

REPORTS:

Yes

974.90 M966 1971d

Task force on Urban Programs – Interim Report
Richard J. Vander Plaat, Chairman
Trenton NJ: November 9, 1971
Available online at <http://hdl.handle.net/10929/49768>

974.90 M966 1971h

Formal response by Mayor Kenneth A. Gibson to the interim report of November 9, 1971
Kenneth A. Gibson
Newark NJ: 1971
Available online at <http://hdl.handle.net/10929/49766>

974.90 M966 1972a

Reply of the Task force on Urban Programs to Mayor Gibson's formal response to the Interim Report
Richard J. Vander Plaat, Chairman
Trenton NJ: March 14, 1972
Available online at <http://hdl.handle.net/10929/49769>

974.90 M966 1973

Task Force on Urban Programs – Final Report
Richard J. Vander Plaat, Chairman
Trenton NJ: 1973
Available online at <http://hdl.handle.net/10929/49765>

LAW/RWH

ASSEMBLY, No. 1371

STATE OF NEW JERSEY

INTRODUCED DECEMBER 10, 1970

By Assemblyman PARKER

(Without Reference)

AN ACT authorizing certain municipalities to impose certain taxes, providing for the administration and collection thereof and supplementing Title 54 of the Revised Statutes.

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

ARTICLE 1. AUTHORIZATION; SHORT TITLE

1 1. Any municipality having a population in excess of 350,000,
2 hereinafter referred to as "municipality," is hereby authorized
3 and empowered to enact an ordinance or ordinances imposing any
4 of the taxes hereinafter provided for at the rates and in the manner
5 hereinafter provided.

1 2. This act shall be known and may be cited as the "Local Tax
2 Authorization Act of 1970."

ARTICLE 2. ALCOHOLIC BEVERAGES TAX

1 3. As used in this article:

2 (a) "alcoholic beverages" means liquors, wines, sparkling
3 wines, and vermouth;

4 (b) "liquors" means all distilled or rectified spirits, alcohol,
5 brandy, whisky, rum, gin and all similar distilled alcoholic beverages
6 including all dilutions and mixtures of one or more of the
7 foregoing, such as liqueurs, cordials, and similar compounds, having
8 an alcoholic content of one-half of one per centum ($\frac{1}{2}$ of 1%)
9 or more by volume.

10 (c) "wines" means all wines whether known as "dry wines,"
11 "sweet wines," "still wines," or "fortified wines" and any artificial
12 or imitation wine or compound sold as wine, and any fruit
13 juice containing one-half of one per centum ($\frac{1}{2}$ of 1%) or more
14 of alcohol by volume, and any other beverage containing alcohol
15 produced by the fermentation of the natural sugar content of fruits
16 or other agricultural products containing sugar, which beverage
17 contains one-half of one per centum ($\frac{1}{2}$ of 1%) or more of alcohol by

18 volume, but shall not mean or include vermouth, or cidar containing
 19 less than three and two-tenths per centum ($3\frac{2}{10}\%$) of alcohol by
 20 volume.

21 (d) "sparkling wines" means champagne and other effervescent
 22 wine charged with carbon dioxide, whether artificially or as the
 23 result of secondary fermentation of the wine within the container.

24 (e) "vermouth" means any compound made by the mixture of
 25 extracts from macerated aromatic flavoring materials with wines
 26 and manufactured in such manner that the product possesses the
 27 taste, aroma, and characteristics generally attributed to vermouth.

28 (f) "taxpayer" means a person chargeable with the payment of
 29 the tax imposed pursuant to an ordinance enacted pursuant to the
 30 authority of this article.

1 4. Any municipality is hereby authorized and empowered to
 2 enact an ordinance imposing the following taxes at the rates in-
 3 dicated on alcoholic beverages sold for consumption on the premises
 4 where sold within such municipality:

5 (a) a tax on liquor—at the rate of \$5.00 a gallon;

6 (b) a tax on wine—at the rate of \$1.00 a gallon;

7 (c) a tax on sparkling wine—at the rate of \$1.00 a gallon;

8 (d) a tax on vermouth—at the rate of \$1.00 a gallon.

9 Such tax shall be imposed upon those persons licensed to sell
 10 alcoholic beverages for consumption on the premises where sold
 11 within the municipality and shall be paid with respect to alcoholic
 12 beverages delivered to such persons for sale and consumption on
 13 the premises where sold.

1 5. No tax shall be imposed under any ordinance adopted pur-
 2 suant to this article with respect to alcoholic beverages delivered to
 3 a taxpayer on or after January 1, 1973.

ARTICLE 3. PARKING RECEIPTS TAX

1 6. Any municipality is hereby authorized and empowered to
 2 enact an ordinance imposing in any such municipality a tax, not to
 3 exceed 15%, on the receipts from the business of providing parking,
 4 garaging, or storing of motor vehicles, other than receipts from
 5 parking in a garage which is part of premises occupied solely as a
 6 private one or two family dwelling.

1 7. a. All taxes imposed by such ordinance shall be collected on
 2 behalf of the municipality by the person (hereinafter sometimes
 3 referred to as "taxpayer") providing parking services to the
 4 customer.

5 b. Every person required to collect any tax imposed by the ordi-
 6 nance shall be personally liable for the tax imposed, collected or

7 required to be collected hereunder. Any such person shall have the
8 same right in respect to collecting the tax from his customer or in
9 respect to non-payment of the tax by the customer as if the tax were
10 a part of the service charge and payable at the same time; provided,
11 however, that the chief fiscal officer shall be joined as a party in any
12 action or proceeding brought to collect the tax.

13 c. Where any user or customer has failed to pay a tax imposed
14 hereunder to the person required to collect the same, then in addi-
15 tion to all other rights, obligations and remedies provided, such tax
16 shall be payable by the customer or user directly to the chief fiscal
17 officer and it shall be the duty of the customer to pay the tax to him
18 within 20 days of the date the tax was required to be paid.

19 d. No person required to collect any tax hereunder shall adver-
20 tise or hold out to any person or to the public in general, in any
21 manner, directly or indirectly, that the tax is not considered as an
22 element in the charge payable by customer, or that he will pay the
23 tax, that the tax will not be separately charged and stated to the
24 customer or that the tax will be refunded to the customer.

25 e. All taxes collected pursuant to such ordinance shall be re-
26 mitted to the chief fiscal officer of the municipality and shall be
27 reported on such forms and paid at such times as may be prescribed
28 in such ordinance.

1 8. No tax shall be imposed under any ordinance adopted pur-
2 suant to this article with respect to parking services provided on or
3 after January 1, 1973.

ARTICLE 4. MOTOR FUELS TAX

1 9. Any municipality is hereby authorized and empowered to
2 enact an ordinance imposing a tax at the rate specified in such
3 ordinance on sales of fuels taxed pursuant to Chapter 39 of Title
4 54 of the Revised Statutes sold or delivered to the consumer thereof
5 in such municipality. Such tax shall be in addition to the tax im-
6 posed by R. S. 54:39-27, and shall be administered and collected by
7 the Director of the Division of Taxation pursuant to Chapter 39 of
8 Title 54 of the Revised Statutes. Such additional tax shall be im-
9 posed upon those persons who now pay to the Director the tax
10 imposed by R. S. 54:39-27 to the extent that such persons have
11 reason to believe such fuel is intended for sale or delivery to the
12 consumer thereof in such municipality. In the event that the addi-
13 tional tax has not been paid for any motor fuel which is delivered
14 for sale or delivery within the municipality to the consumer thereof,
15 the additional tax shall be imposed upon the person making such
16 delivery and said person shall pay the tax to the Director, and the

17 failure of such person to so pay and remit the tax shall constitute a
18 violation of this article.

