

ASSEMBLY LOCAL GOVERNMENT COMMITTEE

STATEMENT TO

ASSEMBLY, No. 59

with committee amendments

STATE OF NEW JERSEY

DATED: FEBRUARY 15, 1996

The Assembly Local Government Committee reports favorably Assembly Bill No. 59 with committee amendments.

Assembly Bill No. 59, as amended, entitled the "County Seat District Tax Relief Act," would provide property tax relief for taxpayers who live in county seats or municipalities adjacent to county seats that are heavily impacted by the presence of tax-exempt county properties. Currently, the taxpayers of such municipalities assume the tax burden for all of the additional municipal services which must be provided to the county offices and facilities located within such municipalities.

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

The committee amended the bill at the request of the sponsor to redefine the term "county seat district". As introduced by the sponsor, the term was defined in the bill as the taxing district serving as the county seat of the county and any taxing district adjacent to the county seat wherein the equalized valuation of county property for any tax assessment year is at least 50% of the equalized valuation of county property located in the county seat. As amended, the bill defines a county seat district as the municipality serving as the county seat of the county and those municipalities wherein the equalized valuation of county property for any tax assessment year is at least 50% of the equalized valuation of county property located in the county seat.

The committee also made a technical amendment to section 4 of the bill to replace the date of 1994 as the year in which the assessor of every municipality located in a county seat district must commence the

annual preparation of the statement of the taxable value assessments of each parcel of county property and provide that information to the Director of the Division of Taxation in the Department of the Treasury, with the date of 1997.

Assembly Bill No. 59 was pre-filed for introduction in the 1996-97 legislative session pending technical review. As reported by the committee, the bill contains the changes required by technical review, which has been performed.