

New Jersey



Assessors



MEMBER
International Association
of Assessing Officers

Bulletin

Vol. 29, No. 3

AUGUST 1990

PRESIDENT'S MESSAGE

Let me first take this opportunity to thank the entire June Conference Committee for the excellent job they did in preparing the programs for the 1990 Rutgers Conference. I had a chance to walk around from class to class, during the Wednesday sessions, and I was quite impressed with the presentations and the attendance. I received many positive comments about the sessions as well as the entire conference. Everyone seemed well pleased with the accommodations and the general sessions. I'm glad that everything worked out so well. If you have any further comments or suggestions about the June Conference, please drop me a line and let me know what you're thinking.

We are now preparing for the League of Municipalities Conference. We made an attempt to change our hotel accommodations to the Taj Mahal, but, to no avail. We found that the Taj was booked to capacity long before it was completed. Thus, it seems we will be at Bally's again. We have experienced difficulties with Bally's in the past and, we hope to meet with them to straighten out our problems very soon to assure a pleasant time for all in November.

S-249, the Appraisers Licensing Bill, is still at the top of our list of concerns. We had a long, and often heated, conversation about this Bill and our position on it, at the June Conference. I want to make it clear to those who get excited over how we are proceeding on this Bill that we will move forward with the best

interest of all of our members and not a select few. Whatever position was voted on and approved by our Board of Directors will be adhered to. Keeping this in mind, no one should feel the need to spend long periods of time at our meetings making redundant statements or exciting the thought of insecurity in what the Executive Committee is doing on behalf of the membership as it relates to any issues.

NOW!!! The most important subject of the summer of 1990: "The Property Assessment Reform Act," an Act to "Abolish Municipal Tax Assessors." S-2734 was introduced June 28, 1990, by Senators Stockman and Lynch. The intent of the Bill is to:

1. Establish a State Board of Property Appraisal to consist of five members appointed by the Governor, with the advice and consent of the Senate;
2. Establish a Division of Property Assessment in the Department of the Treasury. The Division shall be under the immediate supervision of a Director who shall be a citizen and resident of the State, have a masters degree, ten years experience in taxation, public finances or property tax assessment practice, and supervisory experience in government. The director shall be appointed by the Governor with the advise and consent of the Senate;
3. Personnel assigned to the Local Property Branch of the Division of Taxation, with all of its functions, powers and duties, are transferred to the Division of Property Assessment;
4. A person serving as a County Tax Administrator shall have the right of first refusal for appointment to the position of County Tax Supervisor. The County Tax Supervisor will be appointed by the State Board of Property Appraisal. Each Supervisor shall

(continued on next page)

(PRESIDENT cont.)

be responsible for the administrative functions of the property assessment system at the County level. The County Tax Supervisor shall determine employment jurisdictions for District Tax Assessors, establish their hours, and fix their compensation;

5. Three years from the effective date, the abolishment of the Office of Municipal Assessor, the appointment of District Tax Assessors by the Director as State employees to work under the supervision of the County Tax Supervisor. The Municipal Assessor or Deputy Tax Assessor who holds tenure in the position or who obtained a Certified Tax Assessor's Certificate shall be entitled to be appointed as a District Tax Assessor and to be assigned to the County within which the municipality in which he formerly served is located. Each assessor, upon accepting appointment, shall acquire tenure as a District Tax Assessor; and

6. The establishment of computer-assisted mass appraisal systems to provide the capacity for annual updating of assessment roles and values in every taxing district in the State.

These are some of the important items found in S-2734. For a better understanding of the Bill, I recommend that you contact either the Senator's Office of your district or the Bill Room at the State House Annex (1-609/292-6240) and obtain a copy of the Bill for your perusal.