1 10. All receipts collected by the Director with respect to the said
2 additional tax imposed by such ordinance, shall be transmitted by
3 him to the chief fiscal officer of such municipality on the tenth day of
4 each month following receipt thereof by the Director.

1 11. Any ordinance and any amendment thereof adopted pursuant
2 to this article shall apply to sales of motor fuels on and after the
3 first day of the month following the filing of a certified copy thereof
4 with the Director of the Division of Taxation in the Department of
5 the Treasury and the Director of the Division of Local Finance in
6 the Department of Community Affairs.

1 12. No tax shall be imposed under any ordinance adopted pur-
2 suant to this article with respect to sales of motor fuels on or after
3 January 1, 1973.

1 13. There is hereby appropriated to the Division of Taxation the
2 sum of \$75,000 or so much thereof as shall be required to carry out
3 the provisions of this article from the effective date hereof through
4 the period ending June 30, 1971.

ARTICLE 5. EMPLOYER PAYROLL TAX

1 14. As used in this article:

2 "Employer" means any individual, corporation, company, asso-
3 ciation, society, firm, partnership, joint stock company, trust, estate,
4 or foundation standing in the position of employer in an employer-
5 employee relationship, having one or more employees and having
6 a payroll in excess of \$2,500.00 in any calendar quarter; other than

7 a. the government of the United States;

8 b. the State of New Jersey or a county, municipality, school
9 district or special district of the State;

10 c. an interstate agency; or

11 d. an agency or instrumentality of any organization enumerated
12 in a., b. or c. above.

13 e. any insurance company formed by authority of another state
14 or foreign country and subject to the provisions of P. L. 1950, c. 231
15 (C. 17:32-15).

16 "Payroll" means an amount equal to the total remuneration paid
17 by employers to employees which is subject to withholding by the
18 employer for federal income tax purposes for services, other than
19 domestic services in a private residence, if

20 (a) The services are performed within the municipality; or

21 (b) The services are performed both within and without the
22 municipality and the place from which the services are supervised,
23 is in the municipality.

1 15. Any municipality may by ordinance impose and collect an
2 employer payroll tax for general municipal purposes of the mu-
3 nicipality at a rate of 1% of the employer's payroll.

1 16. Any ordinance adopted pursuant to this article shall:

2 a. Require each employer to report his payroll for the preceding
3 calendar quarter to an officer of the municipality designated therein
4 to receive the same and to collect the tax together with such other
5 related information as shall be required by the ordinance and regu-
6 lations issued pursuant thereto;

7 b. Require the report and payment of the tax imposed for the
8 preceding calendar quarter on or before the last day of April, July,
9 October and January, respectively;

10 c. Provide methods for enforcement of, and for the imposition
11 of penalties for failure to report and pay, the tax imposed;

12 d. Provide procedure for claims for refunds, and repayment of
13 overpayment of taxes.

14 e. Prohibit any employer from deducting or withholding any
15 amount from remuneration payable to an employee on account of
16 the tax imposed by the ordinance;

17 f. Provide that information contained in any employer's report
18 or received by the municipality or any of its officers or employees as
19 a result of any investigation, hearing or verification of a report
20 shall be confidential except for official purposes and shall not be
21 disclosed except in accordance with an order of court or as other-
22 wise provided by law.

1 17. Any ordinance adopted pursuant to this article may, not-
2 withstanding the definition of "employer" in section 2 of this act,
3 provide that the term employer shall not include corporations or
4 associations organized not for profit and operated exclusively for
5 religious, educational, charitable or hospital purposes.

1 18. No employer shall be obligated to report and pay an employer
2 payroll tax, or any interest, penalty or costs with respect thereto,
3 to more than one municipality with respect to remuneration paid to
4 an employee for services performed. Where any dispute as to the
5 liability for an employer's payroll tax to more than one munic-
6 ipality for services performed by an employee is not resolved by
7 agreement between the employer and the municipalities, all of said
8 municipalities shall be joined in a proceeding in the Division of
9 Tax Appeals to collect the tax alleged to be due.

1 19. No tax shall be imposed under any ordinance adopted pur-
2 suant to this article with respect to services performed prior to
3 January 1, 1971, in a calendar quarter prior to that in which the
4 ordinance is adopted or on or after January 1, 1973, but any such

5 ordinance shall remain in effect with respect to the right of the
6 municipality to receive reports and enforce and collect taxes due
7 thereunder for any period prior to January 1, 1973.

ARTICLE 6. OCCUPANCY TAX

1 20. When used in this article, the following terms shall mean or
2 include:

3 "Landlord." A person who grants the right to use or occupy
4 premises to any lessee, sublessee, licensee or concessionaire,
5 whether or not he is the owner of the premises.

6 "Tenant." A person paying or required to pay rent for premises
7 or a person to whom premises have otherwise been made available
8 as a lessee, sublessee, licensee or concessionaire.

9 "Premises." Any real property or part thereof, and any struc-
10 ture thereon or space therein.

11 "Taxable premises." Any premises in the municipality occupied,
12 used or intended to be occupied or used for the purpose of carrying
13 on or exercising any trade, business, profession, vocation or com-
14 mercial activity, including any premises so used even though it is
15 used solely for the purpose of renting, or granting the right to
16 occupy or use, the same premises in whole or in part to tenants.

17 "Taxable premises" shall also mean any premises owned by a non-
18 profit partnership, association, corporation or other nonprofit
19 entity and rented or otherwise made available by said nonprofit
20 partnership, association, corporation or other nonprofit entity to a
21 tenant whether said tenant pays rent or not. Where no rent is paid
22 by a tenant, then the tax shall be determined on the basis of the
23 fair rental value of the premises. For such purpose, the rent and
24 the tax determined under section 3 hereof shall be computed by
25 applying the current rental per square foot for comparable
26 premises, which rental shall be presumed to be the fair rental value.

1 21. Any municipality is hereby authorized and empowered to
2 enact an ordinance imposing a tax as herein provided.

1 22. Each ordinance shall provide that every tenant shall pay a
2 tax based on the rent and at the rate shown in the following table:

When the Annual Rent Is:	But Not More Than:	The Rate Shall Be:
3 0 or over	2,499	2½% of the rent
4 2,500 or over	4,999	5% of the rent
5 5,000 or over	7,999	6¼% of the rent
6 8,000 or over	10,999	7% of the rent
7 11,000 or over		7½% of the rent

8 Where the rent is for a period of less than 1 year the rate shall be
9 determined by assuming that the rent is on an equivalent basis for
10 the entire year.

1 23. a. Nothing contained in any such ordinance shall be deemed
2 to require payment of a double or multiple tax thereunder on any
3 part of any taxable premises.

4 b. Where a tenant pays an undivided rent for premises used
5 both for residential purposes and as taxable premises, the tax shall
6 be applicable to so much of the rent as is ascribable to the portion of
7 such premises used as taxable premises.

