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No

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No

**NEWSPAPER ARTICLES:**

No

§§1,2  
C. 54:1-35.51 &  
54:1-35.52  
§10  
C. 54:1-35.53 &  
Note To  
C. 40:48C-8 &  
40:48C-19  
§§11,12  
C. 54:1-35.54 &  
54:1-35.55

P.L. 1999, CHAPTER 216, *approved September 21, 1999*

Assembly Substitute for

Senate No. 192

(CORRECTED COPY)

1 **AN ACT** concerning revaluation relief for certain cities and amending  
2 and supplementing various sections of statutory law.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

6

7 1. (New section) This act shall be known and may be cited as the  
8 "Revaluation Relief Act of 1999."

9

10 2. (New section) The Legislature finds and determines that:

11 a. Article VIII, Section I, paragraph 1 of the Constitution of the  
12 State of New Jersey requires that all real property in this State be  
13 assessed for taxation under the same standard of value, which the  
14 Legislature has defined as "true" or "market" value, and taxed at a  
15 uniform general tax rate within each taxing district;

16 b. Because of such factors as civil disturbances, loss of an  
17 industrial tax base, an inordinately high ratio of tax exempt and abated  
18 properties to taxable properties, limited resources available to the tax  
19 assessor, a lack of uniform data processing standards, and the  
20 technological obsolescence of certain local assessment practices, the  
21 City of Newark has been unable to implement a municipal revaluation  
22 since 1962, resulting in a haphazard patchwork of assessments for the  
23 properties within its corporate boundaries;

24 c. Through the statutory equalization process, the Legislature has  
25 addressed certain difficulties arising from differential assessment  
26 levels, by directing county boards of taxation to adjust aggregate  
27 assessments to presumed market levels for the purpose of equitable  
28 inter-municipal apportionment of county and school tax burdens;  
29 however, adequate resources have not been available for the provision  
30 of an ongoing adjustment process to address the assessment  
31 discrepancies which often arise within individual municipalities;

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

**Matter underlined thus is new matter.**

1 d. When intra-municipal discrepancies become too severe, it is  
2 necessary to periodically revalue all parcels of real property within a  
3 municipality, in order to reestablish fair and equitable taxation  
4 pursuant to the intent of our constitutional mandate, and to avoid  
5 costly and time consuming litigation;

6 e. While revaluations are thus necessary to maintain tax equity,  
7 implementing a revaluation in a municipality such as the City of  
8 Newark will result in "shocking," immediate increases in individual  
9 property tax bills, which severely strain the financial resources of many  
10 of the remaining property owners, particularly middle-class  
11 homeowners, and which threaten the stability and viability of  
12 long-standing neighborhoods and communities which are often already  
13 in need of rehabilitation; and

14 f. It is, therefore, incumbent upon the Legislature, as a compelling  
15 public purpose and a matter of the general public welfare in order to  
16 preserve the very existence of the largest urban center in the State and  
17 to establish and evaluate a procedure which the Legislature may use  
18 for other municipalities with similar problems, to provide the City of  
19 Newark with the authority to mitigate this fiscal shock by phasing in  
20 tax increases in areas determined to be in need of rehabilitation, thus  
21 maintaining the stability and viability of those neighborhoods and  
22 communities, while requiring the governing body of the City of  
23 Newark to conduct and implement a revaluation.

24

25 3. Section 3 of P.L.1993, c.101 (C.54:1-35.41) is amended to read  
26 as follows:

27 3. As used in **[this act]** P.L.1993, c.101 (C.54:1-35.39 et seq.)  
28 and P.L. , c. (C. ) (now pending before the Legislature as  
29 this bill):

30 a. "Base year" means the tax year immediately preceding the  
31 revaluation year;

32 b. "Constant rate factor" means the result obtained by dividing the  
33 total tax levy for a municipality, excluding any special district tax  
34 levies, for the base year by the net valuation taxable for that  
35 municipality for the revaluation year, as both are listed in the Abstract  
36 of Ratables and Exemptions compiled from the Table of Aggregates  
37 prepared for the municipality pursuant to R.S.54:4-52;

38 c. "Director" means the Director of the Division of Taxation in the  
39 Department of the Treasury;

40 d. "Eligible property" means any parcel of real property containing  
41 a building or structure and located within an area declared in need of  
42 rehabilitation pursuant to this act in a municipality in which the  
43 director and municipal governing body have determined to implement  
44 a revaluation phase-in program, and for which the net assessed  
45 valuation of that parcel after exemptions and abatements as it appears  
46 on the assessor's duplicate for the revaluation year is scheduled to