I have already received many, many calls from various associations, assessors and other interested parties concerning the views of AMANJ. I have attended meetings with the active past presidents and with representatives of Senators Stockman and Lynch. My next step is to meet with the Executive Committee, the Board of Directors, the League of Municipalities and others until we determine where this Bill is going and to what extent changes and amendments need to be made. Let me assure you that I am on top of this Bill and I am assured that it will not move as written, without input from AMANJ.

This is not new, S-2734 stems from S.L.E.R.P., Property Tax Study Commission, Equity 21, S-518 (formerly S-1952), S-1130 (formerly S-3353), the Baldwin Meetings of 1989, and the position papers between the County Tax Commissioners and Administrators and AMANJ. We have been talking about these issues for years and it is all coming to fruition in this new Bill. The general thinking is this Bill has its good points and its bad points. What seems to trouble most assessors is the abolishment of the Municipal Tax Assessor. Keep in mind that the need for assessors is prevalent in this Bill so CTA's will have a place in the system as well as qualified or trained staff members.

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Please advise me of your concerns on this and any other subject so that we can keep an open line of communication and a well-informed Association.

The problems with our current system do not rest with Municipal Assessors versus regionalized State Assessors. I envision far greater problems in a new system and thus, I personally prefer to keep the assessing function at the local level. However, we must come together on our thinking to assure a strong voice on this issue.

Victor A. Hartsfield, Sr.

ASSEMBLY, No. 2906

The Assembly Senior Citizens Committee favorably reports Assembly Bill No. 2906.

This bill will allow a senior citizen 62 years of age or older, his spouse (regardless of age), or his surviving spouse 55 years of age or older, who is the owner of a single family dwelling, which is his primary residence, to rent a room in that dwelling. A senior citizen will be permitted to rent to only one person, except in those cases where a municipality allows for the rental of rooms to more than one person.

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LEGISLATIVE REPORT

As this is being written, there are three newspaper clippings on my desk from three major



dailies representing the northern, central and southern regions of the state. The topic of these clippings is the topic of this month's column . . . Senate No. 2734, "The



Property Assessment Reform Act."

It is not the purpose of this column to advocate a position on S-2734. Position taking will be the result of study and discussion. It is, however, necessary and appropriate to look at the facts relating to this bill and other prior introductions which, at least in part, covered the same topics.

It has been said that "history repeats itself." I would add to that the following thought: The frequency with which history repeats itself is directly related to the need for us to listen. Think about it.

There is little, if anything, in S-2734 that is new. Many recommendations of the Property Tax Assessment Study Commission (Glaser Commission) which we as an Association participated in formulating, and have gone on record as supporting, are in this bill. Recommendations of the State and Local Revenue and Expenditure Policy Commission (SLERP), which we did not support, are in this bill. Concepts contained in the "Equity 21" report are there also.

In 1988 and 1989 we were watching Senator Feldman's S-3353 containing SLERP based recommendations. The 1990 number for this bill is S-1130. Senator Stockman's 1988-89 S-1952 is this year's S-518. Senate 2734 contains portions of S-1952/518 and S-3353/1130. One major difference is that S-2734 does not address relief from "fiscal shock" for municipalities severely impacted by revaluations. S-2734 relates only to assessment administration.

Also, S-2734 provides for cost sharing through a state budget appropriation and an administrative fee payable to the state by each county.

The statement of S-2734 appears elsewhere in this issue, giving the basic features of the bill. Association President Victor Hartsfield's column also highlights the bill.

We all need to keep informed on the status of this bill and be prepared to act in a reasonable manner to show our concerns when the opportunity arises. It is not enough to say—about any legislation—"we don't like it!" We must be able to articulate our position clearly and offer not only our reasons for opposition but alternatives which we can support and might offer viable options to the proposal being reviewed.

Finally, we need to work TOGETHER to have a unified position. Your concerns should be forwarded to your county President or state Vice-President for delivery to the President and/or the Executive Board. Those members of *your* Association who represent *you* in the legislative process need *your* input to be able to present a unified position which will be the best for all concerned.