8 Where, however, the rent ascribable to so much of such premises
9 as is used as taxable premises does not exceed \$50.00 a month, such
10 rent shall be excluded from such tenant's rent. Nothing contained
11 in this section shall be construed as indicating an intent to exclude
12 any rent from the tax, merely because it is paid as part of an un-
13 divided rent for premises which are only partially used as taxable
14 premises.

15 c. The tax imposed by the ordinance shall be in addition to any
16 and all other taxes.

17 d. Nothing contained in this section shall be construed as per-
18 mitting rent of a tenant for one taxable premises to be reduced by
19 deducting rents received by him for another taxable premises of
20 which he is also a tenant.

1 24. The following tenants shall be exempt from the payment of
2 the tax imposed by any such ordinance:

3 a. the government of the United States;

4 b. the State of New Jersey or a county, municipality, school
5 district or special district of the State;

6 c. an interstate agency; or

7 d. an agency or instrumentality of any organization enumerated
8 in a., b. or c. above;

9 e. Any corporation, or association, or trust, or community chest,
10 fund or foundation, organized and operated exclusively for reli-
11 gious, charitable, or educational purposes, or for the prevention of
12 cruelty to children or animals, and no part of the net earnings of
13 which inures to the benefit of any private shareholder or individual
14 and no substantial part of the activities of which is carrying on
15 propaganda, or otherwise attempting to influence legislation; pro-
16 vided, however, that nothing in this paragraph shall include an
17 organization operated for the primary purpose of carrying on a
18 trade or business for profit, whether or not all of its profits are
19 payable to one or more organizations described in this paragraph;

20 f. Any tenant who would be subject to taxes under this act

21 aggregating no more than \$1.00 for a tax year with respect to all
22 taxable premises used by him.

1 25. Any ordinance imposing a tax pursuant to this article shall
2 take effect only on the first day of any calendar month of any year.

1 26. No tax shall be imposed under any ordinance adopted pur-
2 suant to this article with respect to rental for use or occupancy of
3 commercial premises on or after January 1, 1973.

ARTICLE 7. SALES TAX

1 27. Any municipality is hereby authorized and empowered to
2 enact an ordinance imposing a sales and use tax at the rate of 1%
3 on transactions taking place in such municipality and subject to tax
4 under the "Sales and Use Tax Act" (P. L. 1966, c. 30 (C. 54:32B-1
5 et seq.)). Such tax shall be in addition to the tax imposed by sec-
6 tions 3 (C. 54:32B-3) and 6 (C. 54:32B-6) of said act, and shall be
7 administered and collected by the Director of the Division of Taxa-
8 tion pursuant to said act.

1 28. For the purpose of adding and collecting the tax imposed by
2 any such ordinance and by the Sales and Use Tax Act or an amount
3 equal as nearly as possible or practicable to the average equivalent
4 thereof, to be reimbursed to the vendor by the purchaser, the
5 following formula shall be in force and effect in the municipality.

	Amount of Sale	Amount of Tax
6	\$0.01 to \$0.10	
7	.11 to .20	1¢
8	.21 to .35	2¢
9	.36 to .55	3¢
10	.56 to .70	4¢
11	.71 to .85	5¢
12	.86 to 1.10	6¢

13 In addition to a tax of \$0.06 on each full dollar applicable in such
14 municipality, a tax shall be collected on each part of a dollar in
15 excess of a full dollar in accordance with the above formula.

1 29. All receipts collected by the Director with respect to the said
2 additional tax imposed by such ordinance, less 2% for costs of
3 administration, shall be paid by the State Treasurer each year upon
4 certification of the Director, on or before the payment dates with
5 respect to the periods hereinafter set forth to the chief fiscal officer
6 of each municipality adopting any ordinance pursuant to this act.

Certification Date	Payment Date	Sales or Service Period
7 October 1	October 10	January 1-June 30
8 April 1	April 10	July 1-December 31

1 30. The Director shall have power to prescribe rules and regula-
2 tions to effectuate the collection of the taxes under any such ordi-

3 nance including transitional provisions, and for such purposes he
4 shall be guided by the transitional provisions contained in the Sales
5 and Use Tax Act. The time limitations for adopting rules and
6 regulations pursuant to the Administrative Procedure Act, P. L.
7 1968, c. 410, (C. 52:14B-1 et seq.) shall not be applicable to the
8 promulgation of regulations hereunder.

9 In distributing the portion of the sales tax collections due to any
10 such municipality, the Director shall in his certification certify $\frac{1}{6}$
11 of the sales tax receipts collected from such municipalities.

1 31. Any ordinance and any amendment thereof adopted pursuant
2 to this act shall apply to transactions taking place on and after the
3 first day of the month following the filing of a certified copy thereof
4 with the Director of the Division of Taxation in the Department of
5 the Treasury and the Director of the Division of Local Finance in
6 the Department of Community Affairs.

1 32. No tax shall be imposed under any ordinance adopted pur-
2 suant to this article with respect to transactions taking place on
3 or after January 1, 1973.

1 33. There is hereby appropriated to the Division of Taxation
2 the sum of \$100,000 or so much thereof as shall be required to carry
3 out the provisions of this article from the effective date hereof
4 through the period ending June 30, 1971.

ARTICLE 8. GENERAL PROVISIONS

1 34. a. Every ordinance imposing a tax pursuant to this act shall
2 provide methods for reporting taxes due and providing for the
3 collection thereof. All taxes pursuant to any such ordinance shall
4 be remitted to the chief fiscal officer of the municipality and shall
5 constitute revenues of the municipality available for any lawful
6 municipal purpose.

7 b. Any ordinance imposing a tax pursuant to this act or increas-
8 ing or decreasing the rate of such tax shall take effect only the first
9 day of any calendar month in any year.

1 35. The taxes, interest and penalties imposed by any ordinance
2 adopted pursuant to this act from the time the same shall be due
3 shall be a debt of the taxpayer by whom payable to the municipality,
4 recoverable in any court of competent jurisdiction in a civil action
5 in the name of the municipality to be instituted within three years
6 of the date due or of the filing of the report, whichever date is
7 later.

1 36. As an additional remedy, the chief fiscal officer of the munic-
2 ipality adopting any ordinance hereunder may issue a certificate to
3 the clerk of the Superior Court or to the clerk of the Law Division
4 of the County Court of any county, that any person is indebted

5 under such ordinance in an amount as shall be stated in the certif-
6 icate. Thereupon, the clerk to whom such certificate shall have been
7 issued shall immediately enter upon his record of documented judg-
8 ments the name of such person, the address of the place of business
9 where such tax liability was incurred, the amount of the debt so
10 certified and the date of making such entry. The making of the
11 entries shall have the same force and effect as the entry of a
12 documented judgment in the office of such clerk, and said fiscal
13 officer shall have all the remedies and may take all the proceedings
14 for the collection thereof and may be had or taken upon the recovery
15 of a judgment in an action, but without prejudice to the taxpayer's
16 right of appeal.

