

LEGISLATIVE FISCAL ESTIMATE TO
SENATE COMMITTEE SUBSTITUTE FOR
SENATE, No. 2013
STATE OF NEW JERSEY

DATED: JULY 7, 1997

Senate Bill No. 2013 (SCS) of 1997 would authorize the State to sell certain parcels of surplus real property owned by the State; to grant a permanent easement across real property located in Sea Girt; and to lease certain parcels of surplus real property. The proceeds from these transactions would be deposited in the General Fund of the State.

Information provided to the Office of Legislative Services (OLS) in February 1997 by the Governor's Office indicated that the State would realize \$10 million from the sale of certain properties. More detailed information which has been provided more recently, but includes valuations on only 75 percent of the properties listed in the bill, indicates that the State would realize approximately \$7.0 million.

The Office of Legislative Services is unable to determine the total revenue which would accrue to the State should such sales, easements and leases occur. It is likely, however, that \$10 million is the minimum that the State should expect to receive from these transactions. The Department of the Treasury in February 1997 provided OLS with a list which was compiled by the Division of Taxation of the 1996 assessed values for all property owned by the State in that year. While property values assessed for tax purposes and fair market values are not always identical, tax assessments can provide a measure for valuation if a municipality has maintained up-to-date property valuations.

Among the real property that this bill proposes to sell is a portion of Marlboro Psychiatric Hospital's grounds in Marlboro, New Jersey. The 378.3 acre portion is assessed for approximately \$4.3 million. The State proposes to sell this land to Monmouth County for a fair market value of \$4.0 million with the stipulation that the purchaser is forever enjoined from subdividing or using the premises for any purpose other than public recreation, open space preservation or natural resources conservation. The aggregate assessed value of the properties in the bill which would be sold is approximately \$37.8 million. While these assessed values may be higher than the actual sale prices for these properties, it appears likely that the revenue to be raised from the sale of these properties could be significantly more than \$10 million if highest and best use is the criterion for their sale.

SCS for S2013

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This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.