

54:2-3, 54:2-12; 54:2-48 to 54:2-51

LEGISLATIVE HISTORY CHECKLIST

(Div. of Tax Appeals--increases number of Judges; creates Small Claims Bureau)

N.J.S.A. 54:2-3, 54:2-12, 54:2-48 to 54:2-51

LAWS OF 1977 CHAPTER 234

Bill No. A2440

Sponsor(s) Burstein

Date Introduced January 11, 1977

Committee: Assembly Judiciary, Law, Public Safety, & Defense

Senate -----

Amended during passage Yes
Also amended according to Governor's recommendations
Date of Passage: Assembly June 27, 1977
Senate June 27, 1977
Re'enacted Sept. 12, 1977
Re'enacted Sept. 19, 1977
Date of approval September 26, 1977

Following statements are attached if available:

Sponsor statement Yes
Committee Statement: Assembly Yes
Senate No
Fiscal Note Yes
Veto Message Yes
Message on signing Yes

Following were printed:

Reports Yes
Hearings Yes

See: 974.90 N. J. Legislature. Senate. Special Commission on
T235 Tax Appeals Procedure.
1977c Tax appeals in New Jersey: a critique
and a program for legislative action.
(See comments on p. 52)

(over)

9/1/73

Original removed from library

974.90 N. J. Legislature. Senate. Special Commission on Tax Appeals Procedure.
T235 Public hearing. Held 3-15-77 and 3-30-77 Trenton.
1977b (Comments on A.2440 throughout Vol. 2)

234

9/26/77

[FOURTH OFFICIAL COPY REPRINT]

ASSEMBLY, No. 2440

STATE OF NEW JERSEY

INTRODUCED JANUARY 11, 1977

By Assemblyman BURSTEIN

Referred to Committee on Judiciary, Law, Public Safety and Defense

AN ACT concerning taxation and amending sections 54:2-3, ***[54:2-8,]*** and 54:2-12 ***[and 54:3-21]*** of the Revised Statutes, and supplementing chapter 2 of Title 54 of the Revised Statutes.

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

1 1. R. S. 54:2-3 is amended to read as follows:

2 54:2-3. The Division of Tax Appeals in the Department of the
3 Treasury shall consist of [seven] 11 judges who shall be citizens
4 of the State and not more than [four] six of whom shall belong to
5 the same political party. At least [four] six judges shall be at-
6 torneys-at-law of the State of New Jersey of at least 10 years'
7 standing. Judges shall be chosen because of their special qualifica-
8 tions, knowledge and experience in matters concerning the valua-
9 tion and taxation of property, particularly of real property.

1 ***[2. R. S. 54:2-8 is amended to read as follows:

2 54:2-8. Each judge, except the presiding judge, shall receive an
3 annual salary of [\$17,000.00] *[\$27,500.00]* **[\$23,500.00]**
4 **\$17,000.00**. The presiding judge shall receive an annual salary
5 of [\$18,000.00] **[\$24,500.00]** **\$18,000.00**. The presiding
6 judge and the judges shall devote such time as shall be required for
7 the efficient performance of the duties of office.]***

1 ***[3.]*** **2.*** R. S. 54:2-12 is amended to read as follows:

2 54:2-12. The [board may] *Presiding Judge shall* appoint,
3 subject to the provisions of Title 11, Civil Service, such clerical,
4 technical and other assistance, [including a secretary,] as may be
5 necessary [and prescribe their duties] for the expeditious and
6 efficient processing and disposition of matters pending in the
7 division. [It may] *He shall prescribe the duties and* fix the com-
8 pensation [of] *for* all appointees, subject to the appropriations

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 made therefor, and subject to the provisions of Title 11, Civil
10 Service, except where otherwise provided by statutes.

1 ***[4. R. S. 54:3-21 is amended to read as follows:

2 54:3-21. A taxpayer feeling aggrieved by the assessed valuation
3 of his property, or feeling that he is discriminated against by the
4 assessed valuation of other property in the county, or a taxing
5 district which may feel discriminated against by the assessed valua-
6 tion of property in the taxing district, or by the assessed valuation
7 of property in another taxing district in the county, may on or
8 before August 15 appeal to the county board of taxation by filing
9 with it a petition of appeal; *provided, however, that any such tax-*
10 *payer or taxing district may on or before August 15 file a petition*
11 *of appeal directly with the Division of Tax Appeals in the Depart-*
12 *ment of the Treasury if the assessed valuation of the property*
13 *subject to the appeal exceeds \$100,000.00, and any party to an*
14 *appeal pending before a county board of taxation in which the*
15 *assessed valuation of the property subject to the appeal exceeds*
16 *\$100,000.00 may, upon notification to the county board, have the*
17 *appeal transferred to the Division of Tax Appeals by the county*
18 *board. A copy [thereof] of any such petition of appeal shall also*
19 *be filed with the assessor, clerk or attorney of the taxing district,*
20 *setting forth the cause of complaint, the nature and location of the*
21 *assessed property and the relief sought. The petition shall be*
22 *signed and sworn to by the petitioner or his agent, and shall be in*
23 *such form and contain such further information as may be from*
24 *time to time prescribed by rule of the board, for the better under-*
25 *standing and determination of the appeal. *In any appeal filed*
26 *directly with the Division of Tax Appeals, all discovery shall be*
27 *completed within 1 year from the date of the filing of the ap-*
28 *peal.*]****

