

ASSEMBLY, No. 1687

STATE OF NEW JERSEY

INTRODUCED MARCH 4, 1996

By Assemblywomen FARRAGHER and ALLEN

1 ANACT providing for compensation to municipalities wherein county
2 property is situated for the loss of tax revenue by reason of the
3 exemption of those facilities from taxation and supplementing Title
4 54 of the Revised Statutes.

5

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

8

9 1. As used in this act:

10 "County property" means lands and improvements owned by a
11 county and includes, but is not limited to, county offices, garages,
12 warehouses, jails, parks, hospitals, institutions, schools, and colleges,
13 together with abutting vacant land held for future development for
14 those purposes, located within the taxing districts comprising the
15 county. It shall not include property used or held by the county for
16 future use for highways, bridges or tunnels.

17 "Director" means the Director of the Division of Taxation in the
18 Department of the Treasury.

19

20 2. Commencing with the tax year 1996, each assessor annually on
21 or before September 15 shall prepare and send to the director, on a
22 form prescribed by the director, statements of the taxable value
23 assessments of county property situated in the municipality for the
24 ensuing tax year.

25

26 3. Upon the receipt of the assessments of county property, the
27 director shall review and revise the list and the assessment of any
28 parcel of county property, and annually on or before November 15 the
29 director shall notify the county board of taxation and the taxing district
30 affected by such change, addition or revision. The determination by
31 the director shall be final and there shall be no appeal taken with
32 respect thereto, except to correct typographical and mathematical
33 errors.

34

35 4. After completion of the review of the assessments of county
36 property and on or before December 30 of each year, the director shall
37 compute the county's liability for in lieu of tax payments in each

1 municipality affected. The in lieu of tax payment shall be calculated
2 by applying the local purpose tax rate of the municipality for the tax
3 year 1996 and each year thereafter to the aggregate assessed value of
4 county property in each municipality within the county for the tax year
5 1996 and each year thereafter, and the sum of such municipal
6 calculations shall constitute the county's in lieu of tax payment liability
7 for each tax year.

8

9 5. The county treasurer of each county, annually on or before
10 June 1, shall pay over to each municipality within that county for
11 which a county in lieu of tax payment is owed the appropriate sum as
12 calculated by the director pursuant to section 3 of this act.
13 Municipalities may anticipate county in lieu of tax payment sums in
14 their current year budget.

15

16 6. County in lieu of tax payments shall be used by municipal
17 governing bodies to reduce the property tax requirement of their
18 current year budget so as to provide property tax relief. The director
19 shall not approve any municipal budget wherein a county in lieu of tax
20 payment was not fully utilized for the purpose of providing property
21 tax relief.

22

23 7. This act shall take effect immediately.

24

25

26

STATEMENT

27

28 This bill would require counties to make in lieu of tax payments to
29 municipalities for county property situated within municipal
30 boundaries. The purpose of this bill is to compensate municipalities
31 for the loss of ratables realized because of the tax exempt status of
32 county property.

33

34

35

36

37 Requires county payments in lieu of taxes to municipalities for county
38 property.