- 1 increase from the value as it appeared on the assessor's duplicate for  
2 the base year at a ratio equal to or greater than the total ratio change  
3 in net valuation taxable of that municipality for the revaluation year;
- 4 e. "Revaluation" means the revaluation of all real property within  
5 the corporate boundaries of a municipality, performed under a contract  
6 approved by the director pursuant to P.L.1971, c.424 (C.54:1-35.35  
7 et seq.);
- 8 f. "Revaluation relief **[credit]** abatement" means an exemption of  
9 that portion of the assessed value of an eligible property which results  
10 in a reduction of tax liability equivalent to the amount deducted from  
11 the tax liability of an eligible property, as part of a revaluation phase-in  
12 program;
- 13 g. "Revaluation impact study" means a calculation of the  
14 difference between the tax liability for each parcel of real property  
15 situated within the municipality for the revaluation year without  
16 benefit of a revaluation **[phase-in credit]** relief abatement, and that  
17 liability for the base year, and the average of all the differences within  
18 appropriate groupings of those parcels, which study is conducted  
19 under procedures established by the director and is reviewed and  
20 certified by the director;
- 21 h. "Revaluation management analysis" means a revaluation impact  
22 study and a revaluation phase-in analysis;
- 23 i. "Revaluation phase-in analysis" means a calculation of the  
24 increase in the tax liability for each parcel of eligible property within  
25 a municipality between the base year and the revaluation year after  
26 application of the constant rate factor, minus the revaluation relief  
27 **[credit]** abatement the municipality is authorized to allow for that  
28 property for each of the **[three]** five years of a revaluation phase-in  
29 program provided for by this act, and the average of all such  
30 calculations within such groupings of those parcels as appropriate  
31 which study is conducted under procedures established by the director  
32 and is reviewed and certified by the director;
- 33 j. "Revaluation phase-in program" means the provision of  
34 revaluation relief **[credits]** abatement by a municipality for eligible  
35 properties pursuant to this act;
- 36 k. "Revaluation year" means the first tax year in which the tax  
37 liability of real property within a municipality is determined, pursuant  
38 to chapter 4 of Title 54 of the Revised Statutes, on the basis of  
39 assessed valuations of the property established by a revaluation within  
40 that municipality; **[and]**
- 41 l. "Area in need of rehabilitation" means a municipality or a  
42 portion of a municipality in which at least 60% of the housing units are  
43 at least 30 years of age; or which has been determined to be an area in  
44 need of rehabilitation or redevelopment pursuant to the "Local  
45 Redevelopment and Housing Law," P.L.1992, c.79 (C.40A:12A-1 et  
46 al.) or a "blighted area" as determined pursuant to the Blighted Area

1 Act, P.L.1949, c.187 (C.40:55-21.1 et seq.); or which has been  
2 determined to be in need of rehabilitation pursuant to the "Five-Year  
3 Exemption and Abatement Law," P.L.1991, c.441 (C.40A:21-1 et  
4 seq.), P.L.1975, c.104 (C.54:4-3.72 et seq.), P.L.1977, c.12  
5 (C.54:4-3.95 et seq.), or P.L.1979, c.233 (C.54:4-3.121 et al.); and  
6 m. "Act" means sections 1 through 10 of P.L.1993, c.101 (C.54:1-  
7 35.39 et seq.), as amended and supplemented by P.L. , c. (C. )  
8 (now pending before the Legislature as this bill).  
9 (cf: P.L.1993, c.101, s.3)

10

11 4. Section 4 of P.L.1993, c.101 (C54:1-35.42) is amended to read  
12 as follows:

13 4. The director and the governing body of a municipality which  
14 has undertaken a revaluation may allow revaluation relief **[credits]**  
15 **abate**ments for eligible properties as hereinafter provided:

16 a. On or before April 15 of the revaluation year for municipalities  
17 operating on the January 1 to December 31 fiscal year, or one week  
18 following the date established by law for the adoption of the municipal  
19 budget for municipalities operating on the State fiscal year, whichever  
20 is appropriate, the governing body of the municipality shall conduct a  
21 revaluation management analysis; provided, however, that a  
22 municipality which has conducted a revaluation that has not yet been  
23 used as the basis for a tax billing as of the effective date of this act  
24 may undertake the revaluation management analysis without regard for  
25 the deadline established herein. The governing body shall, at the same  
26 time, notify the county board of taxation of the county in which the  
27 municipality is situated of its intention to conduct a revaluation  
28 management analysis.

29 b. Within three days of filling out the Table of Aggregates for the  
30 county, the county board of taxation shall transmit to each  
31 municipality which has notified the county board of taxation of its  
32 intention to conduct a revaluation management analysis certified  
33 copies of the assessor's duplicate for the revaluation year and the base  
34 year and include a certified copy of the Table of Aggregates for the  
35 municipality.

36 c. Upon receipt of the assessor's duplicates and Tables of  
37 Aggregates, as provided in subsection b. of this section, and the  
38 certified copy of the Table of Aggregates from the county treasurer,  
39 as provided in R.S.54:4-52, the municipality shall prepare a  
40 revaluation management analysis as soon as practicable thereafter.

41 d. After review of the revaluation management analysis, the  
42 governing body of the municipality may determine, by ordinance, to  
43 implement a revaluation phase-in program. That ordinance also shall  
44 contain a listing of the areas within the municipality declared in need  
45 of rehabilitation in accordance with subsection 1. of section 3 of this  
46 act. A listing, by block and lot, shall be available for public inspection

1 in the office of the municipal assessor immediately following adoption  
2 of the ordinance.

3 e. Upon the adoption of an ordinance pursuant to subsection d. of  
4 this section, the governing body shall immediately notify and transmit  
5 certified copies of the ordinance to the director and the county board  
6 of taxation. In addition, notwithstanding the provisions of  
7 R.S.54:4-64, the governing body shall direct the collector of the taxing  
8 district not to prepare and deliver any tax bills until the county board  
9 of taxation has prepared and delivered a revised tax duplicate for the  
10 municipality. Any collector so directed shall prepare and mail, or  
11 otherwise cause to be delivered, a statement to the individuals assessed  
12 and, if so authorized, to any mortgagee or other agent in substantially  
13 the following form: "The governing body of (municipality) has  
14 determined to phase in tax increases associated with the recently  
15 completed revaluation. Your tax bill incorporating the phase-in will  
16 be forthcoming."

