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

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

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

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

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

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

increases in amounts required to be raised by taxation for capital expenditures, including debt service as defined by law; increases in pension contributions and accrued liability for pension contributions in excess of 2.0%; increases in health care costs equal to that portion of the actual increase in total health care costs for the budget year that is in excess of 2.0% of the total health care costs in the prior year, but is not in excess of the product of the total health care costs in the prior year and the average percentage increase of the State Health Benefits Program, P.L.1961, c.49 (C.52:14-17.25 et seq.), as annually determined by the Division of Pensions and Benefits in the Department of the Treasury; 1for local units with flood insurance in the prior year, increases in flood insurance premiums in excess of 2.0% over the amount of the prior year’s flood insurance premiums 1[, except that for] in1 the initial year 1[of a flood insurance expense resulting from] following1 changes to federal flood insurance 1[rate]1 maps 1[, the entire cost shall be 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.
year, the entire initial cost for flood insurance premiums in the
initial year following changes to federal flood insurance maps; for
any local units in the second, third, and fourth year following
changes to federal flood insurance maps, flood insurance premiums
in excess of 2.0% over the amount of the prior year’s flood
insurance premiums; and extraordinary costs incurred by a local
unit directly related to a declared emergency, as defined by
regulation promulgated by the Commissioner of the Department of
Community Affairs, in consultation with the Commissioner of
Education, as appropriate.

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

2. This act shall take effect immediately.