
Public Hearing

before

SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

Senate Concurrent Resolution 115

*“Amends State Constitution to establish Surplus Gross Income Tax Revenue Account
in Property Tax Relief Fund”*

LOCATION: Committee Room 1
State House Annex
Trenton, New Jersey

DATE: June 3, 2019
10:00 a.m.

Senator Ronald L. Rice, Vice Chair
Senator Patrick J. Diegnan, Jr.
Senator Joseph F. Vitale
Senator Christopher J. Connors
Senator Declan J. O’Scanlon, Jr.



ALSO PRESENT:

Jason S. Postelnik
*Office of Legislative Service
Committee Aide*

Alea Couch
*Senate Majority
Committee Aide*

Brian Alpert
*Senate Republican
Committee Aide*

***Hearing Recorded and Transcribed by
The Office of Legislative Services, Public Information Office,
Hearing Unit, State House Annex, PO 068, Trenton, New Jersey***



TROY SINGLETON
Chair

RONALD L. RICE
Vice-Chair

BRIAN P. STACK
CHRISTOPHER J. CONNORS
DECLAN J. O'SCANLON, JR.

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New Jersey State Legislature
SENATE COMMUNITY AND URBAN AFFAIRS
COMMITTEE
STATE HOUSE ANNEX
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TRENTON NJ 08625-0068

PUBLIC HEARING NOTICE

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COMMITTEE NOTICE

TO: MEMBERS OF THE SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE
FROM: SENATOR TROY SINGLETON, CHAIRMAN
SUBJECT: COMMITTEE MEETING - JUNE 3, 2019

The public may address comments and questions to Jason S. Postelnik, Jamie L. Jennings, Committee Aides, or make bill status and scheduling inquiries to Jennifer Trott, Secretary, at (609)847-3875, fax (609)633-1228, or e-mail: OLSAideSCU@njleg.org. Written and electronic comments, questions and testimony submitted to the committee by the public, as well as recordings and transcripts, if any, of oral testimony, are government records and will be available to the public upon request.

The Senate Community and Urban Affairs Committee will meet on Monday, June 3, 2019 at 10:00 AM in Committee Room 1, 1st Floor, State House Annex, Trenton, New Jersey.

The following bill(s) will be considered:

S-897 Connors	Authorizes municipalities to adopt ordinances requiring maintenance and repair of certain wharves, piers, docks and bulkheads.
S-1151 Ruiz/Turner	Expands liability of certain individuals associated with limited liability companies and other commercial entities, when acting as residential landlord.
S-2371 Singleton/Andrzejczak	Permits inclusion of volunteer firefighters and other emergency responders within municipal eligible employee group for purposes of the small employer health benefits plan statutes.
S-2425 Singleton/Andrzejczak	Revises law relating to common interest communities.

(OVER)

S-2437 Diegnan/Greenstein	Requires actions to recover certain residential tenancy security deposits be heard in county in which subject rental property is located.
S-3124 Stack	Requires landlords to allow tenants to pay rent up to three business days after eviction order or lockout is executed and accept rent payments by any means.
S-3283 Sweeney/Smith, B	Permits municipalities to establish affordable housing preference for first responders.
S-3520 Andrzejczak/Singleton	Authorizes mayors to veto proposed actions of municipal authorities.
S-3591 Cryan/Cruz-Perez	Establishes program in HMFA to provide loans to replace lead-contaminated water service lines for certain senior and low income homeowners; appropriates \$1 million.
S-3726 Singleton	Prohibits performance of revaluation in county by firm in which tax assessor has interest if assessor serves in county.
SCR-167 Singleton (pending intro and referral)	Condemns US Department of Housing and Urban Development rule proposal to weaken protections for homeless transgender persons.

The Senate Community and Urban Affairs Committee will hold a public hearing immediately following the committee meeting.

The public hearing will be held in accordance with Rule 24:3 of the New Jersey Senate on the following Senate Concurrent Resolution:

SCR-115 Singleton	Amends State Constitution to establish Surplus Gross Income Tax Revenue Account in Property Tax Relief Fund.
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Those persons presenting written testimony are asked to provide 20 copies on the day of the meeting/hearing.

Issued 5/24/19

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**SENATE CONCURRENT
RESOLUTION No. 115**

STATE OF NEW JERSEY

218th LEGISLATURE

INTRODUCED APRIL 5, 2018

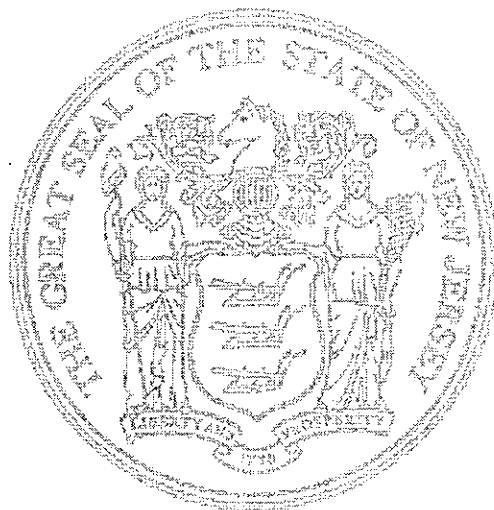
Sponsored by:
Senator TROY SINGLETON
District 7 (Burlington)

SYNOPSIS

Amends State Constitution to establish Surplus Gross Income Tax Revenue Account in Property Tax Relief Fund.