17 (cf: P.L.1993, c.101, s.4.)

18

19 5. Section 5 of P.L.1993, c.101 (C.54:1-35.43) is amended to read  
20 as follows:

21 5. a. Upon the receipt of a certified copy of the ordinance, the  
22 director shall conduct a final review of the tax duplicate for the  
23 municipality, and make a final determination of which parcels of real  
24 property in the municipality are eligible properties.

25 b. The director shall determine the amount of the revaluation  
26 relief **[credit]** abatement for each eligible property for the revaluation  
27 year as follows:

28

29  $RR[C]A = [0.75] 0.80 (A-B)$

30

31 **[here]** where:

32 "RR[C]A" equals the revaluation relief **[credit]** abatement for the  
33 eligible property;

34 "A" equals the tax liability produced by multiplying the constant  
35 rate factor for the municipality for the revaluation year times the net  
36 assessed value of the eligible property as it appears on the assessor's  
37 duplicate for the revaluation year; and

38 "B" equals the tax liability produced by multiplying the general tax  
39 rate for the municipality for the base year times the net assessed value  
40 of the eligible property as it appeared on the assessor's duplicate for  
41 the base year.

42 (cf: P.L.1993, c.101, s.5)

43

44 6. Section 6 of P.L.1993, c.101 (C.54:1-35.44) is amended to read  
45 as follows:

46 6. a. The director shall certify to the county board of taxation the

1 aggregate amount of revaluation relief **【credits】** abatements to be  
2 allowed eligible properties within the municipality. The county board  
3 of taxation shall forthwith prepare a revised Table of Aggregates. In  
4 the revised Table of Aggregates, the board shall include, as part of the  
5 amount which must be raised for local municipal purposes through  
6 taxation, the aggregate amount of the revaluation relief **【credits】**  
7 abatements to be allowed eligible properties within the municipality.  
8 The revised Table of Aggregates for the municipality shall be signed  
9 and transmitted as provided in R.S.54:4-52.

10 b. The director shall provide, at the same time, the county board of  
11 taxation with a certified list of the eligible properties within the  
12 municipality and the amount of the revaluation relief **【credit】**  
13 abatement to which each is entitled. The county board shall  
14 immediately thereafter cause the corrected, revised and completed  
15 duplicate, certified by it to be a true record of the taxes assessed, to  
16 be delivered to the collector of the municipality. The revised tax list  
17 shall remain in the office of the board as a public record. Thereafter  
18 neither the assessor nor the collector shall make or cause to be made  
19 any change or alteration in the tax duplicate except as may be provided  
20 by law.

21 (cf: P.L.1993, c.101, s.6)

22

23 7. Section 7 of P.L.1993, c.101 (C.54:1-35.45) is amended to read  
24 as follows:

25 7. a. As soon as the tax duplicate is delivered to the collector of  
26 the municipality, the collector shall proceed with the work of  
27 preparing, completing, mailing or otherwise delivering tax bills to the  
28 individuals assessed pursuant to R.S.54:4-64 and R.S.54:4-66.

29 b. The tax bill shall be in a form prescribed by the Director of the  
30 Division of Local Government Services in the Department of  
31 Community Affairs, after consultation with the director, and shall  
32 include, in addition to such other information as may be required by  
33 law, rule or regulation, notification **【that】** as to whether and to what  
34 extent the local municipal purposes tax rate for the municipality  
35 includes a rate to support the revaluation phase-in program. The bill  
36 shall also indicate the amount of the revaluation relief **【credit】**  
37 abatement the taxpayer received for his eligible property.

38 (cf. P.L.1993, c.101, s.7)

39

40 8. Section 9 of P.L.1993, c.101 (C.54:1-35.47) is amended to read  
41 as follows:

42 9. Revaluation relief **【credits】** abatements for eligible properties  
43 in the revaluation year shall continue to be provided in the first **【and】**,  
44 second and third tax year next following the revaluation year.

45 For the first **【and】**, second and third year following the revaluation  
46 year, the director shall calculate, forthwith each year upon the receipt



1 of a certified copy of a resolution from the municipality, the amount  
2 of the revaluation relief **【credit】** abatement for each eligible property.

3 For the purposes of this section:

4 "RR **【C】A**" equals the revaluation relief **【credit】** abatement for the  
5 eligible property;

6 "A" equals the tax liability produced by multiplying the constant  
7 rate factor for the municipality for the revaluation year by the net  
8 assessed value of the eligible property as it appeared on the assessor's  
9 duplicate for the revaluation year; and

10 "B" equals the tax liability produced by multiplying the general tax  
11 rate for the municipality for the base year by the net assessed value of  
12 the eligible property as it appeared on the assessor's duplicate for the  
13 base year.

14 For the first tax year next following the revaluation year, the  
15 director shall determine the amount of the revaluation relief **【credit】**  
16 abatement as follows:

$$17 \quad RR**【C】A**=**【0.50】** \underline{0.60} (A-B)$$

18  
19  
20 For the second tax year next following the revaluation year, the  
21 director shall determine the amount of the revaluation relief **【credit】**  
22 abatement for each eligible property as follows:

$$23 \quad RR**【C】A**= **【0.25】** \underline{0.40} (A-B)$$

24  
25  
26 For the third year next following the revaluation year, the director  
27 shall determine the amount of the revaluation relief abatement for each  
28 eligible property as follows:

$$29 \quad \underline{RRA = 0.20 (A-B)}$$

30  
31  
32 For the fourth year next following the revaluation year, there shall  
33 be no revaluation relief abatement given, and all properties shall be  
34 assessed and taxed at their taxable value.