Bill Birchall & Walt Kosul, Co-Chairmen

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SENATE, No. 2310

By Senators PATERNITI, VAN WAGNER and
CONTILLO

STATEMENT

This bill would establish a program through which any citizen and resident of this State of the age of 65 or more years, residing in a dwelling house owned by that resident for at least three years, which is a constituent part of that resident's real property, to continue to pay as taxes on such real property an amount no greater than the amount of taxes levied on such real property in the year 1990, or if the citizen and resident becomes 65 years of age or commenced living in the dwelling house after 1990, in the year in which he became 65 years of age or commenced living in the dwelling house, whichever year is later. The bill establishes standards for eligibility for participation in the program. The bill also requires that each municipality annually replace the amount of tax revenue which it would have received, except for the provisions of this act, by increasing the amount of property taxes to all property owners within the taxing district which is not subject to the provisions of this proposed amendment.

ASSEMBLY, No. 3578

By Assemblymen MORAN, CONNORS,
Penn and Doyle

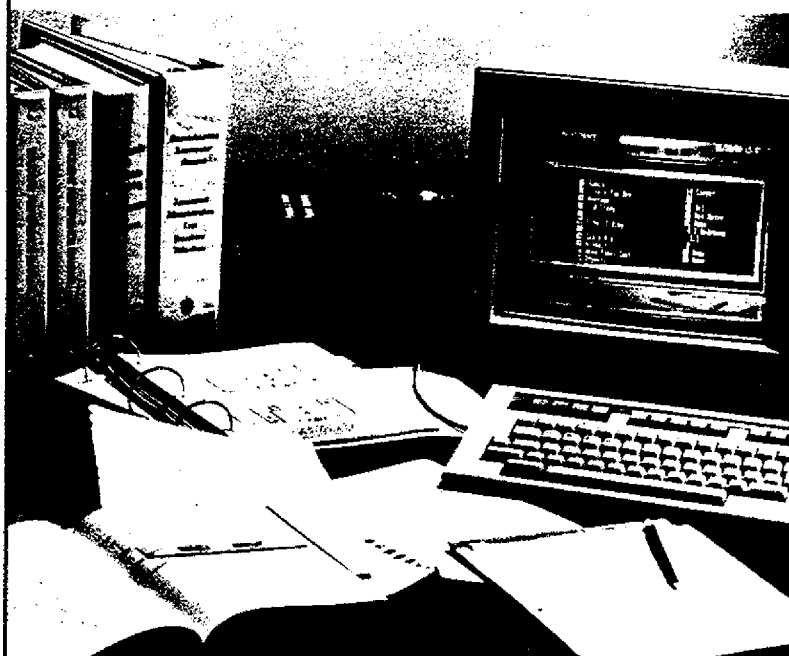
AN ACT concerning the granting of certain variances from zoning regulations and amending P.L.1975, c.291.

STATEMENT

This bill requires that when application is made under section 57 of P.L.1975, c.291 (C.40:55D-70) for a hardship variance by the owner of a piece of property that does not meet the requirements of the zoning ordinance with regard to size or shape, the proper standard of valuation in deciding the fair price to be offered to the owner to avoid hardship must be the fair market value of a fully conforming lot situated in the subject area, derived according to standards set forth in the bill.

This bill alters the doctrine enunciated by the Supreme Court, in *Nash v. Board of Adjustment of Morris Township*, 96 N.J. 97 (1984), that the proper standard of valuation is deciding the fair price to be offered by adjacent property owners to avoid hardship is the fair market value of the property assuming that all necessary variances have been granted.

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ASSEMBLY, No. 3104

By Assemblyman SMITH, Assemblywoman FORD and Assemblyman SCHWARTZ

AN ACT concerning the property tax deduction for senior citizens and persons who are permanently and totally disabled, and amending P.L. 1963, c.172 and P.L.1964, c.255.