1 37. Any ordinance adopted pursuant to this act shall provide
2 that if for any reason the tax is not paid when due, interest at a
3 rate of 12% per annum on the amount of said tax, and an addi-
4 tional penalty of $\frac{1}{2}$ of 1% of the amount of the unpaid tax for each
5 month or fraction thereof during which the tax remains unpaid,
6 shall be added and collected. Where action is brought for the
7 recovery of any such tax, the taxpayer liable therefor shall, in
8 addition, be liable for the costs of collection and the interest and
9 penalties therein imposed.

1 38. Any aggrieved taxpayer may, within three months after any
2 decision, order, finding, assessment or action of the chief fiscal
3 officer of any municipality adopting an ordinance hereunder, appeal
4 to the Division of Tax Appeals by filing a petition of appeal with
5 said Division in the manner and form prescribed by the said
6 Division and upon payment of the amount stated by said chief fiscal
7 officer to be due. The appeal provided by this section shall be the
8 exclusive remedy available to any taxpayer for review of a decision
9 of the chief fiscal officer in respect of the determination of a liability
10 for the taxes imposed hereunder.

1 39. a. Any person who fails, neglects or refuses to make any
2 report required by an ordinance adopted pursuant to this act, any
3 person who refuses to permit an officer or agent designated by the
4 municipality to examine his books, records and papers, and any per-
5 son who knowingly makes any incomplete, false, or fraudulent
6 report, or attempts to do anything whatever to avoid the full dis-
7 closure of the amount due under the ordinance to avoid the pay-
8 ment of the whole or any part thereof is a disorderly person.

9 b. The failure of any person to receive or procure the forms
10 required for making reports required by an ordinance adopted pur-
11 suant to this act shall not excuse him from making such report.

1 40. The clerk of any municipality adopting an ordinance pur-
2 suant to this act shall, immediately following the adoption of the
3 ordinance or any amendment thereof, forward a copy thereof to
4 the Director of the Division of Local Finance in the Department of
5 Community Affairs.

1 41. This act shall take effect immediately.

ASSEMBLY AMENDMENTS TO
ASSEMBLY, No. 1371

STATE OF NEW JERSEY

ADOPTED DECEMBER 14, 1970

Amend page 2, section 3, line 21, delete "sparking", insert "sparkling".

Amend page 2, Article 3, delete "Receipts".

Amend page 2, section 6, line 3, delete "the receipts from the business of providing", and insert "fees for".

Amend page 2, section 6, line 4, delete "receipts from".

Amend page 3, section 7, line 11, after "officer", insert "of the municipality".

Amend page 3, section 7, lines 13 to 18, delete in their entirety.

Amend page 3, section 7, line 19, delete "d.", insert "c."

Amend page 3, section 7, line 22, after "by", insert "the".

Amend page 3, section 7, line 22, delete "or".

Amend page 3, section 7, line 25, delete "e.", insert "d."

Amend page 3, section 9, line 6, delete "R. S. 54:39-27," and insert "such chapter".

Amend page 3, section 9, line 8, after "Statutes", insert "and the State Tax Uniform Procedure Law".

Amend page 3, section 9, line 10, delete "R. S. 54:39-27", and insert "chapter 39 of Title 54 of the Revised Statutes".

Amend page 4, section 10, line 2, delete "transmitted", and insert "paid".

Amend page 4, section 10, line 3, delete "him", and insert "the State Treasurer upon certification of the director".

Amend page 4, section 10, line 3, after "on", insert "or before".

Amend page 4, section 14, line 21, delete "both within and without", and insert "outside".

Amend page 6, section 20, line 24, delete "3", and insert "22".

Amend page 6, section 20, line 26, after "value.", insert "'Taxable premises' shall not include (a) premises used for railroad transporta-

tion purposes, (b) premises used for air transportation purposes and (c) premises used as marine terminals insofar as such premises are used in interstate or foreign commerce.”.

Amend page 6, section 22, line 2, delete “and at the rate”, and insert “which shall not exceed the rates”.

Amend page 6, section 22, line 2, after this line, delete the balance of this page and insert the following:

When the Annual Rent is:	The Tax Shall Be:
\$0 to \$2,499.00	2½% of the annual rent
\$2,500.00 to \$4,999.00	\$62.50, plus 5% of the annual rent in excess of \$2,500.00
\$5,000.00 to \$7,999.00	\$187.50, plus 6¼% of the annual rent in excess of \$5,000.00
\$8,000.00 to \$10,999.00	\$375.00 plus 7% of the annual rent in excess of \$8,000.00
\$11,000.00 or over	\$585.00, plus 7½% of the annual rent in excess of \$11,000.00”.

Amend page 7, section 23, lines 17 to 20, delete in their entirety.

Amend page 8, section 27, line 8, after “act”, insert “and the State Tax Uniform Procedure Law”.

Amend page 8, section 28, line 6, under “Amount of Tax”, insert “No tax”.

Amend page 9, section 30, line 5, delete “The time limitations for adopting rules and”.

Amend page 9, section 30, lines 6 to 8, delete in their entirety, and insert in lieu thereof “The provisions of section 4 of the Administrative Procedure Act (C. 52:14B-4) shall not apply to the adoption and promulgation of such rules and regulations.”.

Amend page 9, section 30, line 9, delete “distributing”, and insert “certifying”.

Amend page 10, section 36, line 14, delete “and”, and insert “which”.

Amend page 10, section 37, line 1, delete “Any”, and insert in lieu thereof “Except as otherwise provided in Articles 4 and 7 of this act, any”.

Amend page 11, section 40, line 5, after “Affairs”, insert “and the Director of the Division of Taxation in the Department of the Treasury”.

CHAPTER 326 LAWS OF N. J. 1970

APPROVED 12/23/70

[OFFICIAL COPY REPRINT]

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STATE OF NEW JERSEY

INTRODUCED DECEMBER 10, 1970

By Assemblyman PARKER

(Without Reference)

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1 2. This act shall be known and may be cited as the "Local Tax
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1 3. As used in this article:

2 (a) "alcoholic beverages" means liquors, wines, sparkling
3 wines, and vermouth;

4 (b) "liquors" means all distilled or rectified spirits, alcohol,
5 brandy, whisky, rum, gin and all similar distilled alcoholic beverages including all dilutions and mixtures of one or more of the
6 foregoing, such as liqueurs, cordials, and similar compounds, having an alcoholic content of $\frac{1}{2}$ of 1% or more by volume.

9 (c) "wines" means all wines whether known as "dry wines,"
10 "sweet wines," "still wines," or "fortified wines" and any artificial or imitation wine or compound sold as wine, and any fruit
11 juice containing $\frac{1}{2}$ of 1% or more of alcohol by volume, and any
12 other beverage containing alcohol produced by the fermentation of
13 the natural sugar content of fruits or other agricultural products
14 containing sugar, which beverage contains $\frac{1}{2}$ of 1% or more of
15

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

16 alcohol by volume, but shall not mean or include vermouth, or cider
17 containing less than 3 $\frac{1}{10}$ % of alcohol by volume.

18 (d) *["sparkling"]* *"*sparkling** wines" means champagne and
19 other effervescent wine charged with carbon dioxide, whether
20 artificially or as the result of secondary fermentation of the wine
21 within the container.

22 (e) "vermouth" means any compound made by the mixture of
23 extracts from macerated aromatic flavoring materials with wines
24 and manufactured in such manner that the product possesses the
25 taste, aroma, and characteristics generally attributed to vermouth.

