

54-1-35a and 54-1-35b

LEGISLATIVE HISTORY CHECKLIST

(Property tax -- change definition of "average ratio" of assessed to true value)

NJSA 54:1-35a and 54:1-35b

LAWS OF 1979

CHAPTER 51

Bill No. A1492

Sponsor(s) Herman

Date Introduced June 12, 1978

Committee: Assembly Taxation

Senate County & Municipal Gov't.

Amended during passage

Yes

Amendments during passage
XX denoted by asterisks

Date of Passage: Assembly October 19, 1978

Senate January 18, 1979

Date of approval March 21, 1979

Following statements are attached if available:

Sponsor statement Yes (Below)

Committee Statement: Assembly No

Senate Yes

Fiscal Note No

Veto message No

Message on signing No

Following were printed:

Reports No

Hearings No

Sponsor's statement:

The purpose of this bill is to change the definition of "average ratio" of assessed to true value to include weighted averages over the latest 2 years.

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9/1/78

[SECOND OFFICIAL COPY REPRINT]

ASSEMBLY, No. 1492

STATE OF NEW JERSEY

INTRODUCED JUNE 12, 1978

By Assemblyman HERMAN

Referred to Committee on Taxation

AN ACT to amend "An act concerning tax appeals, establishing certain rebuttable presumptions relating to cases of alleged discrimination, and amending R. S. 54:3-22 and R. S. 54:4-62 and section 15 of chapter 161 of the Laws of 1946," approved May 9, 1973 (P. L. 1973, c. 123).

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. Section 1 of P. L. 1973, c. 123 (C. 54:1-35a) is amended to read
2 as follows:

3 1. a. The "average ratio" of assessed to true value of real prop-
4 erty for a taxing district for the purposes of this act shall mean
5 **that ratio** ***[the [unweighted] weighted, unclassified, arithmetic**
6 **average as determined]*** **promulgated** by the Director of the
7 Division of Taxation ***[from the latest]* [1-year] *[2-year study**
8 **data compiled by the director for the purposes of]*** **pursuant to**
9 P. L. 1954, c. 86 (C. 54:1-35.1 et seq.), as of October 1 of the year
10 preceding the tax year as revised by the Division of Tax Appeals.

11 b. The "common level range" for a taxing district is that range
12 which is plus or minus 15% of the average ratio for that district.

1 ****2.** Section 5 of P. L. 1973, c. 123 (C. 54:1-35b) is amended to
2 read as follows:

3 5. a. On or before April 1 in each year the Director of the Di-
4 vision of Taxation shall **[**, from the latest 1-year study data com-
5 piled by the director for the purpose of P. L. 1954, c. 86 (C.
6 54:1-35.1 et seq.), as of October 1 of the year preceding the tax
7 year, as revised by the Division of Tax Appeals, **]** determine the
8 average ratio and the common level range.

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

9 b. On or before such date, the director shall mail to the secretary
10 of each county board of taxation and to the assessor or board of
11 assessors, and the municipal clerk of each municipality, a certified
12 list setting forth such average ratio and the common level range
13 determined by him for each taxing district.**

1 **[2.]** **3.** This act shall take effect immediately ***and shall*
2 *be applicable to appeals filed for the 1979 tax year and every tax*
3 *year thereafter**.*

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2 as follows:

3 1. a. The "average ratio" of assessed to true value of real prop-
4 erty for a taxing district for the purposes of this act shall mean
5 the **[unweighted]** *weighted*, unclassified, arithmetic average as de-
6 termined by the Director of the Division of Taxation from the latest
7 **[1-year]** *2-year* study data compiled by the director for the pur-
8 poses of P. L. 1954, c. 86 (C. 54:1-35.1 et seq.), as of October 1 of
9 the year preceding the tax year as revised by the Division of Tax
10 Appeals.

11 b. The "common level range" for a taxing district is that range
12 which is plus or minus 15% of the average ratio for that district.

1 2. This act shall take effect immediately.

STATEMENT

The purpose of this bill is to change the definition of "average ratio" of assessed to true value to include weighted averages over the latest 2 years.