1 ***[5.]*** ***3.*** (New section) The Small Claims Bureau is

2 hereby created in the Division of Tax Appeals. The Small Claims
3 Bureau shall have jurisdiction of the following classes of cases:

- 4 a. A proceeding for refund with respect to any year for which
5 the amount of refund claimed does not exceed \$1,000.00, exclusive
6 of interest and penalties.
- 7 b. A proceeding to set aside additional taxes assessed or taxes
8 assessed with respect to any year for which the amount in contro-
9 versy does not exceed \$1,000.00, exclusive of interest and penalties.
- 10 c. A proceeding by a taxpayer from a determination of a county
11 board of taxation where said board has determined that either the
12 parcel of land or the total improvements thereon, has a true value
13 not in excess of \$50,000.00 or that personal property has a true
14 value not in excess of \$10,000.00.

1 *****[6.]***** ***4.*** (New section) The Presiding Judge of the
 2 Division of Tax Appeals shall assign cases to the Small Claims
 3 Bureau when he finds from an examination of the petition that
 4 jurisdiction exists under section *****[5]***** ***3*** hereof.

1 *****[7.]***** ***5.*** (New section) The hearing in the Small
 2 Claims Bureau shall be informal, and the judge may hear such
 3 testimony and receive such evidence as he deems necessary or
 4 desirable for a just and equitable determination of the case, except
 5 that all testimony shall be given under oath. A party may appear
 6 on his own behalf or may be represented or accompanied by an
 7 attorney, certified public accountant or such other person as the
 8 court may permit to be present and participate in the proceeding
 9 before the Small Claims Bureau.

1 *****[8.]***** ***6.*** (New section) The judgment in the Small
 2 Claims Bureau shall be conclusive upon all parties and may include
 3 orders to correct an assessment roll or a tax roll, or both, modify
 4 or cancel an assessment, pay or allow a refund, to take such other
 5 action as may be necessary to effectuate the judgment.

1 *****[9.]***** ***7.*** This act shall take effect *****[July 1 next**
 2 following enactment, except any appointment, any confirmation of
 3 any appointment, and any action permitted or required by this act
 4 and necessary to effectuate this act as of such date may be made
 5 or undertaken prior to such date.]**** *immediately.*****

1 7. (New section) The hearing in the Small Claims Bureau shall
2 be informal, and the judge may hear such testimony and receive
3 such evidence as he deems necessary or desirable for a just and
4 equitable determination of the case, except that all testimony shall
5 be given under oath. A party may appear on his own behalf or may
6 be represented or accompanied by an attorney, certified public
7 accountant or such other person as the court may permit to be
8 present and participate in the proceeding before the Small Claims
9 Bureau.

1 8. (New section) The judgment in the Small Claims Bureau shall
2 be conclusive upon all parties and may include orders to correct an
3 assessment roll or a tax roll, or both, modify or cancel an assess-
4 ment, pay or allow a refund, to take such other action as may be
5 necessary to effectuate the judgment.

1 9. This act shall take effect July 1 next following enactment,
2 except any appointment, any confirmation of any appointment, and
3 any action permitted or required by this act and necessary to
4 effectuate this act as of such date may be made or undertaken prior
5 to such date.

STATEMENT

The purpose of this bill is to increase the number of judges in the Division of Tax Appeals from 7 to 11, and to increase their salaries. This legislation would also transfer from the Board to the Presiding Judge the power to appoint employees and to fix their salaries and to define their duties; a Small Claims Bureau is also created. Direct appeal to the Division of Tax Appeals is provided for in matters where the assessed value exceeds \$100,000.00.

REFERENCE USE ONLY

ASSEMBLY JUDICIARY, LAW, PUBLIC SAFETY
AND DEFENSE COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2440

with committee amendments

STATE OF NEW JERSEY

DATED: APRIL 18, 1977

The purpose of this bill is to increase the number of judges in the Division of Tax Appeals from 7 to 11. The bill would also increase the annual salaries of the Division judges from \$17,000.00 to \$23,500.00. The Presiding Judge would receive \$24,500.00; he presently receives \$18,000.00.

The bill would also transfer from the board to the Presiding Judge the power to appoint employees and to fix their salaries and to define their duties.

