

CHAPTER 143

AN ACT concerning supplemental State school aid for certain school districts, supplementing P.L.2007, c.260 (C.18A:7F-43 et al.), and making an appropriation.

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

C.18A:7F-65 Commercial valuation stabilization aid.

1. a. In addition to any other State school aid provided pursuant to the provisions of P.L.2007, c.260 (C.18A:7F-43 et al.), a school district may receive, upon the recommendation of the Commissioner of Education, commercial valuation stabilization aid if the school district is situated in a municipality in which:

(1) in 2008, the assessed value of commercial property accounted for at least 75 percent of the municipality's total assessed property valuation; and

(2) between 2008 and 2013, the assessed value of commercial property decreased by at least 25 percent.

b. Upon identifying a school district that meets the criteria of subsection a. of this section, the commissioner shall conduct a needs assessment of the school district to determine if the district should receive commercial valuation stabilization aid. The needs assessment shall consider, at a minimum:

(1) the breadth of educational programming offered by the district;

(2) whether the district's expenditures are consistent with the efficiency standards established pursuant to section 4 of P.L.2007, c.260 (C.18A:7F-46); and

(3) in consultation with the Commissioner of Community Affairs, the district's capacity to raise a general fund tax levy that is adequate to support the district's expenditures.

In the event that the Commissioner of Education determines that the district should be awarded commercial valuation stabilization aid, the commissioner shall determine the amount of the award. The commissioner shall perform the needs assessment in each subsequent school year and determine the amount of aid, if any.

c. Notwithstanding the provisions of subsection b. of section 5 of P.L.1996, c.138 (C.18A:7F-5) to the contrary, in the first year that a school district receives commercial valuation stabilization aid, the district shall reduce its general fund tax levy by an amount equal to the amount of the aid received. In the subsequent school year, for the purpose of calculating a school district's tax levy growth limitation pursuant to the provisions of section 3 of P.L.2007, c.62 (C.18A:7F-38), a school district's prebudget year adjusted tax levy shall reflect this reduction.

d. A school district shall be ineligible to receive commercial valuation stabilization aid in the first school year in which the total assessed property valuation in the municipality in which the school district is situated is greater than or equal to the municipality's total assessed property valuation in 2008. For the purposes of this subsection, the municipality's total assessed property valuation shall include the value of any property exempt from taxation pursuant to the provisions of P.L. , c. (C.) (pending before the Legislature as Senate Bill No.....). The municipal tax assessor shall annually determine the value of the exempt property, and the Commissioner of Community Affairs shall review the assessment for reasonability and completeness.

e. Notwithstanding the provisions of section 3 of P.L.2007, c.62 (C.18A:7F-38) to the contrary, a school district's tax levy growth limitation shall be increased by an amount equal to any reduction in the amount of commercial valuation stabilization aid that the district received in the prior budget year.

C.18A:7F-66 Efficiency of expenditures.

2. In the case of a school district that receives commercial valuation stabilization aid pursuant to section 1 of this act, the commissioner may take such action as is deemed necessary and appropriate to ensure the efficiency of school district expenditures.

3. Such sums as are necessary to provide additional aid to a school district for commercial valuation stabilization aid determined pursuant to section 1 of this act are appropriated from the General Fund to the Department of Education, subject to the approval of the Director of the Division of Budget and Accounting.

4. This act shall take effect immediately.

Approved November 9, 2015.