35 In each of those tax years the director shall certify to the county  
36 board of taxation the aggregate amount of revaluation relief **【credits】**  
37 abatements to be provided for eligible properties within the  
38 municipality, and shall provide the county board of taxation with a  
39 certified list of eligible properties within the municipality and the  
40 amount of the revaluation relief **【credit】** abatement to which each is  
41 entitled. The county board of taxation shall incorporate the  
42 information provided on that list into the tax duplicate prepared for the  
43 taxing district pursuant to R.S.54:4-55.

44 (cf: P.L.1993, c.101, s.9)

1       9. Section 10 of P.L.1993, c.101 (C.54:1-35.48) is amended to  
2 read as follows:

3       10. The provision of revaluation relief **[credits]** abatements  
4 pursuant to this act shall not result in any tax year in a tax liability for  
5 an eligible property which is less than the tax liability for the base year.  
6 (cf: P.L.1993, c.101, s.10)

7  
8       10. (New section) Notwithstanding any provisions of sections 8  
9 and 19 of P.L.1970, c.326 (C.40:48C-8 and 40:48C-19) to the  
10 contrary, a municipality as defined in section 1 of P.L.1970, c.326  
11 (C.40:48C-1) that undertakes a revaluation by entering into a contract  
12 approved by the director for the completion of a revaluation, and  
13 enters into that contract within 360 days following the effective date  
14 of P.L. , c. (C. )(now pending before the Legislature as this  
15 bill) pursuant to P.L.1993, c.101 (C.54:1-35.39 et seq.) is authorized  
16 to impose the taxes authorized by articles 3 and 5 of P.L.1970, c.326  
17 until January 1 of the fourth year next following the revaluation year  
18 or until the date on which the tax expires, whichever is later.

19  
20       11. (New section) All monies received by the City of Newark  
21 pursuant to a tax imposed pursuant to section 10 of P.L. , c. ,  
22 (C. ) (now pending before the Legislature as this bill) shall be  
23 used for the sole purpose of funding revaluation relief abatements.  
24 The procedures and safeguards to implement the requirement that  
25 funds be used for the sole purpose of funding revaluation relief shall  
26 be as the Director of the Division of Local Government Services in  
27 the Department of Community Affairs shall prescribe.

28  
29       12. (New section) Prior to imposition of any tax authorized by  
30 P.L. , c. (C. ) (now pending before the Legislature as this  
31 bill), the director shall present a plan to the Legislature, in consultation  
32 with the Essex County Board of Taxation, the tax assessor for the City  
33 of Newark, and the mayor and city council of the City of Newark, to  
34 maintain assessments at market value following implementation of the  
35 revaluation; and, prior to the imposition of any tax authorized by  
36 P.L. , c. (C. ) (now pending before the Legislature as this  
37 bill), the Director of the Division of Local Government Services in the  
38 Department of Community Affairs, in consultation with the city, shall  
39 present to the Legislature a plan for assuring that the requirements of  
40 section 11 of P.L. , c. (C. ) (now pending before the  
41 Legislature as this bill) that funds be used for the sole purpose of  
42 funding revaluation relief will be fulfilled; and provided further that  
43 the city shall report annually, on or before April 1 of the year  
44 following the revaluation year and each of the three years thereafter,  
45 on the implementation of that plan, the expenditure of those funds, and  
46 the impact of the plan on the level of expenditures in the city budget.

1       13. This act shall take effect immediately.

2

3

4

#### STATEMENT

5

6       This substitute authorizes the City of Newark to phase in  
7 revaluations of real property over a period of five years to mitigate the  
8 "fiscal shock" to property owners facing immediate increases in  
9 property tax bills resulting from the revaluation.

10       The major impact of a revaluation is usually felt in the first year of  
11 an implementation. The impact is accelerated by the fact that  
12 budgetary increases in county, municipal, and school tax levies are  
13 added to tax bill increases resulting from new assessed values  
14 established by the revaluation.

15       The substitute mitigates the fiscal shock caused by a revaluation by  
16 spreading the tax impact of the revaluation over a five-year period  
17 through a series of revaluation relief abatements for eligible property  
18 owners. This limited five-year cycle ensures that owners of previously  
19 over-assessed properties obtain property tax relief without undue delay,  
20 while cushioning the blow to owners of previously under-assessed  
21 properties. The relief provided under the substitute affects only  
22 properties for which the assessment increased at a rate of change equal  
23 to or greater than the overall increase in municipal assessment as a  
24 result of revaluation.

25       Through the use of a "constant rate factor," the substitute restricts  
26 the amount to be phased in to increases resulting solely from changes  
27 in valuations due to the revaluation. Tax increases stemming from  
28 increased municipal, county or school budgets will not be phased in.

29       The substitute permits a city to subsidize the five-year phase-in of  
30 the revaluation with extensions of, and special provisions relating to,  
31 the taxes imposed pursuant to the "Local Tax Authorization Act."

32       While the "Local Tax Authorization Act," P.L.1970, c.326  
33 (C.40:48C-1 et seq.), enables certain municipalities to impose an  
34 alcoholic beverage excise tax, a parking facility gross receipts tax and  
35 an employer payroll tax, the authorization for the alcoholic beverage  
36 excise tax expired on December 31, 1996. The authorizations for the  
37 parking facility gross receipts tax and the employer payroll tax expire  
38 December 31, 1999.