The bill also provides for the creation of a Small Claims Bureau within the Division of Tax Appeals to handle proceedings involving refunds and additional taxes where the controversy does not exceed \$1,000.00 and cases in which either the land or the total improvements thereon has a true value not in excess of \$50,000.00 or personal property does not have a true value in excess of \$10,000.00.

This bill would also permit direct appeal to the division for matters where the assessed value exceeds \$100,000.00. The bill was amended in committee to require that in cases appealed directly to the division, all pre-trial discovery shall be completed within one year of the filing of the appeal. This is to assure that all parties, especially municipalities, have adequate notice of the nature of each appeal.

REFERENCE USE ONLY

FISCAL NOTE TO
ASSEMBLY, No. 2440

STATE OF NEW JERSEY

DATED: MAY 16, 1977

The Official Copy Reprint of Assembly Bill No. 2440 increases the number of judges in the Division of Tax Appeals from seven to eleven. It would also increase the salaries of the division judges.

To provide the necessary support staff for these additional judges, to hear the additional cases it is anticipated will result and to pay the salaries stipulated, the Treasury Department estimates that enactment of this legislation will require an additional State expenditure of \$256,540.00 in fiscal 1977-78 and \$248,032.00 in fiscal 1978-79.

The fiscal note is based on an estimate of costs rather than actual cost information.

In compliance with written request received, there is hereby submitted a fiscal estimate for the above bill, pursuant to P. L. 1962, c. 27.

REVISED FISCAL NOTE TO
ASSEMBLY, No. 2440

STATE OF NEW JERSEY

DATED: JUNE 30, 1977

The Second Official Copy Reprint of Assembly Bill No. 2440 increases the number of judges in the Division of Tax Appeals from 7 to 11. It also creates a Small Claims Bureau.

Considering the salaries prescribed, the additional judges, the necessary support staff, space and equipment, the Judiciary estimates that enactment of this legislation would require an additional State expenditure of \$194,600.00 in fiscal 1977-78 and \$186,092.00 in fiscal 1978-79.

The fiscal note is based on actual cost information.

In compliance with written request received, there is hereby submitted a fiscal estimate for the above bill, pursuant to P. L. 1962, c. 27.

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

July 11, 1977

ASSEMBLY BILL NO. 2440 (3rd OCR)

To the Assembly:

Pursuant to Article V, Section 1, Paragraph 14(b) of the Constitution, I herewith return Assembly Bill No. 2440 (2nd OCR) with my objections, for reconsideration.

This bill would increase the number of judges in the Division of Tax Appeals from seven to eleven and make certain other changes in current legislation governing tax appeals.

This is a good bill, and the money for additional judges is well-spent. Currently, there are substantial backlogs in the Division which cause excessive delays in the resolution of tax matters. These delays are unfair to both the taxpayer and the taxing authority. I recognize that comprehensive reforms of our current tax appeal system have been proposed, but this legislation is nonetheless immediately necessary to improve the current situation.

Because of the expenditure this bill would require and the "cap" legislation, its approval had to be delayed until the Legislature completed action on bills passed on the final day of the past fiscal year. I am now advised that the bill can be signed without violation of the "cap." I believe that it is consistent with the Legislature's intent to change the effective date of the legislation from its present "July 1 next following enactment" to make it effective immediately. This will allow these judges to assume their duties and begin work to reduce the current backlog.

Accordingly, I herewith return Assembly Bill No. 2440 (2nd OCR) with my recommendations for reconsideration and recommend that it be amended as follows:

Page 3, section 7, line 1: Delete remainder of section after "effect" and insert "immediately."

Respectfully,

/s/ Brendan Byrne

GOVERNOR

(seal)

Attest:

974901
G61

FROM THE OFFICE OF THE GOVERNOR

FOR IMMEDIATE RELEASE

FOR FURTHER INFORMATION

SEPTEMBER 26, 1977

ANNE BURNS

Governor Byrne today signed into law A-2440, a measure which increases the number of judges in the Division of Tax Appeals from 7 to 11, makes the presiding judge the appointing power and creates a small claims bureau.

The measure was sponsored by Assemblyman Albert Burstein (D-Bergen).

This bill takes effect immediately, and is expected to cut into the Division of Tax Appeals' substantial backlogs which cause excessive delays in the resolution of tax matters.

A Small Claims Bureau within the Division can now be created to handle proceedings involving refunds and additional taxes where the controversy does not exceed \$1,000 and cases in which either the land or improvements on it has a true value not more than \$50,000 or personal property does not have a true value of more than \$10,000.

Because of the expenditure this legislation requires and the cap legislation, its approval was delayed until the Legislature completed action on bills passed on the final day of the past fiscal year.

The bill was conditionally vetoed by the Governor on July 11 so that it could be amended to take effect immediately instead of July 1, 1978.

The bill signed today reflects that change.