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

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6 average as determined]* *promulgated* by the Director of the
7 Division of Taxation ***[from the latest]* **[1-year] ***[2-year** study**
8 data compiled by the director for the purposes of]* *pursuant to*
9 P. L. 1954, c. 86 (C. 54:1-35.1 et seq.), as of October 1 of the year
10 preceding the tax year as revised by the Division of Tax Appeals.**

11 b. The "common level range" for a taxing district is that range
12 which is plus or minus 15% of the average ratio for that district.

1 2. This act shall take effect immediately.

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ASSEMBLY COMMITTEE AMENDMENTS TO

ASSEMBLY, No. 1492

STATE OF NEW JERSEY

ADOPTED SEPTEMBER 25, 1978

Amend page 1, section 1, line 4, after "mean", insert "that ratio".

Amend page 1, section 1, line 5, omit in its entirety.

Amend page 1, section 1, line 6, omit "terminated", insert "promulgated".

Amend page 1, section 1, line 6, omit "from the latest".

Amend page 1, section 1, line 7, omit in its entirety.

Amend page 1, section 1, line 8, omit "poses of", insert "pursuant to".

[SENATE REPRINT]

ASSEMBLY, No. 1492

[OFFICIAL COPY REPRINT]

with Senate committee amendments adopted December 4, 1978

STATE OF NEW JERSEY

INTRODUCED JUNE 12, 1978

By Assemblyman HERMAN

Referred to Committee on Taxation

AN ACT to amend "An act concerning tax appeals, establishing certain rebuttable presumptions relating to cases of alleged discrimination, and amending R. S. 54:3-22 and R. S. 54:4-62 and section 15 of chapter 161 of the Laws of 1946," approved May 9, 1973 (P. L. 1973, c. 123).

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4 erty for a taxing district for the purposes of this act shall mean
5 *that ratio* * **[the [unweighted] weighted, unclassified, arithmetic**
6 **average as determined]** * *promulgated* * by the Director of the
7 Division of Taxation * **[from the latest]** * **[1-year]** * **[2-year study**
8 **data compiled by the director for the purposes of]** * *pursuant to* *
9 P. L. 1954, c. 86 (C. 54:1-35.1 et seq.), as of October 1 of the year
10 preceding the tax year as revised by the Division of Tax Appeals.

11 b. The "common level range" for a taxing district is that range
12 which is plus or minus 15% of the average ratio for that district.

1 **2. Section 5 of P. L. 1973, c. 123 (C. 54:1-35b) is amended to
2 read as follows:

3 5. a. On or before April 1 in each year the Director of the Di-
4 vision of Taxation shall **[**, from the latest 1-year study data com-
5 piled by the director for the purpose of P. L. 1954, c. 86 (C.
6 54:1-35.1 et seq.), as of October 1 of the year preceding the tax
7 year, as revised by the Division of Tax Appeals, **]** determine the
8 average ratio and the common level range.

EXPLANATION—Matter enclosed in bold-faced brackets **[thus]** in the above bill
is not enacted and is intended to be omitted in the law.

9 b. On or before such date, the director shall mail to the secretary
10 of each county board of taxation and to the assessor or board of
11 assessors, and the municipal clerk of each municipality, a certified
12 list setting forth such average ratio and the common level range
13 determined by him for each taxing district.**

1 ****[2.]**** ****3.**** This act shall take effect immediately ***and shall*
2 *be applicable to appeals filed for the 1979 tax year and every tax*
3 *year thereafter***.

SENATE COUNTY AND MUNICIPAL GOVERNMENT
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1492

with Assembly committee amendments
and Senate committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 4, 1978

Assembly Bill No. 1492 would provide that the "average ratio" of assessed to true value of real property for a taxing district to be used for the purposes of establishing rebuttable presumptions relating to tax appeal cases of alleged discrimination, shall be the ratio promulgated by the Director of Taxation pursuant to P. L. 1954, c. 86 (C. 54:1-35.1 et seq.). This average ratio is used to determine the "common level range," which is plus or minus 15% of the average ratio, on which cases of alleged discrimination would be based.