39       Section 10 of the substitute authorizes a municipality to impose  
40 the parking facility gross receipts tax and the employer payroll tax  
41 until the end of the third year following the revaluation year if the  
42 municipality undertakes a revaluation by entering into a revaluation  
43 contract approved by the Director of the Division of Taxation within  
44 360 days of the effective date of the substitute. The parking facility  
45 gross receipts and employer payroll taxes imposed pursuant to section  
46 10 are required to be used solely for funding revaluation relief  
47 abatements.

1       The Director of the Division of Local Government Services in the  
2 Department of Community Affairs is given the authority to assure that  
3 revenues from the reauthorized taxes be used for the sole purpose of  
4 funding revaluation relief. The division, in consultation with the city,  
5 is required to provide an implementation plan and the municipality is  
6 required to report annually, on or before April 1 of the year following  
7 the revaluation year and each of the three years thereafter, on the  
8 implementation of the plan, the expenditure of the tax revenue, and the  
9 impact of the plan on the municipal budget.

10

11

12

13

14       Permits five-year phase-in of real property revaluation in Newark.

**SENATE, No. 192**

**STATE OF NEW JERSEY**  
**208th LEGISLATURE**

PRE-FILED FOR INTRODUCTION IN THE 1998 SESSION

**Sponsored by:**  
**Senator RONALD L. RICE**  
**District 28 (Essex)**

**SYNOPSIS**

Permits municipality to use rebates to phase in property tax revaluation.

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel.



1 AN ACT concerning revaluations of real property and amending  
2 P.L.1993, c.101.

3  
4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

6  
7 1. Section 3 of P.L.1993, c.101 (C.54:1-35.41) is amended to read  
8 as follows:

9 3. As used in this act:

10 a. "Base year" means the tax year immediately preceding the  
11 revaluation year;

12 b. "Constant rate factor" means the result obtained by dividing the  
13 total tax levy for a municipality, excluding any special district tax  
14 levies, for the base year by the net valuation taxable for that  
15 municipality for the revaluation year, as both are listed in the Abstract  
16 of Ratables and Exemptions compiled from the Table of Aggregates  
17 prepared for the municipality pursuant to R.S.54:4-52;

18 c. "Director" means the Director of the Division of Taxation in the  
19 Department of the Treasury;

20 d. "Eligible property" means any parcel of real property containing  
21 a building or structure and located within an area declared in need of  
22 rehabilitation pursuant to this act in a municipality in which the  
23 director and municipal governing body have determined to implement  
24 a revaluation phase-in program, and for which the net assessed  
25 valuation of that parcel after exemptions and abatements as it appears  
26 on the assessor's duplicate for the revaluation year is scheduled to  
27 increase from the value as it appeared on the assessor's duplicate for  
28 the base year at a ratio equal to or greater than the total ratio change  
29 in net valuation taxable of that municipality for the revaluation year;

30 e. "Revaluation" means the revaluation of all real property within  
31 the corporate boundaries of a municipality, performed under a contract  
32 approved by the director pursuant to P.L.1971, c.424 (C.54:1-35.35  
33 et seq.);

34 f. "Revaluation relief credit" means an exemption equivalent to the  
35 amount deducted from the tax liability of an eligible property, as part  
36 of a revaluation phase-in program, which exemption amount also may  
37 be granted as a rebate equal to an amount of up to 75% of the  
38 exemption equivalent less the administrative cost pursuant to  
39 subsection c. of section 7 of P.L.1993, c.101 (C.54:1-35.45);

40 g. "Revaluation impact study" means a calculation of the difference  
41 between the tax liability for each parcel of real property situated within  
42 the municipality for the revaluation year without benefit of a  
43 revaluation phase-in credit, and that liability for the base year, and the

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

Matter underlined thus is new matter.

1 average of all the differences within appropriate groupings of those  
2 parcels, which study is conducted under procedures established by the  
3 director and is reviewed and certified by the director;

4 h. "Revaluation management analysis" means a revaluation impact  
5 study and a revaluation phase-in analysis;

6 i. "Revaluation phase-in analysis" means a calculation of the  
7 increase in the tax liability for each parcel of eligible property within  
8 a municipality between the base year and the revaluation year after  
9 application of the constant rate factor, minus the revaluation relief  
10 credit the municipality is authorized to allow for that property for each  
11 of the three years of a revaluation phase-in program provided for by  
12 this act, and the average of all such calculations within such groupings  
13 of those parcels as appropriate which study is conducted under  
14 procedures established by the director and is reviewed and certified by  
15 the director;

16 j. "Revaluation phase-in program" means the provision of  
17 revaluation relief credits by a municipality for eligible properties  
18 pursuant to this act;

19 k. "Revaluation year" means the first tax year in which the tax  
20 liability of real property within a municipality is determined, pursuant  
21 to chapter 4 of Title 54 of the Revised Statutes, on the basis of  
22 assessed valuations of the property established by a revaluation within  
23 that municipality; and