26 (f) "taxpayer" means a person chargeable with the payment of
27 the tax imposed pursuant to an ordinance enacted pursuant to the
28 authority of this article.

1 4. Any municipality is hereby authorized and empowered to
2 enact an ordinance imposing the following taxes at the rates in-
3 dicated on alcoholic beverages sold for consumption on the premises
4 where sold within such municipality:

5 (a) a tax on liquor—at the rate of \$5.00 a gallon;

6 (b) a tax on wine—at the rate of \$1.00 a gallon;

7 (c) a tax on sparkling wine—at the rate of \$1.00 a gallon;

8 (d) a tax on vermouth—at the rate of \$1.00 a gallon.

9 Such tax shall be imposed upon those persons licensed to sell
10 alcoholic beverages for consumption on the premises where sold
11 within the municipality and shall be paid with respect to alcoholic
12 beverages delivered to such persons for sale and consumption on
13 the premises where sold.

1 5. No tax shall be imposed under any ordinance adopted pur-
2 suant to this article with respect to alcoholic beverages delivered to
3 a taxpayer on or after January 1, 1973.

ARTICLE 3. PARKING *["RECEIPTS"]* TAX

1 6. Any municipality is hereby authorized and empowered to
2 enact an ordinance imposing in any such municipality a tax, not to
3 exceed 15%, on *["the receipts from the business of providing"]*
4 *fees for* parking, garaging, or storing of motor vehicles, other
5 than *["receipts from"]* parking in a garage which is part of
6 premises occupied solely as a private one- or two-family dwelling.

1 7. a. All taxes imposed by such ordinance shall be collected on
2 behalf of the municipality by the person (hereinafter sometimes
3 referred to as "taxpayer") providing parking services to the
4 customer.

5 b. Every person required to collect any tax imposed by the ordi-
6 nance shall be personally liable for the tax imposed, collected or

7 required to be collected hereunder. Any such person shall have the
 8 same right in respect to collecting the tax from his customer or in
 9 respect to nonpayment of the tax by the customer as if the tax were
 10 a part of the service charge and payable at the same time; provided,
 11 however, that the chief fiscal officer **of the municipality** shall be
 12 joined as a party in any action or proceeding brought to collect the
 12A tax.

13 ***[c.]** Where any user or customer has failed to pay a tax imposed
 14 hereunder to the person required to collect the same, then in addi-
 15 tion to all other rights, obligations and remedies provided, such tax
 16 shall be payable by the customer or user directly to the chief fiscal
 17 officer and it shall be the duty of the customer to pay the tax to him
 18 within 20 days of the date the tax was required to be paid.]*

19 ***[d.]** **c.** No person required to collect any tax hereunder shall
 20 advertise or hold out to any person or to the public in general, in any
 21 manner, directly or indirectly, that the tax is not considered as an
 22 element in the charge payable by **the ** customer, ***[or]** that he
 23 will pay the tax, that the tax will not be separately charged and
 24 stated to the customer or that the tax will be refunded to the
 24A customer.

25 ***[e.]** **d.** All taxes collected pursuant to such ordinance shall be
 26 remitted to the chief fiscal officer of the municipality and shall be
 27 reported on such forms and paid at such times as may be prescribed
 28 in such ordinance.

1 8. No tax shall be imposed under any ordinance adopted pur-
 2 suant to this article with respect to parking services provided on or
 3 after January 1, 1973.

ARTICLE 4. MOTOR FUELS TAX

1 9. Any municipality is hereby authorized and empowered to
 2 enact an ordinance imposing a tax at the rate specified in such
 3 ordinance on sales of fuels taxed pursuant to chapter 39 of Title
 4 54 of the Revised Statutes sold or delivered to the consumer thereof
 5 in such municipality. Such tax shall be in addition to the tax im-
 6 posed by ***[R. S. 54:39-27,]** **such chapter** and shall be admin-
 7 istered and collected by the Director of the Division of Taxation
 8 pursuant to chapter 39 of Title 54 of the Revised Statutes **and the*
 9 *State Tax Uniform Procedure Law**. Such additional tax shall be
 10 imposed upon those persons who now pay to the director the tax
 11 imposed by ***[R. S. 54:39-27]** **chapter 39 of Title 54 of the Re-*
 12 *vised Statutes** to the extent that such persons have reason to
 13 believe such fuel is intended for sale or delivery to the consumer
 14 thereof in such municipality. In the event that the additional tax
 15 has not been paid for any motor fuel which is delivered for sale

16 or delivery within the municipality to the consumer thereof, the
 17 additional tax shall be imposed upon the person making such
 18 delivery and said person shall pay the tax to the director, and the
 19 failure of such person to so pay and remit the tax shall constitute a
 20 violation of this article.

1 10. All receipts collected by the director with respect to the said
 2 additional tax imposed by such ordinance, shall be ***[transmitted]***
 3 **paid** by ***[him]*** **the State Treasurer upon certification of the*
 4 *director** to the chief fiscal officer of such municipality on **or*
 5 *before** the tenth day of each month following receipt thereof by
 6 the director.

1 11. Any ordinance and any amendment thereof adopted pursuant
 2 to this article shall apply to sales of motor fuels on and after the
 3 first day of the month following the filing of a certified copy thereof
 4 with the Director of the Division of Taxation in the Department of
 5 the Treasury and the Director of the Division of Local Finance in
 6 the Department of Community Affairs.

1 12. No tax shall be imposed under any ordinance adopted pur-
 2 suant to this article with respect to sales of motor fuels on or after
 3 January 1, 1973.

1 13. There is hereby appropriated to the Division of Taxation the
 2 sum of \$75,000.00 or so much thereof as shall be required to carry
 3 out the provisions of this article from the effective date hereof
 4 through the period ending June 30, 1971.

ARTICLE 5. EMPLOYER PAYROLL TAX

1 14. As used in this article:

2 "Employer" means any individual, corporation, company, asso-
 3 ciation, society, firm, partnership, joint stock company, trust, estate,
 4 or foundation standing in the position of employer in an employer-
 5 employee relationship, having one or more employees and having
 6 a payroll in excess of \$2,500.00 in any calendar quarter; other than

7 a. the Government of the United States;

8 b. the State of New Jersey or a county, municipality, school
 9 district or special district of the State;

10 c. an interstate agency; or

11 d. an agency or instrumentality of any organization enumerated
 12 in a., b. or c. above;

13 e. any insurance company formed by authority of another state
 14 or foreign country and subject to the provisions of P. L. 1950, c. 231
 15 (C. 17:32-15).

16 "Payroll" means an amount equal to the total remuneration paid
 17 by employers to employees which is subject to withholding by the

18 employer for Federal income tax purposes for services, other than
19 domestic services in a private residence, if

20 (a) The services are performed within the municipality; or

21 (b) The services are performed *~~both within and without~~*
22 *outside* the municipality and the place from which the services
23 are supervised, is in the municipality.

1 15. Any municipality may by ordinance impose and collect an
2 employer payroll tax for general municipal purposes of the mu-
3 nicipality at a rate of 1% of the employer's payroll.

