

**ASSEMBLY CONCURRENT
RESOLUTION No. 108**

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED FEBRUARY 13, 2020

Sponsored by:
Assemblyman WAYNE P. DEANGELO
District 14 (Mercer and Middlesex)

SYNOPSIS

Proposes constitutional amendment requiring increased distributions of certain municipal aid over five years to restore aid reductions.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 2/13/2020)

1 **A CONCURRENT RESOLUTION** proposing to amend Article VIII,
2 Section II of the New Jersey Constitution by adding a new
3 paragraph.

4
5 **BE IT RESOLVED** *by the General Assembly of the State of New*
6 *Jersey (the Senate concurring):*

7
8 1. The following proposed amendment to the Constitution of
9 the State of New Jersey is agreed to:

10
11 PROPOSED AMENDMENT

12
13 Amend Article VIII, Section II by adding a new paragraph 10 to
14 read as follows:

15 10. For each State fiscal year commencing on and after July 1,
16 2016, there shall be distributed to each municipality aid from the
17 “Energy Tax Receipts Property Tax Relief Fund,” established by
18 section 2 of P.L.1997, c.167 (C.52:27D-439), and Consolidated
19 Municipal Property Tax Relief Aid, distributed pursuant to section
20 2 of P.L.1999, c.168 (C.52:27D-442), in an amount equal to the
21 sum of aid from the “Energy Tax Receipts Property Tax Relief
22 Fund” and Consolidated Municipal Property Tax Relief Aid
23 distributed to that municipality in State fiscal year 2014, and an
24 additional amount to be determined as follows: in State fiscal year
25 2016, an amount equal to at least 20 percent of the difference
26 between the sum of aid from the “Energy Tax Receipts Property
27 Tax Relief Fund” and Consolidated Municipal Property Tax Relief
28 Aid distributed to that municipality in State fiscal year 2008 and the
29 sum of such aid required to be distributed to that municipality in
30 State fiscal year 2015 pursuant to the provisions of the "Energy Tax
31 Receipts Property Tax Relief Act," P.L.1997, c.167 (C.52:27D-438
32 et al.), and section 2 of P.L.1999, c.168 (C.52:27D-442); in State
33 fiscal year 2017, an amount equal to at least 40 percent of the
34 difference of such sums; in State fiscal year 2018, an amount equal
35 to at least 60 percent of the difference of such sums; in State fiscal
36 year 2019, an amount equal to at least 80 percent of the difference
37 of such sums; and in State fiscal year 2020 and in each State fiscal
38 year thereafter, an amount equal to at least 100 percent of the
39 difference of such sums.

40
41 2. When this proposed amendment to the Constitution is finally
42 agreed to pursuant to Article IX, paragraph 1 of the Constitution, it
43 shall be submitted to the people at the next general election
44 occurring more than three months after the final agreement and
45 shall be published at least once in at least one newspaper of each
46 county designated by the President of the Senate, the Speaker of the
47 General Assembly and the Secretary of State, not less than three
48 months prior to the general election.

ACR108 DEANGELO

3

1 3. This proposed amendment to the Constitution shall be
2 submitted to the people at that election in the following manner and
3 form:

4 There shall be printed on each official ballot to be used at the
5 general election, the following:

6 a. In every municipality in which voting machines are not used,
7 a legend which shall immediately precede the question as follows:

8 If you favor the proposition printed below make a cross (X), plus
9 (+), or check (✓) in the square opposite the word "Yes." If you are
10 opposed thereto make a cross (X), plus (+) or check (✓) in the
11 square opposite the word "No."

12 b. In every municipality the following question:

1

	YES	<p>CONSTITUTIONAL AMENDMENT TO INCREASE MUNICIPAL AID TO RESTORE AID REDUCTIONS</p> <p>Do you approve amending the Constitution to require increases in certain municipal aid?</p> <p>This amendment would require that municipalities receive more aid from the “Energy Tax Receipts Property Tax Relief Fund” and Consolidated Municipal Property Tax Relief Aid. The additional aid would make up for aid decreases in prior years. The additional aid would be increased in stages over the course of five years.</p>
	NO	<p>INTERPRETIVE STATEMENT</p> <p>This amendment requires that municipalities receive more municipal aid to make up for prior aid reductions</p> <p>The law provides that municipalities are to receive a certain amount of State aid each year. There are two types of aid: aid from the “Energy Tax Receipts Property Tax Relief Fund” and Consolidated Municipal Property Tax Relief Aid. In the past, this aid has been reduced to support the State’s budget.</p> <p>The amendment would require that municipalities receive at least the same amount of aid as received in 2014, plus an additional amount to make up for the prior aid reductions. This additional aid would be increased in stages over a five-year period. In 2016, a municipality would receive at least 20 percent of its total aid reduction from 2008 to 2015. Each municipality would then receive at least an added 20 percent in each of the next four years. The municipal aid would be fully restored in 2020.</p> <p>A “yes” vote would amend the Constitution to require an increase in municipal aid.</p> <p>A “no” vote would leave the Constitution unchanged and allow the State to use municipal aid to support its budget.</p>

2

STATEMENT

This constitutional amendment would require that municipalities receive additional annual municipal aid to restore aid reductions made by the State in recent years. This municipal aid restoration would be incrementally phased in over a five-year period.

Statutes currently require that municipalities receive a certain amount of (1) aid from the “Energy Tax Receipts Property Tax Relief Fund” (ETR aid) and (2) Consolidated Municipal Property Tax Relief Aid (CMPTRA) each year. In order to support its own budgetary needs, the State has reduced this aid through its recent annual appropriations acts. Specifically, the State has reduced CMPTRA to support the “Energy Tax Receipts Property Tax Relief Fund” in order to avoid a forfeiture of tax collections that would result from a reduction in ETR aid. Over the years, this has resulted in municipalities losing out on hundreds of millions of dollars of municipal aid that were otherwise promised by statute.

This amendment would require that, commencing in State fiscal year 2016, municipalities receive an incremental restoration of the amount of municipal aid reductions from State fiscal years 2008 through 2015. Specifically, municipalities would receive at least the amount of ETR aid and CMPTRA received in State fiscal year 2014, plus an additional amount of aid to make up for the municipal aid promised, but not received in State fiscal years 2008 through 2015. In State fiscal year 2016, this additional amount would equal 20 percent of the difference of the sum of the ETR aid and CMPTRA received in State fiscal year 2008 and the sum of such aid supposed to be distributed to municipalities by statute in State fiscal year 2015. In each of the next four State fiscal years, an additional 20 percent of this amount would be distributed to municipalities. This would lead to a full restoration of the lost municipal aid in State fiscal year 2020 and in each State fiscal year thereafter.