

ASSEMBLY, No. 59

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblyman KAVANAUGH

1 AN ACT concerning the apportionment of county taxes in certain cases
2 and supplementing chapter 4 of Title 54 of the Revised Statutes.

3
4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6
7 1. This act shall be known and may be cited as the "County Seat
8 District Tax Relief Act."

9
10 2. As used in this act:

11 a. "County property" means land and improvements owned by a
12 county and includes, but is not limited to, county offices, garages,
13 warehouses, jails, parks, hospitals, institutions, schools, and colleges,
14 together with abutting vacant land held for future development for
15 those purposes, located within the taxing districts comprising the
16 county seat district. It shall not include property used or held by the
17 county for future use for highway, bridge or tunnel purposes, or any
18 property which is qualified under State law for any State or county
19 payment in lieu of taxes.

20 b. "County seat" means the taxing district serving as the county
21 seat of the county.

22 c. "County seat district" means the taxing district serving as the
23 county seat of the county and any taxing district adjacent to the county
24 seat wherein the equalized valuation of county property for any tax
25 assessment year is at least 50% of the equalized valuation of county
26 property located in the county seat.

27 d. "Director" means the Director of the Division of Taxation in the
28 Department of the Treasury.

29 e. "Equalized valuation of county property" means the valuation of
30 that property determined by dividing its taxable value assessment by
31 the average ratio of assessed to true value of real property for the
32 municipality constituting the taxing district in which the county
33 property is situated, as that average ratio is set forth in column 8 of
34 the Table of Aggregates prepared for the municipality pursuant to
35 R.S.54:4-52.

1 3. Notwithstanding the provisions of any other law, and to
2 compensate county seat districts for the costs of providing municipal
3 services to county property, county property located within a county
4 seat district shall be treated as hereinafter provided for the purposes
5 of apportioning county taxes.

6
7 4. Commencing with the 1994 tax assessment year, the assessor of
8 every municipality located in a county seat district shall annually
9 prepare and send on or before February 1 to the director, on a form
10 prescribed by the director, statements of the taxable value assessments
11 of each parcel of county property, as defined in section 2 of P.L. ,
12 c. (C.) (pending before the Legislature as this bill), located
13 within the assessor's taxing district as if that parcel were not exempt
14 from taxation.

15
16 5. The director shall review and, if required, revise the list and
17 assessment of any parcel of county property. On or before March 15,
18 the director shall provide each county board of taxation and each
19 taxing district located in a county seat district with the final list. The
20 determination by the director shall be final and there shall be no appeal
21 taken with respect thereto, except to correct typographical and
22 mathematical errors.

23
24 6. Upon delivery of the county budget pursuant to N.J.S.40A:4-11,
25 the county board of taxation of each county shall determine the
26 amount of county taxes which would be apportioned to the county
27 property located in every municipality within the county seat district
28 of the county if that county property were not exempt from taxation.
29 The board shall determine the amount of taxes which would be
30 apportioned to those county properties by multiplying the equalized
31 valuation of the county properties located in every municipality within
32 the county seat district by the quotient produced by dividing the total
33 county taxes to be apportioned within the county, as expressed in
34 column 12 A(1) of the Table of Aggregates for the county, by the net
35 valuation on which county taxes are apportioned within the county, as
36 expressed in column 11 of the Table of Aggregates for the county plus
37 the aggregate equalized valuations of county property located in the
38 county seat district.

39
40 7. When apportioning the amount of county taxes among the
41 several taxing districts within the county, the county board of taxation
42 shall deduct from the amount to be apportioned to the taxing districts
43 within the county seat district of the county the amount which the
44 board, pursuant to the provisions of section 6 of this act, determined
45 would have been apportioned to the county property located in every
46 municipality within the county seat district if that county property

1 were not exempt from taxation. The amount so deducted pursuant to
2 the provisions of this section shall be apportioned among the several
3 taxing districts of the county, excluding the taxing districts within the
4 county seat district of the county, in the same proportion as the net
5 valuations on which county taxes are apportioned for each of those
6 taxing districts, as expressed in column 11 of the Table of Aggregates,
7 bears to the total of all the net valuations on which county taxes are
8 apportioned for the county, minus the amount set forth in column 11
9 of the Table of Aggregates for the taxing districts located in the
10 county seat district.

11

12 8. The director shall promulgate such rules and regulations, in
13 accordance with the "Administrative Procedure Act," P.L.1968, c.410
14 (C.52:14B-1 et seq.), as are appropriate and necessary to effectuate
15 the purposes of this act.

16

17 9. This act shall take effect January 1, next following enactment.

18

19

20

STATEMENT

21

22 This bill, entitled the "County Seat District Tax Relief Act," would
23 provide property tax relief for taxpayers who live in county seats or
24 municipalities adjacent to county seats that are heavily impacted by the
25 presence of tax-exempt county properties.

26 Currently, the taxpayers of such municipalities assume the tax
27 burden for all of the additional municipal services which must be
28 provided to the county offices and facilities located within such
29 municipalities. Impacted municipalities adjacent to county seat
30 municipalities are those municipalities adjacent to the county seat in
31 which the equalized valuation of county property for any tax
32 assessment year is at least 50% of the equalized valuation of county
33 property located in the county seat.

34 Under the provisions of this bill, the property taxpayers in county
35 seat districts would be afforded a reduction in county taxes. The
36 amount of the reduction would be determined by multiplying the
37 equalized valuation of each parcel of county property within the
38 municipality by a rate factor equivalent to the county tax rate if county
39 properties were taxable. The rate factor would be determined by
40 dividing the amount which must be raised by taxation for county
41 purposes by the total net valuation on which county taxes are
42 apportioned plus the aggregate equalized valuations of county
43 property located in each of the municipalities within the county seat
44 district.

- 1 _____
- 2
- 3 "County Seat District Tax Relief Act."