Currently, P. L. 1973, c. 123 provides that the "average ratio" shall be the unweighted, unclassified, arithmetic average determined by Director from the latest 1 year study data. The "average ratio" proposed by the bill would be an overall district average weighted ratio calculated for all classes as a weighted average based upon sales in each class. In addition this ratio is applied against aggregate assessed value, and is averaged over the latest 2 years. This averaging method is designed to avoid abrupt changes in ratio from year to year, and to avoid undue influence of inadequate sales samples in any single year.

The committee amendments are largely technical in nature. The first would amend N. J. S. A. 54:1-35b to make the language of that section conform to the proposed amendment to N. J. S. A. 54:1-35a.

The second amendment would clarify that the provisions of the act shall be prospective in nature, applying to tax appeals filed for the 1979 tax year and thereafter, and not to any tax appeals filed for previous tax years and still pending. This amendment is necessary since appeals for the 1978 tax years and tax years prior thereto, which were determined by the county boards of taxation on the basis of the existing provisions of P. L. 1973, c. 123, may still be pending before the Division of Tax Appeals or the courts.

SENATE COMMITTEE AMENDMENTS TO
ASSEMBLY, No. 1492

STATE OF NEW JERSEY

ADOPTED DECEMBER 4, 1978

Amend page 1, section 1, line 12, insert new section 2 as follows:

“2. Section 5 of P. L. 1973, c. 123 (C. 54:1-35b) is amended to read as follows:

5. a. On or before April 1 in each year the Director of the Division of Taxation shall [], from the latest 1-year study data compiled by the director for the purpose of P. L. 1954, c. 86 (C. 54:1-35.1 et seq.), as of October 1 of the year preceding the tax year, as revised by the Division of Tax Appeals,] determine the average ratio and the common level range.

b. On or before such date, the director shall mail to the secretary of each county board of taxation and to the assessor or board of assessors, and the municipal clerk of each municipality, a certified list setting forth such average ratio and the common level range determined by him for each taxing district.”.

Amend page 1, section 2, line 1, omit “2.”, insert “3.”; after “immediately”, insert “and shall be applicable to appeals filed for the 1979 tax year and every tax year thereafter”.

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

FROM THE OFFICE OF THE GOVERNOR

FOR IMMEDIATE RELEASE

FOR FURTHER INFORMATION

MARCH 21, 1979

KATHRYN FORSYTH

Governor Brendan Byrne today signed the following bills into law:

S-288, sponsored by Senator John H. Ewing (R-Somerset), which increases the maximum annual amount which a municipality can appropriate to a fire district or independent volunteer fire company located in an adjoining municipality which responds to fires in the first municipality.

The bill increases the maximum annual amount from \$10,000 to \$12,000.

S-1103, sponsored by Senator Steven Perskie (D-Atlantic), which amends current law to restrict and clarify the procedures for the correction of technical errors in tax assessments.

A-183, sponsored by Assemblyman Walter Kozloski (D-Freehold), which provides for certain exemptions from the requirement that buses carrying more than six passengers or any school bus carrying children stop at all railroad grade crossings.

Under the bill, the Commissioner of Transportation, after holding public hearings and issuing regulations in each case, may designate certain railroad grade crossings as "exempt crossings" when the potential for accidents between vehicles traveling in the same direction exceeds the potential for accidents between trains and vehicles.

The Federal Highway Administration has said that it will share the costs of the necessary engineering, investigations and hearings on a 90-10 match basis.

A-1007, sponsored by Assemblyman Robert E. Littell (R-Sussex) which permits persons to use one application form to request absentee voting ballots for local school elections, county vocational school elections and regional school elections.

A-1492, sponsored by Assemblyman Martin Herman (D-Gloucester), which provides that the "average ratio" of assessed to true value of real property for a taxing district which is to be used for the purposes of establishing rebuttal presumptions relating to alleged discrimination tax appeal cases be the ratio promulgated by the Director of the Division of Taxation.

The bill is applicable to all appeals filed in 1979 and thereafter.

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