24 l. "Area in need of rehabilitation" means a municipality or a portion  
25 of a municipality in which at least 60% of the housing units are at least  
26 30 years of age; or which has been determined to be an area in need of  
27 rehabilitation or redevelopment pursuant to the "Local Redevelopment  
28 and Housing Law," P.L.1992, c.79 (C.40A:12A-1 et al.) or a "blighted  
29 area" as determined pursuant to the Blighted Area Act, P.L.1949,  
30 c.187 (C.40:55-21.1 et seq.); or which has been determined to be in  
31 need of rehabilitation pursuant to the "Five-Year Exemption and  
32 Abatement Law," P.L.1991, c.441 (C.40A:21-1 et seq.), P.L.1975,  
33 c.104 (C.54:4-3.72 et seq.), P.L.1977, c.12 (C.54:4-3.95 et seq.), or  
34 P.L.1979, c.233 (C.54:4-3.121 et al.).  
35 (cf: P.L.1993, c.101, s.3)

36  
37 2. Section 7 of P.L.1993, c.101 (C.54:1-35.45) is amended to read  
38 as follows:

39 7. a. As soon as the tax duplicate is delivered to the collector of  
40 the municipality, the collector shall proceed with the work of  
41 preparing, completing, mailing or otherwise delivering tax bills to the  
42 individuals assessed pursuant to R.S.54:4-64 and R.S.54:4-66.

43 b. The tax bill shall be in a form prescribed by the Director of the  
44 Division of Local Government Services in the Department of  
45 Community Affairs, after consultation with the director, and shall  
46 include, in addition to such other information as may be required by

1 law, rule or regulation, notification that the local municipal purposes  
2 tax rate for the municipality includes a rate to support the revaluation  
3 phase-in program. The bill shall also indicate the amount of the  
4 revaluation relief credit the taxpayer received for his eligible property.  
5 c. In the alternative to subsection a. of this section the municipal  
6 governing body may require the collector to send out tax bills based  
7 on the revised tax list without indication of the revaluation relief credit  
8 to which eligible properties are entitled, as determined by the county  
9 board of taxation pursuant to subsection b. of section 6 of P.L.1993,  
10 c.101 (C.54:1-35.44). The amount of the revaluation relief credit  
11 allowed for an eligible property shall be paid by the municipality  
12 through rebate checks issued on or before the end of that tax year.  
13 (cf: P.L.1993, c.101, s.7)

14

15 3. This act shall take effect immediately.

16

17

18

STATEMENT

19

20 This bill amends the "Revaluation Relief Act of 1993," P.L.1993,  
21 c.101 (C.54:1-35.41 et seq.) by adding a provision permitting  
22 municipalities the option to grant revaluation relief credits to eligible  
23 properties through the use of a property tax rebate mechanism rather  
24 than through the current property tax credit mechanism.



ASSEMBLY LOCAL GOVERNMENT AND HOUSING  
COMMITTEE

STATEMENT TO

**SENATE, No. 192**

with Assembly committee amendments

**STATE OF NEW JERSEY**

DATED: NOVEMBER 9, 1998

The Assembly Local Government and Housing Committee reports favorably, with committee amendments Senate Bill No. 192.

Senate Bill 192, as amended, amends the "Revaluation Relief Act of 1993," P.L.1993, c.101 (C.54:1-35.39 et seq.) by adding a provision permitting municipalities the option to grant revaluation relief credits to eligible properties through the use of a property tax rebate mechanism rather than through the current property tax credit mechanism. In addition, the bill allows the revaluation relief to be phased in over five years rather than the three years allowed under current law.

The original legislation was enacted in 1993 when the revaluation of Camden City was being implemented. This bill is intended to aid in the revaluation of Newark City.

The committee amended the bill to increase from three to five years the period of the phase-in, and to adjust the formula to accommodate the longer phase-in period.

SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

STATEMENT TO

**SENATE, No. 192**

**STATE OF NEW JERSEY**

DATED: JUNE 15, 1998

The Senate Community and Urban Affairs Committee reports without recommendation, Senate Bill No. 192.

This bill amends the "Revaluation Relief Act of 1993," P.L.1993, c.101 (C.54:1-35.41 et seq.) by adding a provision permitting municipalities the option to grant revaluation relief credits to eligible properties through the use of a property tax rebate mechanism rather than through the current property tax credit mechanism.

This bill was prefiled for introduction in the 1998 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

# ASSEMBLY, No. 2669

## STATE OF NEW JERSEY 208th LEGISLATURE

INTRODUCED DECEMBER 3, 1998

**Sponsored by:**

**Assemblyman DONALD K. TUCKER  
District 29 (Essex and Union)**

**Co-Sponsored by:**

**Assemblymen Caraballo, Cohen, Doria, Assemblywoman Gill,  
Assemblymen Green, Impreveduto, Jones, Payne, R.Smith, Stanley and  
Assemblywoman Weinberg**

**SYNOPSIS**

Permits five-year phase-in of real property revaluation in Newark.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 3/5/1999)**

A2669 TUCKER

2

1 AN ACT concerning revaluation relief for certain cities and amending  
2 and supplementing various sections of statutory law.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

6

7 1. (New section) This act shall be known and may be cited as the  
8 "Revaluation Relief Act of 1998."