1 16. Any ordinance adopted pursuant to this article shall:

2 a. Require each employer to report his payroll for the preceding
3 calendar quarter to an officer of the municipality designated therein
4 to receive the same and to collect the tax together with such other
5 related information as shall be required by the ordinance and regu-
6 lations issued pursuant thereto;

7 b. Require the report and payment of the tax imposed for the
8 preceding calendar quarter on or before the last day of April, July,
9 October and January, respectively;

10 c. Provide methods for enforcement of, and for the imposition
11 of penalties for failure to report and pay, the tax imposed;

12 d. Provide procedure for claims for refunds, and repayment of
13 overpayment of taxes.

14 e. Prohibit any employer from deducting or withholding any
15 amount from remuneration payable to an employee on account of
16 the tax imposed by the ordinance;

17 f. Provide that information contained in any employer's report
18 or received by the municipality or any of its officers or employees as
19 a result of any investigation, hearing or verification of a report
20 shall be confidential except for official purposes and shall not be
21 disclosed except in accordance with an order of court or as other-
22 wise provided by law.

1 17. Any ordinance adopted pursuant to this article may, not-
2 withstanding the definition of "employer" in section 2 of this act,
3 provide that the term employer shall not include corporations or
4 associations organized not for profit and operated exclusively for
5 religious, educational, charitable or hospital purposes.

1 18. No employer shall be obligated to report and pay an employer
2 payroll tax, or any interest, penalty or costs with respect thereto,
3 to more than one municipality with respect to remuneration paid to
4 an employee for services performed. Where any dispute as to the
5 liability for an employer's payroll tax to more than one munic-
6 ipality for services performed by an employee is not resolved by
7 agreement between the employer and the municipalities, all of said

8 municipalities shall be joined in a proceeding in the Division of
9 Tax Appeals to collect the tax alleged to be due.

1 19. No tax shall be imposed under any ordinance adopted pur-
2 suant to this article with respect to services performed prior to
3 January 1, 1971, in a calendar quarter prior to that in which the
4 ordinance is adopted or on or after January 1, 1973, but any such
5 ordinance shall remain in effect with respect to the right of the
6 municipality to receive reports and enforce and collect taxes due
7 thereunder for any period prior to January 1, 1973.

ARTICLE 6. OCCUPANCY TAX

1 20. When used in this article, the following terms shall mean or
2 include:

3 "Landlord." A person who grants the right to use or occupy
4 premises to any lessee, sublessee, licensee or concessionaire,
5 whether or not he is the owner of the premises.

6 "Tenant." A person paying or required to pay rent for premises
7 or a person to whom premises have otherwise been made available
8 as a lessee, sublessee, licensee or concessionaire.

9 "Premises." Any real property or part thereof, and any struc-
10 ture thereon or space therein.

11 "Taxable premises." Any premises in the municipality occupied,
12 used or intended to be occupied or used for the purpose of carrying
13 on or exercising any trade, business, profession, vocation or com-
14 mercial activity, including any premises so used even though it is
15 used solely for the purpose of renting, or granting the right to
16 occupy or use, the same premises in whole or in part to tenants.
17 "Taxable premises" shall also mean any premises owned by a non-
18 profit partnership, association, corporation or other nonprofit
19 entity and rented or otherwise made available by said nonprofit
20 partnership, association, corporation or other nonprofit entity to a
21 tenant whether said tenant pays rent or not. Where no rent is paid
22 by a tenant, then the tax shall be determined on the basis of the
23 fair rental value of the premises. For such purpose, the rent and
24 the tax determined under section *~~3~~* *22* hereof shall be com-
25 puted by applying the current rental per square foot for comparable
26 premises, which rental shall be presumed to be the fair rental value.
27 **"Taxable premises" shall not include (a) premises used for rail-*
28 *road transportation purposes, (b) premises used for air transporta-*
29 *tion purposes and (c) premises used as marine terminals insofar as*
30 *such premises are used in interstate or foreign commerce.**

1 21. Any municipality is hereby authorized and empowered to
2 enact an ordinance imposing a tax as herein provided.

1 22. Each ordinance shall provide that every tenant shall pay a
 2 tax based on the rent ***[and at the rate]*** *which shall not exceed*
 3 *the rates** shown in the following table:

	* [When the Annual	But Not More	
	Rent Is:	Than:	The Rate Shall Be:
3A	0 or over	2-499	2½% of the rent
4	2,500 or over	4,999	5% of the rent
5	5,000 or over	7,999	6¼% of the rent
6	8,000 or over	10,999	7% of the rent
7	11,00 or over		7½% of the rent]*

	*When the Annual Rent is:	The Tax Shall Be:
8	\$0 to \$2,499.00	2 1/2% of the annual rent
9	\$2,500.00 to \$4,999.00	\$62.50, plus 5% of the annual rent in excess of \$2,500.00
10		
11	\$5,000.00 to \$7,999.00	\$187.50, plus 6 1/4% of the an- nual rent in excess of \$5,000.00
12		
13	\$8,000.00 to \$10,999.00	\$375.00, plus 7% of the annual rent in excess of \$8,000.00
14		
15	\$11,000.00 or over	\$585.00, plus 7 1/2% of the annual rent in excess of \$11,000.00*
16		

17 Where the rent is for a period of less than 1 years the rate shall be
 18 determined by assuming that the rent is on an equivalent basis for
 19 the entire year.

1 23. a. Nothing contained in any such ordinance shall be deemed
 2 to require payment of a double or multiple tax thereunder on any
 3 part of any taxable premises.

4 b. Where a tenant pays an undivided rent for premises used
 5 both for residential purposes and as taxable premises, the tax shall
 6 be applicable to so much of the rent as is ascribable to the portion of
 7 such premises used as taxable premises.

8 Where, however, the rent ascribable to so much of such premises
 9 as is used as taxable premises does not exceed \$50.00 a month, such
 10 rent shall be excluded from such tenant's rent. Nothing contained
 11 in this section shall be construed as indicating an intent to exclude
 12 any rent from the tax, merely because it is paid as part of an un-
 13 divided rent for premises which are only partially used as taxable
 14 premises.

15 c. The tax imposed by the ordinance shall be in addition to any
 16 and all other taxes.

17 ***[d.** Nothing contained in this section shall be construed as per-
 18 mitting rent of a tenant for one taxable premises to be reduced by

19 deducting rents received by him for another taxable premises of
20 which he is also a tenant.]*

1 24. The following tenants shall be exempt from the payment of
2 the tax imposed by any such ordinance:

3 a. the Government of the United States;

4 b. the State of New Jersey or a county, municipality, school
5 district or special district of the State;

6 c. an interstate agency; or

7 d. an agency or instrumentality of any organization enumerated
8 in a., b. or c. above;

9 e. Any corporation, or association, or trust, or community chest,
10 fund or foundation, organized and operated exclusively for reli-
11 gious, charitable, or educational purposes, or for the prevention of
12 cruelty to children or animals, and no part of the net earnings of
13 which inures to the benefit of any private shareholder or individual
14 and no substantial part of the activities of which is carrying on
15 propaganda, or otherwise attempting to influence legislation; pro-
16 vided, however, that nothing in this paragraph shall include an
17 organization operated for the primary purpose of carrying on a
18 trade or business for profit, whether or not all of its profits are
19 payable to one or more organizations described in this paragraph;

20 f. Any tenant who would be subject to taxes under this act
21 aggregating no more than \$1.00 for a tax year with respect to all
22 taxable premises used by him.