STATEMENT

This bill would increase the income limit for qualification for the property tax deduction for senior citizens and persons who are permanently and totally disabled from the present limit of \$10,000.00 per year to \$15,000.00 per year. The income limit has not been increased since 1983. Increasing this limit would permit additional senior citizens and persons who are permanently and totally disabled to qualify for the \$250.00 property tax deduction.

The bill also requires that any forms promulgated by the director for the use of persons making application for this property tax deduction shall be in plain language, and specifically sets forth incapacitation, hospitalization or serious illness as permissible reasons for the failure of a senior or disabled citizen to file the required post-tax year statement in a timely fashion.

SENATE, No. 2598

By Senator VAN WAGNER

AN ACT providing property tax abatements to certain first-time home buyers, amending P.L.1968, c.49 and supplementing Title 52 of the Revised Statutes.

STATEMENT

This bill establishes a fund to be used to abate, on an estimated basis, the first two years of property tax liability for first-time home buyers who purchase a new or existing home during the two-year period from January 1, 1991 to December 31, 1992 in New Jersey. This abatement program would conclude on December 31, 1994.

Eligibility for this property tax abatement is limited to first-time home buyers whose total annual income is less than \$65,000.

The "First-time Home Buyers' Property Tax Abatement Fund" created in this bill would be administered by the State Treasurer. The fund would be financed by increasing the realty transfer fee paid by property sellers upon the transfer of their property.

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NOMINATING COMMITTEE

In accordance with the provisions of Article IV, Section 3/C.1,3,4 (pp 19 & 20) of the By-Laws of the AMANJ, a meeting of the Nominating Committee was held, and following consideration of all prospective candidates, the Nominating Committee unanimously recommends the following candidates:

President-Elect—Joseph Gallagher, Assessor, Stone Harbor & Wildwood, Cape May County; **Treasurer**—William Nikitich, Assessor, Neptune, Upper Freehold, Monmouth County; **Vice President**—Atlantic, Cape May, Cumberland Counties—Kathi Meale, Assistant Assessor, Millville, Cumberland County; **Vice President**—Bergen, Hudson, Passaic Counties—Frank Bucino, Rutherford, Bergen County, is currently serving as V.P. of this Tri-County; **Vice President**—Camden, Gloucester, Salem Counties—Christine Wahl, Assessor, Berlin, Haddon Hgts., Waterford, Camden County; Clayton, Gloucester County.

Article II, Section 2/D, AMANJ By-Laws, (pp 14)

Annual Membership Dues

2/D—Annual membership dues not paid by September 1 shall result in the suspension of the rights and privileges of the delinquent member, including the right to vote in election.

Article IV, Section 3/E, AMANJ By-Laws, (pp 20 & 21)

Nomination by Petition

Please see attached for Nomination by Petition.

Please note: Robert W. Pastor, Chairperson, Nominating Committee, P.O. Box 113, Layton, NJ 07851; Vicky Mickiewicz, Secretary, P.O. Box 123, Toms River, NJ 08754.

Article IV, Section 3/E, AMANJ By-Laws (pp 20 & 21)

Nomination by Petition

1. "Any prospective candidate not selected by the Nominating Committee may seek an elected office by petition.

2. The petition shall include a resume of the petitioner's background, affiliations, and experience, both related and unrelated to the assessing profes-

sion. Said resume shall specifically state each assessing district and County represented by the prospective candidate and any position currently held in the AMANJ.

3. A petition for an elected office of the AMANJ, other than a Tri-County Vice-President, shall be signed by not less than fifty (50) members in good standing.

4. A petition for the office of Tri-County Vice-President shall only be filed by a member of that specific Tri-County District and shall be signed by not less than twenty (20) members in good standing from that specific Tri-County District.

5. On or before September 1, said petition shall be filed with the Chairperson of the Nominating Committee with a copy to the AMANJ Secretary.

6. A petitioner may file for only one (1) office; however, there may be more than one (1) petitioner for the same office.