9

10 2. (New section) The Legislature finds and determines that:

11 a. Article VIII, Section I, paragraph 1 of the Constitution of the  
12 State of New Jersey requires that all real property in this State be  
13 assessed for taxation under the same standard of value, which the  
14 Legislature has defined as "true" or "market" value, and taxed at a  
15 uniform general tax rate within each taxing district;

16 b. Because of such factors as civil disturbances, loss of an  
17 industrial tax base, an inordinately high ratio of tax exempt and abated  
18 properties to taxable properties, limited resources available to the tax  
19 assessor, a lack of uniform data processing standards, and the  
20 technological obsolescence of certain local assessment practices, the  
21 City of Newark has been unable to implement a municipal revaluation  
22 since 1962, resulting in a haphazard patchwork of assessments for the  
23 properties within its corporate boundaries;

24 c. Through the statutory equalization process, the Legislature has  
25 addressed certain difficulties arising from differential assessment  
26 levels, by directing county boards of taxation to adjust aggregate  
27 assessments to presumed market levels for the purpose of equitable  
28 inter-municipal apportionment of county and school tax burdens;  
29 however, adequate resources have not been available for the provision  
30 of an ongoing adjustment process to address the assessment  
31 discrepancies which often arise within individual municipalities;

32 d. When intra-municipal discrepancies become too severe, it is  
33 necessary to periodically revalue all parcels of real property within a  
34 municipality, in order to reestablish fair and equitable taxation  
35 pursuant to the intent of our constitutional mandate, and to avoid  
36 costly and time consuming litigation;

37 e. While revaluations are thus necessary to maintain tax equity,  
38 implementing a revaluation in a municipality such as the City of  
39 Newark will result in "shocking," immediate increases in individual  
40 property tax bills, which severely strain the financial resources of many  
41 of the remaining property owners, particularly middle-class  
42 homeowners, and which threaten the stability and viability of  
43 long-standing neighborhoods and communities which are often already

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

**Matter underlined thus is new matter.**

1 in need of rehabilitation; and

2 f. It is, therefore, incumbent upon the Legislature, as a compelling  
3 public purpose and a matter of the general public welfare in order to  
4 preserve the very existence of the largest urban center in the State and  
5 to establish and evaluate a procedure which the Legislature may use  
6 for other municipalities with similar problems, to provide the City of  
7 Newark with the authority to mitigate this fiscal shock by phasing in  
8 tax increases in areas determined to be in need of rehabilitation, thus  
9 maintaining the stability and viability of those neighborhoods and  
10 communities, while requiring the governing body of the City of  
11 Newark to conduct and implement a revaluation.

12

13 3. Section 3 of P.L.1993, c.101 (C.54:1-35.41) is amended to read  
14 as follows:

15 3. As used in **[this act]** P.L.1993, c.101 (C.54:1-35.39 et seq.) and  
16 P.L. , c. (C. ) (now pending before the Legislature as this  
17 bill):

18 a. "Base year" means the tax year immediately preceding the  
19 revaluation year;

20 b. **["Constant rate factor"** means the result obtained by dividing the  
21 total tax levy for a municipality, excluding any special district tax  
22 levies, for the base year by the net valuation taxable for that  
23 municipality for the revaluation year, as both are listed in the Abstract  
24 of Ratables and Exemptions compiled from the Table of Aggregates  
25 prepared for the municipality pursuant to R.S.54:4-52] **(Deleted by**  
26 amendment, P.L. , c. (now pending before the Legislature as this  
27 bill):

28 c. "Director" means the Director of the Division of Taxation in the  
29 Department of the Treasury;

30 d. "Eligible property" means any parcel of real property containing  
31 a building or structure and located within an area declared in need of  
32 rehabilitation pursuant to this act in a municipality in which the  
33 director and municipal governing body have determined to implement  
34 a revaluation phase-in program, and for which the net assessed  
35 valuation of that parcel after exemptions and abatements as it appears  
36 on the assessor's duplicate for the revaluation year is scheduled to  
37 increase from the value as it appeared on the assessor's duplicate for  
38 the base year at a ratio equal to or greater than the total ratio change  
39 in net valuation taxable of that municipality for the revaluation year;

40 e. "Revaluation" means the revaluation of all real property within  
41 the corporate boundaries of a municipality, performed under a contract  
42 approved by the director pursuant to P.L.1971, c.424 (C.54:1-35.35  
43 et seq.);

44 f. "Revaluation relief credit" means an exemption equivalent to the  
45 amount deducted from the tax liability of an eligible property, as part  
46 of a revaluation phase-in program;