CURRENT VERSION OF TEXT

As introduced.



SCR115 SINGLETON

2

1 A CONCURRENT RESOLUTION proposing to amend Article VIII,
2 Section I, paragraph 7 of the Constitution of the State of New
3 Jersey.

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

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

10
11 PROPOSED AMENDMENT

12
13 Amend Article VIII, Section I, paragraph 7 as follows:

14
15 7. a. No tax shall be levied on personal incomes of
16 individuals, estates and trusts of this State unless the entire net
17 receipts therefrom shall be received into the treasury, placed in a
18 perpetual fund designated the Property Tax Relief Fund and be
19 annually appropriated, pursuant to formulas established from time
20 to time by the Legislature, to the several counties, municipalities
21 and school districts of this State exclusively for the purpose of
22 reducing or offsetting property taxes. In no event, however, shall a
23 tax so levied on personal incomes be levied on payments received
24 under the federal Social Security Act, the federal Railroad
25 Retirement Act, or any federal law which substantially reenacts the
26 provisions of either of those laws.

27 b. There shall be annually credited from the General Fund and
28 placed in a special account in the perpetual Property Tax Relief
29 Fund established pursuant to this paragraph, which account shall be
30 designated the Property Tax Reform Account, an amount equal to
31 the annual revenue derived from a tax rate of 0.5% imposed under
32 the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.),
33 as amended and supplemented, or any other subsequent law of
34 similar effect, which amount shall be appropriated annually by the
35 Legislature exclusively for the purpose of property tax reform.

36 c. (1) There is established in the perpetual Property Tax Relief
37 Fund established pursuant to this paragraph a restricted reserve
38 account designated the Surplus Gross Income Tax Revenue
39 Account. The amount to be annually credited to the Surplus Gross
40 Income Tax Revenue Account shall be determined in the following
41 manner:

42 (a) The amount of anticipated revenue from the New Jersey
43 gross income tax certified by the Governor upon approval of the
44 annual appropriation act for the fiscal year immediately preceding

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 the fiscal year in which a credit to the Surplus Gross Income Tax
 2 Revenue Account is required shall first be identified.

3 (b) The amount of gross income revenue actually deposited in
 4 the Property Tax Relief Fund in the fiscal year immediately
 5 preceding the fiscal year in which a credit to the Surplus Gross
 6 Income Tax Revenue Account is required shall then be determined.
 7 The amount of the credit to the Surplus Gross Income Tax Revenue
 8 Account shall thus be an amount equivalent to one-half of the
 9 excess, if there is any, of the amount determined in part (b) of this
 10 subparagraph that exceeds by more than six percent the amount
 11 identified in part (a) of this subparagraph. If in the State fiscal year
 12 immediately preceding the fiscal year in which a credit to the
 13 account is required, there is a State law enacted which will increase
 14 the gross income tax revenue to the Property Tax Relief Fund, the
 15 amount raised from that increase for the fiscal year in which the
 16 increase is in effect shall be disregarded in determining the amount
 17 to be credited to the account.

18 (2) The Legislature may make an appropriation from the Surplus
 19 Gross Income Tax Revenue Account only:

20 (a) upon separate certification by the Governor that anticipated
 21 gross income tax revenues in the Property Tax Relief Fund are
 22 estimated to be less than those certified by the Governor upon
 23 approval of the annual appropriation act;

24 (b) to avoid increasing any rate of gross income tax imposed or
 25 otherwise modifying the gross income tax, including elimination or
 26 modification of deductions, exclusions, or exemptions, to offset
 27 gross income tax revenue declines anticipated in the Property Tax
 28 Relief Fund; or

29 (c) to meet the costs of any emergency identified by the
 30 Governor that is within the purposes of the Property Tax Relief
 31 Fund.

32 (cf: Art. VIII, Sec. I, par. 7 effective December 7, 2006)

33

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

42

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

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

SCR115 SINGLETON

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- 1 a. In every municipality in which voting machines are not used,
2 a legend which shall immediately precede the question as follows:
3 If you favor the proposition printed below make a cross (X), plus
4 (+), or check (✓) in the square opposite the word "Yes." If you are
5 opposed thereto make a cross (X), plus (+) or check (✓) in the
6 square opposite the word "No."
7 b. In every municipality the following question:

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	<p>YES</p>	<p>CONSTITUTIONAL AMENDMENT TO LIMIT SPENDING OF SURPLUS REVENUE FROM GROSS INCOME TAX</p> <p>Do you approve amending the State Constitution to require that certain money received by the State from the gross income tax be placed in a reserve fund for property tax relief?</p> <p>Money will remain in the reserve fund, only to be used for property tax relief programs: (1) if less money from the gross income tax is collected than expected; (2) to avoid increasing the gross income tax; or (3) to meet the costs of an emergency identified by the Governor.</p>
	<p>NO</p>	<p>INTERPRETIVE STATEMENT</p> <p>This amendment requires that certain money received by the State from the gross income tax be placed in a reserve fund for property tax relief. Money will remain in the reserve fund only to be used under certain circumstances set forth in this amendment.</p> <p>The State may use the money in the reserve fund only: (1) if less money from the gross income tax is collected than expected; (2) to avoid increasing the gross income tax; or (3) to meet the costs of an emergency identified by the Governor. If at least one of these conditions is met, then the Legislature may use money from the reserve fund for property tax relief programs and State Aid programs that offset local property taxes.</p> <p>The reserve fund will receive tax money if the State collects six percent more gross income tax money than predicted by the Governor. Every year, the Governor is required to certify the amount of money the State is expected to receive from the gross income tax. If the amount actually received exceeds the Governor's prediction by more than six percent, one-half of the extra money will be credited to the reserve fund.</p>

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STATEMENT

This constitutional amendment establishes a Surplus Gross Income Tax Revenue Account in the Property Tax Relief Fund to serve as a "rainy day fund" for property tax relief programs and State Aid programs that offset local property taxes. Under the amendment, an amount equal to one-half of the excess gross income tax revenue collected during the State fiscal year immediately preceding the fiscal year in which a credit to the account is required to be made must be credited to the Surplus Gross Income Tax Revenue Account if actual gross income tax revenues in that immediately preceding fiscal year exceeded the Governor's certified revenues by more than six percent. If in the State fiscal year immediately preceding the fiscal year in which a credit to the account is required to be made, there is a State law enacted which will increase the gross income tax revenue to the Property Tax Relief Fund, the yield from that increase for that fiscal year in which the increase is in effect is disregarded in determining the amount to be credited to the Surplus Gross Income Tax Revenue Account.

Balances in the Surplus Gross Income Tax Revenue Account may be appropriated by the Legislature: (1) if anticipated gross income tax revenues are estimated to be less than the Governor's certification; (2) to offset gross income tax revenue declines instead of increasing the gross income tax rate or modifying the gross income tax to collect more tax; or (3) for meeting the costs of any emergency identified by the Governor that is within the purposes of the Property Tax Relief Fund.

SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

STATEMENT TO

SENATE CONCURRENT RESOLUTION No. 115

STATE OF NEW JERSEY

DATED: MARCH 25, 2019

The Senate Community and Urban Affairs Committee reports favorably Senate Concurrent Resolution No. 115.

This resolution establishes a Surplus Gross Income Tax Revenue Account in the Property Tax Relief Fund to serve as a "rainy day fund" for property tax relief programs and State Aid programs that offset local property taxes. Under the amendment, an amount equal to one-half of the excess gross income tax revenue collected during the State fiscal year immediately preceding the fiscal year in which a credit to the account is required to be made must be credited to the Surplus Gross Income Tax Revenue Account if actual gross income tax revenues in that immediately preceding fiscal year exceeded the Governor's certified revenues by more than six percent. If in the State fiscal year immediately preceding the fiscal year in which a credit to the account is required to be made, there is a State law enacted which will increase the gross income tax revenue to the Property Tax Relief Fund, the yield from that increase for that fiscal year in which the increase is in effect is disregarded in determining the amount to be credited to the Surplus Gross Income Tax Revenue Account.

Balances in the Surplus Gross Income Tax Revenue Account may be appropriated by the Legislature: (1) if anticipated gross income tax revenues are estimated to be less than the Governor's certification; (2) to offset gross income tax revenue declines instead of increasing the gross income tax rate or modifying the gross income tax to collect more tax; or (3) for meeting the costs of any emergency identified by the Governor that is within the purposes of the Property Tax Relief Fund.

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SENATOR RONALD L. RICE (Vice Chair): Now we are going to go into a public hearing, as per the Rule 24:3 of the New Jersey Senate, on the following Senate Concurrent Resolution, SCR-115. “Amend State Constitution to Reestablish Surplus Growth Income Tax Revenue Account in Property Tax Relief Fund.”

So we have here, today, to testify in favor -- is the Commerce and Industry Association of New Jersey, Tony Perry; no need to testify, but is in favor.

We also have Jon Moran, New Jersey League of Municipalities, in favor, no need to testify.

So do we have anybody to testify for the hearing? (no response)

Then we won't have a hearing, okay? (laughter)

SENATOR O'SCANLON: Well, technically, we'll *have* the hearing, but-- (laughter)

SENATOR RICE: So do you have any questions?

SENATOR O'SCANLON: Yes, technically we'll have the hearing, but no one's--

SENATOR RICE: So just let the record reflect that this is an open hearing. There is no one to testify. There are two submissions in favor of SCR-115.

And so with that, that concludes this meeting.

Meeting is adjourned.

(HEARING CONCLUDED)