

54:4-2.2A et al

LEGISLATIVE HISTORY CHECKLIST

NJSA 54:4-2.2a et al (Municipalities-payment in lieu of taxes for State)

Laws of 1977 Chapter 272

Bill No. A930

Sponsor(s) Owens, Brown & Hawkins

Date Introduced Pre-filed

Committee: Assembly Taxation

Senate -----

Amended during passage Yes No Amendments during passage denoted by asterisks

Date of passage: Assembly June 20, 1977

Senate June 27, 1977

Date of approval October 26, 1977

Following statements are attached if available:

Sponsor statement Yes No Below

Committee Statement: Assembly Yes No

Senate Yes No

Fiscal Note Yes No

Veto message Yes No

Message on signing Yes No

Following were printed:

Reports Yes No

Hearings Yes No

Sponsor's Statement: The purpose of this bill is expressed in its title.

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**ASSEMBLY, No. 930**

**STATE OF NEW JERSEY**

PRE-FILED FOR INTRODUCTION IN THE 1976 SESSION

By Assemblymen OWENS, BROWN and HAWKINS

AN ACT providing for payments *\*for local services\** in lieu of taxes on State property, and repealing R. S. 54:4-2.1 and R. S. 54:4-2.2.

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

1 1. As used in this act:

2 **\*[a.]\*** "State property" means land and improvements owned  
 3 by the State and includes but shall not be limited to State offices,  
 4 hospitals, institutions, schools, colleges, universities, garages, in-  
 5 spection stations, warehouses, barracks and armories together with  
 6 abutting vacant land held for future development for the same  
 7 purposes. State property shall not include that used or held for  
 8 future use for highway, bridge or tunnel purposes *\*or property*  
 8A *which is qualified under State law for any other State payment*  
 8B *in lieu of taxes\*.*

9 **\*[b. "County tax rate"** means that portion of the tax rate neces-  
 10 sary to generate the amount set forth as the county tax levy.

11 c. "Local purpose levy" means the amount of money raised by  
 12 taxation for municipal purposes which appears in column 12CII  
 13 of the county abstract of ratables.

14 d. "Local purpose tax rate" means that portion of the general  
 15 tax rate necessary to generate the amount set forth as the local  
 16 purpose levy.]\*

1 2. Notwithstanding the provisions of any other law and to com-  
 2 pensate municipalities for the impact upon local government costs  
 3 **\*[by]\*** *\*of local services to\** State property, such property shall  
 4 be assessed and subject to an in lieu tax payment **\*[as in this act**  
 5 **provided]\*** *\*provided in this act\*.*

1 3. Commencing with the tax year 1977, each assessor **\*[shall]\***  
 2 annually**\*[**, at the same time tax bills are prepared and sent to

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

3 taxpayers,] \*on or before September 15 shall\* prepare and send to  
 4 the \*[State Treasurer]\* \*Director of the Division of Taxation  
 5 on a form prescribed by him\* statements of the \*taxable value\*  
 6 assessments \*as if the same were not exempt from taxation\* on  
 7 each parcel of State-owned real property, as described in section  
 8 1 a. of this act\*, and the county tax rate and local purpose tax  
 9 rate of the municipality]\*.

1 \*4. Upon receipt of the assessments of State property, the State  
 2 Treasurer shall compute the State's liability for in lieu tax pay-  
 3 ments in each municipality affected. The in lieu payment shall be  
 4 calculated by applying the county tax rate and the local purpose  
 5 tax rate of the municipality to the aggregate amount of State  
 6 property in the municipality and the sum of such calculations shall  
 7 constitute the State's liability; provided, however, the State shall  
 8 have no liability when the sum of its liability is less than \$1,000.00,  
 9 and no municipality shall receive in lieu payment greater than  
 10 an amount equal to 25% of the local purpose levy for the year on  
 11 which the calculations are made.