7. Before consideration for placement on the ballot, the Secretary and Treasurer shall verify the authenticity of the Petition."

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Executive Vice President**Bill 2734 Opposed**
SANDYTOWN TOWNSHIP
RESOLUTION
R-36-90**A RESOLUTION OPPOSING SENATE BILL 2734,**
KNOWN AS THE PROPERTY ASSESSMENT
REFORM ACT

WHEREAS, Senate Bill 2734 will be introduced by its sponsors this fall before the New Jersey State Legislature; and

WHEREAS, this Bill will be known as the Property Assessment Reform Act; and

WHEREAS, this Bill will create a State Board of Property Appraisal and a Division of Property Assessment in the Department of the Treasury; and \$4,000,000 (four million dollars) must be appropriated to establish the State Board of Appraisal; and

WHEREAS, this Bill would abolish the Municipal Assessor and create District Assessors; and

WHEREAS, this bill would create a huge bureaucracy; and

WHEREAS, large municipalities and cities would not contract with revaluation firms to revalue their municipalities and cities, but would wait for the Senate to pick up the revaluation costs; and

WHEREAS, this bill would shift the costs of the assessment function from the municipality to the county; and

WHEREAS, no credit has been provided for in Senate Bill 2734 for those municipalities that have recently undergone revaluations or reassessments; and

WHEREAS, revaluing property on an annual basis is not possible because of the lack of sales in most municipalities; and

WHEREAS, the creation of a new Division of Property Assessments would cost New Jersey taxpayers in excess of \$60,000,000 (sixty million dollars) to establish; and

WHEREAS, the \$4,000,000 figure could be better used by the Local Property Branch of the Divi-

sion of Taxation to institute a recertification program and new educational programs to instruct Municipal Assessors; and

WHEREAS, the minor deficiencies in the current assessment function can be remedied by other current proposed legislation; and

WHEREAS, our State is experiencing a current property tax crisis; and

WHEREAS, this Bill offers only more fiscal shock for the New Jersey taxpayer;


NOW, THEREFORE, BE IT RESOLVED by the Township Committee of the Township of Sandyston, County of Sussex, State of New Jersey, that this resolution serve as official opposition to Senate Bill 2734 in its present form, and requests that the sponsors meet with the League of Municipalities Officials and the Officers of the Association of Municipal Assessors of New Jersey, and all other interested parties, to correct the minor deficiencies in the current assessment function.

BE IT FURTHER RESOLVED that the Clerk forward certified copies of this resolution to our Legislators, the Sussex County Board of Chosen Freeholders, and all other municipalities in Sussex County.

Date: August 2, 1990

Offered by: George Harper, Jr.





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ASSEMBLY, No. 3036

BY Assemblyman LoBIONDO

AN ACT providing State property tax deferral assistance to eligible senior and disabled citizens and supplementing Title 54 of the Revised Statutes.

STATEMENT

This bill establishes a program to be known as the "Senior and Disabled Citizens' Property Tax Assistance Act" through which eligible senior or disabled citizens who own their homes may apply to the State for a deferral of from 50% to 100% of their previous year's property tax bill. The deferral shall be in the form of a loan from the State with the tax deferral percentage based on either age, with a \$3,000 annual limit, or set at 100% if catastrophic medical payments exceed 30% of income. The total amount of property taxes which are deferred at any time by an eligible resident under the provisions of the bill may not exceed 80% of the accrued equity in the property.

