

ASSEMBLY, No. 2538

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED FEBRUARY 3, 2020

Sponsored by:

Assemblyman JON M. BRAMNICK

District 21 (Morris, Somerset and Union)

Assemblywoman VALERIE VAINIERI HUTTLE

District 37 (Bergen)

Co-Sponsored by:

Assemblywoman N.Munoz and Assemblyman Thomson

SYNOPSIS

Permits board of education to accept donations for purpose of providing property tax relief.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 2/24/2020)

1 **AN ACT** concerning school property tax reduction through bequests,
2 legacies, and gifts, amending N.J.S.18A:22-8 and N.J.S.18A:22-
3 11, and supplementing chapter 22A of Title 18A of the New
4 Jersey Statutes.

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

- 8
9 1. N.J.S.18A:22-8 is amended to read as follows:
10 18A:22-8. The budget shall be prepared in such detail and upon
11 such forms as shall be prescribed by the commissioner and to it
12 shall be annexed a statement so itemized as to make the same
13 readily understandable, in which shall be shown:
14 a. In tabular form there shall be set forth the following:
15 (1) The total expenditure for each item for the preceding school
16 year, the amount appropriated for the current school year adjusted
17 for transfers as of February 1 of the current school year, and the
18 amount estimated to be necessary to be appropriated for the ensuing
19 school year, indicated separately for each item as determined by the
20 commissioner;
21 (2) The amount of the surplus account available at the beginning
22 of the preceding school year, at the beginning of the current school
23 year, and the amount anticipated to be available for the ensuing
24 school year;
25 (3) The amount of revenue available for budget purposes for the
26 preceding school year, the amount available for the current school
27 year as of February 1 of the current school year, and the amount
28 anticipated to be available for the ensuing school year in the
29 following categories:
30 (a) Total to be raised by local property taxes
31 (b) Total State aid
32 (i) Equalization aid
33 (ii) Special education categorical aid
34 (iii) Transportation aid
35 (iv) Preschool education aid
36 (v) Security aid
37 (vi) Adjustment aid
38 (vii) Other (detailed at the discretion of the commissioner)
39 (c) Total federal aid
40 (i) Elementary and Secondary Education Act of 1965 (20
41 U.S.C.s.2701 et seq.)
42 (ii) Students with disabilities
43 (iii) Impact Aid
44 (iv) Vocational
45 (v) Other (detailed at the discretion of the commissioner)

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.

1 (d) Other sources, including any funding made available
2 pursuant to section 3 of P.L. , c. (C.) (pending before the
3 Legislature as this bill) (detailed at the discretion of the
4 commissioner).

5 b. (Deleted by amendment, P.L.1993, c.117).

6 c. In the event that the total expenditure for any item of
7 appropriation is equal to \$0.00 for: (1) the preceding school year,
8 (2) the current school year, and (3) the amount estimated to be
9 necessary to be appropriated for the ensuing school year, that item
10 shall not be required to be published pursuant to N.J.S.18A:22-11.

11 d. The instruction function of the budget shall be divided at a
12 minimum into elementary (K-5), middle school (6-8), and high
13 school (9-12) cost centers, each of which shall be further divided by
14 the core curriculum content areas. The commissioner shall phase in
15 these requirements as soon as practicable.

16 e. The budget as adopted for the school year pursuant to
17 section 5 of P.L.1996, c.138 (C.18A:7F-5) shall be provided for
18 public inspection on the school district's Internet site, if one exists,
19 and made available in print in a "user-friendly" format using plain
20 language. The Commissioner of Education shall promulgate a
21 "user-friendly," plain language budget summary format for the use
22 of school districts for this purpose.

23 (cf: P.L.2017, c.131, s.22)

24
25 2. N.J.S.18A:22-11 is amended to read as follows:

26 18A:22-11. The board of education shall cause notice of such
27 public hearing and the statement annexed to the budget to be
28 published at least once in at least one newspaper published in the
29 district and if no newspaper be published therein, then in at least
30 one newspaper circulating in said district not less than four days
31 prior to the date fixed for such public hearing. The board of
32 education shall also publish in such notice the amount of funding to
33 be made available pursuant to section 3 of P.L. , c. ()
34 (pending before the Legislature as this bill).

35 (cf: P.L.1995, c.278, s.41)

36
37 3. (New section) The board of education of any school district
38 may adopt a resolution for the establishment of a school property
39 tax relief trust fund. A board of education that has established a
40 school property tax relief trust fund is authorized and empowered to
41 accept bequests, legacies and gifts for deposit into the trust fund.
42 The net proceeds of the trust fund shall be used for the exclusive
43 purpose of reducing or offsetting the amount of local property taxes
44 to be collected. The Commissioner of Education, in consultation
45 with the Director of the Division of Investment in the Department
46 of the Treasury, shall promulgate rules and regulations pursuant to
47 the "Administrative Procedure Act," P.L. 1968, c.410 (C.52:14B-1
48 et seq.), necessary for the establishment of any trust fund as

1 provided for in this section. The counsel, advice, and assistance of
2 the Division of Investment in the Department of the Treasury shall
3 be available to any board of education for the purpose of
4 establishing and maintaining a school property tax relief trust fund,
5 including the investment and conversion of trust assets. The board
6 of education shall select a trustee by a majority vote of its
7 membership, who shall not be a board member or an employee of
8 the school district. The trustee shall serve as the fiduciary agent
9 and may be compensated for managing the trust fund within an
10 annual limitation set forth by regulation. The conditions set forth in
11 the trust fund shall clearly state the manner in which local property
12 taxes will be reduced or offset. The trustee shall notify the board
13 secretary of the amount of funding being made available in any
14 given school year, as determined by the conditions set forth in the
15 trust document, and shall remit such funding to the local tax
16 collector or tax collectors in the same school year. The local tax
17 collector, upon receiving payment from the trustee, shall credit the
18 trustee's payment by deducting the payment from the total property
19 tax levy for the school year. The secretary of the board of
20 education shall have the responsibility of certifying to the proper
21 taxing officials the amount of funding made available for a given
22 school year as determined by the conditions set forth in the trust
23 fund for the purpose of reducing or offsetting the amount to be
24 collected in local property taxes. The establishment of a trust fund
25 pursuant to this section shall not be construed in anyway to limit the
26 school district's ability to secure State aid.

27
28 4. This act shall take effect immediately.
29
30

31 STATEMENT 32

33 This bill authorizes the board of education of any school district
34 to establish a school property tax relief trust fund by resolution.
35 Any trust fund established pursuant to this bill must be used solely
36 for the purpose of reducing or offsetting the amount of property
37 taxes to be collected by the municipalities comprising the school
38 district. The board of education by a majority vote must select a
39 trustee to serve as the fiduciary agent of the trust fund. The trustee
40 has the responsibility of remitting to the tax collector the amount of
41 funding being made available for any school year for the purpose of
42 reducing the amount to be collected in local property taxes. The
43 Division of Investment in the Department of the Treasury will
44 provide advice, counsel, and any assistance to any school board in
45 establishing a school property tax relief trust fund.