1 25. Any ordinance imposing a tax pursuant to this article shall
2 take effect only on the first day of any calendar month of any year.

1 26. No tax shall be imposed under any ordinance adopted pur-
2 suant to this article with respect to rental for use or occupancy of
3 commercial premises on or after January 1, 1973.

ARTICLE 7. SALES TAX

1 27. Any municipality is hereby authorized and empowered to
2 enact an ordinance imposing a sales and use tax at the rate of 1%
3 on transactions taking place in such municipality and subject to tax
4 under the "Sales and Use Tax Act" (P. L. 1966, c. 30 (C. 54:32B-1
5 et seq.)). Such tax shall be in addition to the tax imposed by sec-
6 tions 3 (C. 54:32B-3) and 6 (C. 54:32B-6) of said act, and shall be
7 administered and collected by the Director of the Division of Taxa-
8 tion pursuant to said act *and the State Tax Uniform Procedure*
9 *Law*.*

1 28. For the purpose of adding and collecting the tax imposed by
2 any such ordinance and by the Sales and Use Tax Act or an amount
3 equal as nearly as possible or practicable to the average equivalent

4 thereof, to be reimbursed to the vendor by the purchaser, the
 5 following formula shall be in force and effect in the municipality.

Amount of Sale	Amount of Tax
6 \$0.01 to \$0.10	*No tax*
7 .11 to .20	1¢
8 .21 to .35	2¢
9 .36 to .55	3¢
10 .56 to .70	4¢
11 .71 to .85	5¢
12 .86 to 1.10	6¢

13 In addition to a tax of \$0.06 on each full dollar applicable in such
 14 municipality, a tax shall be collected on each part of a dollar in
 15 excess of a full dollar in accordance with the above formula.

1 29. All receipts collected by the director with respect to the said
 2 additional tax imposed by such ordinance, less 2% for costs of
 3 administration, shall be paid by the State Treasurer each year upon
 4 certification of the director, on or before the payment dates with
 5 respect to the periods hereinafter set forth to the chief fiscal officer
 6 of each municipality adopting any ordinance pursuant to this act.

Certification Date	Payment Date	Sales or Service Period
7 October 1	October 10	January 1-June 30
8 April 1	April 10	July 1-December 31

1 30. The director shall have power to prescribe rules and regula-
 2 tions to effectuate the collection of the taxes under any such ordi-
 3 nance including transitional provisions, and for such purposes he
 4 shall be guided by the transitional provisions contained in the Sales
 5 and Use Tax Act. *~~["The time limitations for adopting rules and~~
 6 ~~regulations pursuant to the Administrative Procedure Act, P. L.~~
 7 ~~1968, c. 410, (C. 52:14B-1 et seq.) shall not be applicable to the~~
 8 ~~promulgation of regulations hereunder.]~~* **The provisions of sec-*
 9 *tion 4 of the Administrative Procedure Act (C. 52:14B-4) shall not*
 10 *apply to the adoption and promulgation of such rules and regula-*
 11 *tions.**

12 In *~~["distributing"]~~* **certifying** the portion of the sales tax
 13 collections due to any such municipality, the director shall in his
 14 certification certify 1/6 of the sales tax receipts collected from such
 15 municipalities.

1 31. Any ordinance and any amendment thereof adopted pursuant
 2 to this act shall apply to transactions taking place on and after the
 3 first day of the month following the filing of a certified copy thereof
 4 with the Director of the Division of Taxation in the Department of
 5 the Treasury and the Director of the Division of Local Finance in
 6 the Department of Community Affairs.

1 32. No tax shall be imposed under any ordinance adopted pur-
 2 suant to this article with respect to transactions taking place on
 3 or after January 1, 1973.

1 33. There is hereby appropriated to the Division of Taxation
 2 the sum of \$100,000.00 or so much thereof as shall be required to
 3 carry out the provisions of this article from the effective date hereof
 4 through the period ending June 30, 1971.

ARTICLE 8. GENERAL PROVISIONS

1 34. a. Every ordinance imposing a tax pursuant to this act shall
 2 provide methods for reporting taxes due and providing for the
 3 collection thereof. All taxes pursuant to any such ordinance shall
 4 be remitted to the chief fiscal officer of the municipality and shall
 5 constitute revenues of the municipality available for any lawful
 6 municipal purpose.

7 b. Any ordinance imposing a tax pursuant to this act or increas-
 8 ing or decreasing the rate of such tax shall take effect only the first
 9 day of any calendar month in any year.

1 35. The taxes, interest and penalties imposed by any ordinance
 2 adopted pursuant to this act from the time the same shall be due
 3 shall be a debt of the taxpayer by whom payable to the municipality,
 4 recoverable in any court of competent jurisdiction in a civil action
 5 in the name of the municipality to be instituted within 3 years
 6 of the date due or of the filing of the report, whichever date is
 7 later.

1 36. As an additional remedy, the chief fiscal officer of the munic-
 2 ipality adopting any ordinance hereunder may issue a certificate to
 3 the clerk of the Superior Court or to the clerk of the Law Division
 4 of the County Court of any county, that any person is indebted
 5 under such ordinance in an amount as shall be stated in the certif-
 6 icate. Thereupon, the clerk to whom such certificate shall have been
 7 issued shall immediately enter upon his record of documented judg-
 8 ments the name of such person, the address of the place of business
 9 where such tax liability was incurred, the amount of the debt so
 10 certified and the date of making such entry. The making of the
 11 entries shall have the same force and effect as the entry of a
 12 documented judgment in the office of such clerk, and said fiscal
 13 officer shall have all the remedies and may take all the proceedings
 14 for the collection thereof ***[and]*** **which** may be had or taken
 15 upon the recovery of a judgment in an action, but without prejudice
 16 to the taxpayer's right of appeal.

1 37. ***[Any]*** **Except as otherwise provided in Articles 4 and 7*
 1A *of this act, any** ordinance adopted pursuant to this act shall pro-
 2 vide that if for any reason the tax is not paid when due, interest at a

3 rate of 12% per annum on the amount of said tax, and an addi-
4 tional penalty of ½ of 1% of the amount of the unpaid tax for each
5 month or fraction thereof during which the tax remains unpaid,
6 shall be added and collected. Where action is brought for the
7 recovery of any such tax, the taxpayer liable therefor shall, in
8 addition, be liable for the costs of collection and the interest and
9 penalties therein imposed.

1 38. Any aggrieved taxpayer may, within 3 months after any
2 decision, order, finding, assessment or action of the chief fiscal
3 officer of any municipality adopting an ordinance hereunder, appeal
4 to the Division of Tax Appeals by filing a petition of appeal with
5 said division in the manner and form prescribed by the said
6 division and upon payment of the amount stated by said chief fiscal
7 officer to be due. The appeal provided by this section shall be the
8 exclusive remedy available to any taxpayer for review of a decision
9 of the chief fiscal officer in respect of the determination of a liability
10 for the taxes imposed hereunder.