Any eligible senior or disabled citizen may apply initially to the Director of the Division of Taxation, through the municipal tax collector, for such a loan. If the loan is approved by the director, the eligible resident would receive a notice of the approval, and the loan amount would be paid directly to the tax collector for credit against the property tax otherwise due on the residence. The loan approval would be reflected on the resident's property tax bill as a reduction of taxes due, in the same manner as is the current \$250.00 property tax deduction for which these same persons are eligible. The loan would be recorded with the appropriate recording authority as a lien against the property, and is payable, with a maximum interest rate of 10% per annum or the prime rate, whichever is lower, (which would be compounded annually on the unpaid balance of the loan), upon the sale of the residence, or within two years of the death of an eligible resident unless there is an eligible surviving spouse. This deferral program is to be funded through the sale of "Senior and Disabled Citizens Property Tax Assistance Bonds"

by the State of New Jersey as set forth in P.L. , c. , now pending before the Legislature as Senate Bill No. of 1990.

SENATE, No. 2514

By Senator BASSANO

AN ACT concerning property tax assistance to the elderly and supplementing Title 54 of the Revised Statutes.

STATEMENT

This bill creates the "Senior Homeowners' Property Tax Assistance Program." Utilizing moneys annually desposited in the Casino Sports Betting Revenue Fund and the Racetrack Sports Betting Revenue Fund established pursuant to sections 8 and 16 of P.L. , c. (C.) (now pending before the Legislature as Senate Bill No. of 1990), property tax credits are given to certain senior citizens who meet the eligibility requirements for the "Pharmaceutical Assistance to the Aged and Disabled" (PAAD) program, P.L.1975, c.194 (C.30:4D-20 et seq.), or the "Lifeline Credit Program," P.L.1979, c. 197 (C.48:2-29.15 et seq.).

The amount of the property tax credit would vary annually based upon the revenues deposited in the two sports betting funds and upon the number of households eligible to receive the credit.

Application to the program would be coordinated with application to the PAAD and Lifeline programs. A list of eligible homeowners would be sent by the Commissioner of Human Services to the Director of the Division of Local Government Services in the Department of Community Affairs. Concurrently the State Treasurer would certify to the director the amount of money available in the sports betting funds for distribution as property tax credits. The director would calculate the amount of the credit per household for the tax year and notify each municipal tax collector of the eligible households in the municipality. Tax credits would be applied to the third and fourth quarter property tax bill and municipalities would receive reimbursement on August 1 of the tax year from the State Treasurer.

ASSEMBLY, No. 3607

By Assemblyman JACOBSON and ROBERTS

AN ACT concerning property tax relief for homesteads, amending P.L.1981, c.239, supplementing Title 54 of the Revised Statutes, Title 54A of the New Jersey Statutes and repealing parts of the statutory law.

STATEMENT

This bill provides individual property tax relief to homeowners and residential tenants in New Jersey.

The "Homestead Property Tax Rebate Act of 1990" effectively caps an individual's property tax payment at an amount equal to 5% of that individual's income. The cap would apply to all married taxpayers and heads of households whose New Jersey gross income is less than \$70,000 and single taxpayers whose gross income is less than \$35,000.

Under the provisions of the bill, a homeowner would be required to pay property taxes and would apply for a payment from the State for the amount that the individual's property taxes exceeded 5% of the individual's gross income. A residential tenant would also be eligible for a payment; 18% of rent would be considered payment for property taxes.

A property taxpayer would file for the payment when filing a New Jersey gross income tax return. Payments would be made to most taxpayers in October, although those entitled to less than a \$35 benefit would calculate their benefit as a credit on the gross income tax return. The maximum homestead benefit is \$500.

This program will replace the current homestead rebate program and the homestead tax relief deduction and homestead tenant credit under the gross income tax. Eligible senior citizens and disabled persons will still qualify to receive the additional \$250 property tax deduction allowed under current law. Revenues to fund this new rebate program will come from changes in the State's gross income tax. This program will take effect in 1991.

This program will provide more than \$400 million in individual property tax relief in the first year. The program will grow each year in relation to the statewide growth in person income. While total property tax relief benefits will increase each year, the growth in the program will not outpace the state's ability to pay for the program.

This program will help equalize the uneven burden of property taxation throughout the State. It will decrease the negative impact now felt by homeowners who improve their property and will reduce some of the burden of local property tax revaluations.

