costs incurred by a local
7 unit directly related to a declared emergency, as defined by
8 regulation promulgated by the Commissioner of the Department of
9 Community Affairs, in consultation with the Commissioner of
10 Education, as appropriate.

11 If there are no exclusions, then the amount of the difference shall
12 reduce the adjusted tax levy by that amount. Any cancelled or
13 unexpended appropriation for any exclusion pursuant to this
14 subsection or waiver pursuant to section 11 of P.L.2007, c.62
15 (C.40A:4-45.46), also shall be deducted from the sum of the
16 exclusions listed in this subsection or directly reduce the adjusted
17 tax levy if there are no exclusions.
18 (cf: P.L.2010, c.44, s.9)

19

20 2. This act shall take effect immediately.