1 39. a. Any person who fails, neglects or refuses to make any
2 report required by an ordinance adopted pursuant to this act, any
3 person who refuses to permit an officer or agent designated by the
4 municipality to examine his books, records and papers, and any per-
5 son who knowingly makes any incomplete, false, or fraudulent
6 report, or attempts to do anything whatever to avoid the full dis-
7 closure of the amount due under the ordinance to avoid the pay-
8 ment of the whole or any part thereof is a disorderly person.

9 b. The failure of any person to receive or procure the forms
10 required for making reports required by an ordinance adopted pur-
11 suant to this act shall not excuse him from making such report.

1 40. The clerk of any municipality adopting an ordinance pur-
2 suant to this act shall, immediately following the adoption of the
3 ordinance or any amendment thereof, forward a copy thereof to
4 the Director of the Division of Local Finance in the Department of
5 Community Affairs **and the Director of the Division of Taxation*
6 *in the Department of the Treasury*.*

1 41. This act shall take effect immediately.

X

A-1371

FROM THE OFFICE OF THE GOVERNOR

DECEMBER 23, 1970

FOR RELEASE
IMMEDIATE

The following is a text of remarks by
Governor William T. Cahill on the signing of Assembly Bill 1369
and Assembly Bill 1371.

###

When Mayor Gibson first advised me of the financial plight of the City of Newark, he asked for two things -- State aid to Newark and legislative authority for the City to impose taxes on its citizens. The two bills that I am about to sign today give to Mayor Gibson and the City Council what they requested. The first bill provides for a State takeover on the Martland Hospital and will relieve the City the burden of carrying the \$5.8 million annual costs of the hospital. It will also reimburse the City of Newark for past costs of this State facility. The second bill will permit the City of Newark to impose certain new taxes within the municipality.

Let me briefly address myself to this new legislation. These two bills are critically important in a number of different respects. They underscore the unique and desperate financial situation in which the City of Newark found itself shortly after Mayor Gibson was elected. As the State's largest and most populated city, Newark has fallen heir to a plethora of problems on an exaggerated basis, which cities across the Nation are now experiencing typified by the flight to the suburbs by middle and upper income taxpayers and the corollary loss in tax base.

In addition to these vast problems, Newark recently suffered through problems of a different kind with which the entire State is familiar.

Faced with these unusual circumstances, the New Jersey legislature, at the request of Mayor Gibson, acted courageously and forthrightly in authorizing the largest amount of State aid ever provided to one City in the history of the State. To have turned their backs on Newark in the hour of its crisis would have been unfortunate and unacceptable! It was self-evident that had the City attempted to raise the required monies through real estate taxes, the result would have been an almost confiscatory real estate tax amounting to approximately \$14 per 100 of assessed valuation.

I would particularly single out for praise the support provided to these measures by the Essex County legislative delegation, all except one of whom supported these measures. Supported by Republicans and Democrats, the legislation thus

received bipartisan support removing it completely from the political arena.

I would also single out Assemblyman Evers of Passaic County whose thoughtful and studious attention to the needs of Newark led to the format which developed legislative support for the State aid. The leadership of both the Senate and the Assembly is likewise to be commended for accomplishing a truly difficult task. I would also publicly commend the calm and deliberate leadership of Mayor Gibson who throughout refused to live in a world of make believe, maintained his patience and realism and demonstrated rare and decisive political courage.

In another area, this legislation is critically important -- it points out forcefully to our citizenry and hopefully to our Congressional Representatives and our President that Newark is a signal of storms ahead -- the approaching urban storms that can bring our major cities and our sovereign states to financial destruction.

The State of New Jersey can no longer supply our major cities with financial help without greatly increased revenues. I suggest once again that the time has come for the President of the United States to redirect the priorities of this country. The Federal Government can no longer avoid its responsibility to the Newarks of this country! Housing, health, education and the myriad problems of urban America cannot wait much longer. Newark is a sign of the times -- the end result of a series of mistakes throughout the years. But it does little good to talk of these mistakes. We must provide remedies! Newark and all the Newarks of this country desperately need Federal funds to survive. The states can no longer serve the needs of their citizens without Federal funds. The Federal government must share its funds or assume our burdens.

I would also suggest that those in charge of these cities must use the funds received prudently, honestly and wisely. Economy and efficiency must be practiced.

Mayor Gibson, the Governor and the New Jersey legislature will be watching you and your City.

The business communities and the taxpayers of Newark will be watching you.

Indeed, the entire State and perhaps the Nation will be watching you and your associates.

While you have an awesome responsibility, you have a unique and challenging opportunity. If your leadership can make Newark the City that it can and should be, all that has been done by the Legislature of this State will be worth the effort. If you fail and your City fails, further efforts to aid the cities of this State may not receive the responsible and responsive result you have achieved. All of us in this Administration wish you well and pledge to you, your City and its citizens our continued cooperation.

Newark, New Jersey
(201) 643-7461

Governor Cahill's signing today of the two revenue bills for the City of Newark marks an historic occasion for the State of New Jersey, and represents a great victory for all the citizens of Newark.

The passage of the bills marks an historic occasion for the State in that elected officials from all parts of New Jersey saw fit to work in the spirit of cooperation and resolve to help a fiscally-crippled municipality. get its own house in order.

The bills represent a victory for the citizens of Newark, in that we have been granted extraordinary enabling legislation which at last supplies us with the tools to impose self-help measures within the City as a temporary solution to our financial crisis.

With the forthright leadership of the Governor and the leadership in both Houses, a team effort tackled an emergency crisis situation and produced a prompt temporary solution.

In the spirit of cooperation, and with this team effort as the vehicle, let us now take a long and determined look at the underlying causes of our crisis, and attempt to reach a permanent and equitable solution in the shortest possible time.

There are basically three issues which must be addressed if we are to avoid crisis after crisis and if we are to find just and lasting solutions to major problems facing us within the State of New Jersey:

I urge the speedy deliberation of the Tax Policy Commission in preparing a final document and set of recommendations in the area of broad-based and extensive tax reform. I firmly maintain that the only equitable and substantial mechanism for realizing this goal, and to generate the needed revenues, is a graduated State income tax.

2. Redefining State-local relationships:

The State must begin to reevaluate its relationships with local municipalities so as to allow local control of its own fiscal affairs, at the same time that it ensures a system of public accountability. The State has immense resources and expertise to offer municipalities in need of help, but the State must allow for a local decision-making process which will work with State agencies and legislators, rather than being unilaterally told to conform to State mandated changes and budgeted increases.

3. Federal revenue-sharing:

All of us in the State must join together to pressure Congress and the President to adopt a fully-funded federal revenue-sharing program which will provide for block grants of money flowing directly back to the State and municipalities from which revenues were collected. The Governor has spoken of rising welfare costs, of dips in anticipated sales tax revenues, and of a projected \$100 million State deficit. I came before the Legislature with a City deficit of \$63 million.

The only lasting solution to soaring costs of governmental services is a combination of broad-based State tax reform and a substantial federal revenue-sharing program. Revenue-sharing will ensure a more equitable redistribution of federal revenues raised, and will provide local municipalities with the ability of using needed monies in areas of greatest need.

Unless we approach these areas with seriousness and resolve, I fear a further decay in State-local relations, and a continuing series of financial emergencies.

I will be working closely with the Governor, legislators, local elected officials, and concerned citizens to realize long-term and equitable solutions to these problems.