ASSEMBLY, No. 2992

By Assemblymen COHEN, FOY and Scerni

AN ACT providing an annual \$50 property tax deduction to certain veterans and surviving spouses and amending P.L.1963, c.171.

STATEMENT

The purpose of this bill is to provide an annual \$50 property tax deduction to peacetime veterans and their surviving spouses.

As defined in the bill, a peacetime veteran means any citizen and resident of this State now or hereafter honorably discharged or released under honorable circumstances from active service in peacetime in any branch of the Armed Forces of the United States.

The bill does not in any way affect the existing annual \$50 property tax deduction for veterans who were honorably discharged or released from honorable circumstances from active service in time of war or emergency. The bill does, however, redefine those veterans as war veterans to differentiate them and their property tax deduction from peacetime veterans and their property tax deduction. It also provides a property tax deduction for the surviving spouse of a citizen and resident who dies while in active service in peacetime.

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Sussex—Darlene Keeler—201-827-3848x39
Union—William Wheeler—201-753-3201
Warren—Charlene Haun—201-689-3600

LOCAL PROPERTY TAX—Added Assessment under Freeze Act—A County Board of Taxation's final added assessment pro-rated judgment extended for 12 months plus the prior October 1 assessment represent the property's total full year's correct assessed value. Therefore, the property is entitled to the benefits of the Freeze Act. An added assessment judgment entered on December 15 of the pre-tax year in issue is frozen and self-executing. The judgment may be increased only by the taxing district's filing with the County Board prior to August 15 of the tax year a Freeze Act avoidance complaint in accordance with N.J.S.A. 54:3-26. Since a Freeze Act avoidance complaint is a separate and distinct cause of action, it may not be filed after August 15 of the tax year as a counterclaim. A Freeze Act relief complaint filed after August 15, but during the tax year in issue, is not time-barred. The time for filing such a complaint is not controlled by N.J.S.A. 54:3-21, which applies to valuation appeals.

AKLS Realty Associates, Inc. v. Burlington Township—Tax Court of New Jersey, Docket No. 0306-0304-87D (May 3, 1988).

A kindergarten teacher asked for a definition of "mother." One of the youngsters piped up: "A mother's someone who buys you underwear when you want a model airplane."

Association of Municipal Assessors of New Jersey

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LOCAL PROPERTY TAX—Assessment Contested for Office Building Intended for Use as Corporate Headquarters But Substantially Incomplete, Despite Temporary Certificate of Occupancy— Litton Business Systems, Inc. contests real property tax assessments on its office building located on American Road in Morris Plains. The property is a complex of three steel frame and masonry two-story office buildings on a 28.242-acre site. At issue are the 1983 added assessment and 1984 assessment.

Taxpayer's senior project manager, a registered architect who was in charge of the construction of buildings A and B, testified that the total cost of these two buildings was \$10,304,022, of which \$9,340,674 was paid to the general contractor under the February 1982 contract. The appraisal expert for Litton said he relied principally on the cost approach. He stated that the recent construction of two of the buildings made this approach more reliable. He testified that the actual costs of these two buildings, including passageways to the third building, amounted to \$60.26 a square foot. This is close to the \$58.89 a square foot cost new for the total improvements found in the Marshall Valuation Service Manual.

The expert for the taxing district testified that the property is located in a good suburban office area with adequate access and adequate parking. The expert valued the property by use of the cost, market and income approaches.

Taxpayer argued that the actual cost of building the first two buildings when applied to the entire property represents the value of the property under the principle of substitution. This principle holds that a building will not be purchased in the market for more than it would cost to acquire an equally desirable substitute property.