1 5. The in lieu payments for State property shall be appropriated  
 2 for the tax year 1977 and annually thereafter and the State Trea-  
 3 surer shall include in his budget request for State aid to munici-  
 4 palities the funds necessary therefor which shall be appropriated  
 5 by the Legislature.

1 6. The Director of the Division of Taxation shall review and  
 2 revise the list and the assessment of any parcel of State-owned  
 3 property and shall notify the county tax board and the taxing  
 4 district affected by any such change, addition or revision on or  
 5 before November 15, 1976 and on or before November 1, annually  
 6 thereafter.

1 7. Any municipality in which State property is situate may  
 2 anticipate the payment of in lieu tax payments by the State as  
 3 anticipated revenues in preparing its annual budget.

1 8. In order that the State may be prepared to appropriate the  
 2 funds to make the in lieu of tax payments imposed by this act, in-  
 3 formation copies of assessment lists of State properties shall be  
 4 prepared and submitted to the State Treasurer containing assessed  
 5 valuations thereof made as of October 1, 1974 and the State  
 6 Treasurer shall prepare a special request for the funds necessary  
 7 for the initial payments to be made in the first half of the tax  
 8 year 1975.

1 9. For the year 1977, the amounts paid in lieu of taxes on State  
 2 property, or for services rendered, to any municipality shall be  
 3 credited against the amount payable under this act.]\*

1    \*4. Upon the receipt of the assessments of State property, the  
2 director shall review and revise the list and the assessment of any  
3 parcel of State property, and annually on or before November 15  
4 the director shall notify the county board of taxation and the taxing  
5 district affected by any such change, addition or revision. The  
6 determination by the director shall be final and there shall be no  
7 appeal taken with respect thereto, except to correct typographical  
8 and mathematical errors.

1    5. After completion of the review of the assessments of State  
2 property, the director shall compute the State's liability for in lieu  
3 tax payments in each municipality affected. The in lieu payment  
4 shall be calculated by applying the effective local purpose tax rate  
5 of the municipality for the tax year 1977 and thereafter to the  
6 aggregate amount of State property, as defined in section 1, in  
7 the municipality and the sum of such calculations shall constitute  
8 the State's liability; provided, however, the State shall have no  
9 liability to any one municipality when the sum of its liability is  
10 less than \$1,000.00, and no municipality shall receive an in lieu  
11 payment from the State greater than an amount equal to 25%  
12 of the local purpose tax levy for the year for which the calculations  
13 are made.

1    6. Upon completion of the review of assessments of State prop-  
2 erty and the calculation of the State's liability for in lieu tax pay-  
3 ments, the director shall certify to the State Treasurer, on or be-  
4 fore December 1, 1977, and on or before December 1 annually  
5 thereafter, the total amount necessary therefor.

1    7. In lieu payments for local services to State property shall be  
2 appropriated for the tax year 1978 and annually thereafter and  
3 the State Treasurer shall include in his budget request for State  
4 aid to municipalities the funds necessary therefor which shall be  
5 appropriated by the Legislature.

1    8. Any municipality in which State property is situated and  
2 which shall qualify under the provisions of this act may anticipate  
3 its in lieu tax payment by the State as revenue in preparing its  
4 annual budget.

1    9. In lieu tax payments for local services to State property shall  
2 be made in two equal annual installments on May 1 and November 1.

1    10. In the event that an appropriation made for any year is less  
2 than the amount required for full payment in lieu of taxes to each  
3 municipality, the amount otherwise payable to each municipality  
4 shall be reduced in the same proportion as the appropriation made  
5 is to the amount required for full funding.

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1 11. *The director is authorized to make such rules and regulations*  
2 *and to require such facts and information from local assessors,*  
3 *county boards of taxation and agencies of the State Government*  
4 *as he may deem necessary to carry out the provisions of this act.\**

1 \***[10.]**\* \*12.\* R. S. 54:4-2.1 and 54:4-2.2 are hereby repealed.

1 \***[11.]**\* \*13.\* This act shall take effect July 1, \***[1976]**\* \*1977\*.