The court held that the subject property is not physically superior to the single-occupancy properties used as comparable rentals and sales because structural construction items remove it from the excellent category. The court added that although the property is used as a corporate headquarters, the buildings are more modest and not of the quality described in *CPC International, Inc. v. Englewood Cliffs*, 193 N.J. Super. 261, 473 A.2d 548 (App. Div., 1984). Therefore, the CPC analysis is not appropriate here. This property is subject to a good quality, single-occupancy office building. Taxpayer's expert did not analyze sales of office buildings in the area. The taxing district's expert performed a market approach analysis. He examined sales of seven office buildings in the area. The expert concluded that the property would sell for \$96.70 a square foot, before deducting the cost to complete the first building.

Judgment was entered by the court to reduce the 1983 added assessment to \$6,391,696, prorated for nine months to \$4,793,772 and to reduce the 1984 assessment to \$23,617,100. Since both the average ratio and the ratio of assessed value of the property to its true value exceed the county percentage level (100%), the proper 1984 assessment under N.J.S.A. 54:15A-6 is 100% of the true value of the property. This statute is not applicable to the 1983 added assessment because 1983 was a revaluation year. The Appellate Division affirmed the Tax Court's opinion. The court said that Judge Lasser's decision did not violate the New Jersey Constitution requirement that all property be assessed according to the same standard of value under Art. VIII, Sec. 1, para. 1(a).

Litton Business Systems, Inc. v. Borough of Morris Plains—9 N.J. Tax 651 (App. Div., February 6, 1988), affirming 8 N.J. Tax 520 (Tax Court, 1986).

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ASSEMBLY, No. 3489

By Assemblymen DeCROCE, ARNONE
and Assemblywoman Farragher

AN ACT concerning exemption from taxation of
real property used for conservation or recreation
purposes and amending P.L.1974, c.167.

STATEMENT

Section 1 of P.L.1974, c.167 (C.54:4-3.63) states
that "the Legislature hereby finds and declares that
natural open space areas for public recreation and
conservation purposes are rapidly diminishing; that
public funds for the acquisition and maintenance of
public open space should be supplemented by
private individuals and conservation organizations;
and that it is therefore in the public interest to en-
courage the dedication of privately-owned open
space to public use and enjoyment as provided for
in this act."

Despite the clear inclusion of land owned by
"private individuals" the act goes on to limit its
applicability to property owned by tax-exempt non-
profit corporations and organizations. This limita-
tion, which has no justification set forth in the act,
removes any incentive for private individuals to
open their lands to the public, thereby defeating the
stated purpose of the act.

This bill would correct this inconsistency and
result in the opening of more land to public use.
Other changes that are made include the addition of
language to make it clear that the public use may
be proposed, as well as currently existing, and that
prior notice of any hearing must be given to the
appropriate officials of the municipality.

SENATE, No. 2511

By Senators STOCKMAN and McMANIMON

AN ACT concerning property tax relief, sup-
plementing Title 54A of the New Jersey Statutes and
repealing parts of the statutory law.

STATEMENT

This bill, through the use of an income-based
"circuit breaker," would offer property tax relief
benefits to New Jersey residents most in need of
them.

The bill provides that taxpayers with gross in-
comes of \$60,000 or less will receive a refundable tax
credit for the amount by which their local property
taxes exceed 4 percent of their household income.
The maximum credit would be \$1,000. Homeowners
and tenants are eligible to receive the credit, sub-
ject to the provisions of the bill. In the case of
tenants, 18 percent of their rent is considered to be
the equivalent of property taxes paid.

Persons who wish to claim this credit would be
required to file income tax returns in order to
receive it, even if they are currently not required to
do so under the "New Jersey Gross Income Tax
Act."

The bill also repeals the current homestead
rebate law, the flat amount tenants' credit under the
gross income tax and the "Homestead Tax Relief
Act," also known as the "Ford" act. These non-
income based tax benefit programs are replaced by
the circuit breaker provisions in the bill that assure
that those most in need of tax relief, as measured
by ability to pay, will in fact obtain that relief as an
offset to ever-increasing property taxes.

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