- 1 g. "Revaluation impact study" means a calculation of the difference  
2 between the tax liability for each parcel of real property situated within  
3 the municipality for the revaluation year without benefit of a  
4 revaluation phase-in credit, and that liability for the base year, and the  
5 average of all the differences within appropriate groupings of those  
6 parcels, which study is conducted under procedures established by the  
7 director and is reviewed and certified by the director;
- 8 h. "Revaluation management analysis" means a revaluation impact  
9 study and a revaluation phase-in analysis;
- 10 i. "Revaluation phase-in analysis" means a calculation of the  
11 increase in the tax liability for each parcel of eligible property within  
12 a municipality between the base year and the revaluation year after  
13 application of the **[constant rate factor]** general tax rate, minus the  
14 revaluation relief credit the municipality is authorized to allow for that  
15 property for each of the **[three]** five years of a revaluation phase-in  
16 program provided for by this act, and the average of all such  
17 calculations within such groupings of those parcels as appropriate  
18 which study is conducted under procedures established by the director  
19 and is reviewed and certified by the director;
- 20 j. "Revaluation phase-in program" means the provision of  
21 revaluation relief credits by a municipality for eligible properties  
22 pursuant to this act;
- 23 k. "Revaluation year" means the first tax year in which the tax  
24 liability of real property within a municipality is determined, pursuant  
25 to chapter 4 of Title 54 of the Revised Statutes, on the basis of  
26 assessed valuations of the property established by a revaluation within  
27 that municipality; **[and]**
- 28 l. "Area in need of rehabilitation" means a municipality or a portion  
29 of a municipality in which at least 60% of the housing units are at least  
30 30 years of age; or which has been determined to be an area in need of  
31 rehabilitation or redevelopment pursuant to the "Local Redevelopment  
32 and Housing Law," P.L.1992, c.79 (C.40A:12A-1 et al.) or a "blighted  
33 area" as determined pursuant to the Blighted Area Act, P.L.1949,  
34 c.187 (C.40:55-21.1 et seq.); or which has been determined to be in  
35 need of rehabilitation pursuant to the "Five-Year Exemption and  
36 Abatement Law," P.L.1991, c.441 (C.40A:21-1 et seq.), P.L.1975,  
37 c.104 (C.54:4-3.72 et seq.), P.L.1977, c.12 (C.54:4-3.95 et seq.), or  
38 P.L.1979, c.233 (C.54:4-3.121 et al.); and
- 39 m. "Act" means sections 1 through 10 of P.L.1993, c.101 (C.54:1-  
40 35.39 et seq.), as amended and supplemented by P.L. , c. (C. )  
41 (now pending before the Legislature as this bill).  
42 (cf: P.L.1993, c.101, s.3)
- 43
- 44 4. Section 5 of P.L.1993, c.101 (C.54:1-35.43) is amended to read  
45 as follows:
- 46 5. a. Upon the receipt of a certified copy of the ordinance, the

1 director shall conduct a final review of the tax duplicate for the  
2 municipality, and make a final determination of which parcels of real  
3 property in the municipality are eligible properties.

4 b. The director shall determine the amount of the revaluation relief  
5 credit for each eligible property for the revaluation year as follows:

6

7  $RRC = [0.75] \underline{0.80} (A-B)$

8

9 **[here]** where:

10 "RRC" equals the revaluation relief credit for the eligible property;

11 "A" equals the tax liability produced by multiplying the **[constant**  
12 **rate factor]** general tax rate for the municipality for the revaluation  
13 year times the net assessed value of the eligible property as it appears  
14 on the assessor's duplicate for the revaluation year; and

15

16 "B" equals the tax liability produced by multiplying the general tax  
17 rate for the municipality for the base year times the net assessed value  
18 of the eligible property as it appeared on the assessor's duplicate for  
19 the base year.

20 (cf: P.L.1993, c.101, s.5)

21

22 5. Section 9 of P.L.1993, c.101 (C.54:1-35.47) is amended to read  
23 as follows:

24 9. Revaluation relief credits for eligible properties in the  
25 revaluation year shall continue to be provided in the first **[and]**,  
26 second and third tax year next following the revaluation year.

27 For the first **[and]**, second and third year following the revaluation  
28 year, the director shall calculate, forthwith each year upon the receipt  
29 of a certified copy of a resolution from the municipality, the amount  
30 of the revaluation relief credit for each eligible property.

31 For the purposes of this section:

32 "RRC" equals the revaluation relief credit for the eligible property;

33 "A" equals the tax liability produced by multiplying the **[constant**  
34 **rate factor]** general tax rate for the municipality for the revaluation  
35 year by the net assessed value of the eligible property as it appeared  
36 on the assessor's duplicate for the revaluation year; and

37 "B" equals the tax liability produced by multiplying the general tax  
38 rate for the municipality for the base year by the net assessed value of  
39 the eligible property as it appeared on the assessor's duplicate for the  
40 base year.

41 For the first tax year next following the revaluation year, the  
42 director shall determine the amount of the revaluation relief credit as  
43 follows:

44  $RRC = [0.50] \underline{0.60} (A-B)$

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6

1 For the second tax year next following the revaluation year, the  
2 director shall determine the amount of the revaluation relief credit for  
3 each eligible property as follows:

4  $RRC = [0.25] 0.40 (A-B)$

5  
6 For the third year next following the revaluation year, the director  
7 shall determine the amount of the revaluation relief credit for each  
8 eligible property as follows:

9  $RRC = 0.20 (A-B)$

10  
11 For the fourth year next following the revaluation year, there shall  
12 be no revaluation relief credit given, and all properties shall be  
13 assessed and taxed at their taxable value.

14 In each of those tax years the director shall certify to the county  
15 board of taxation the aggregate amount of revaluation relief credits to  
16 be provided for eligible properties within the municipality, and shall  
17 provide the county board of taxation with a certified list of eligible  
18 properties within the municipality and the amount of the revaluation  
19 relief credit to which each is entitled. The county board of taxation  
20 shall incorporate the information provided on that list into the tax  
21 duplicate prepared for the taxing district pursuant to R.S.54:4-55.

22 (cf: P.L.1993, c.101, s.9)

23  
24 6. Section 5 of P.L.1981, c.77 (C.40:48E-5) is amended to read as  
25 follows:

26 5. a. For any calendar year, the owner of a hotel shall be required  
27 to pay the [greater of the] real property tax (defined to be the  
28 payment of ad valorem taxes or payment in lieu of taxes or payment  
29 of annual service charges) [or] and the hotel use or occupancy tax[,  
30 to be calculated as follows:

31 (1) If the quarterly installment of the real property tax is less than  
32 the quarterly installment of the hotel use or occupancy tax, the owner  
33 shall be required to pay only the hotel use or occupancy tax.

34 (2) If the quarterly installment of the real property tax is greater  
35 than the quarterly installment of the hotel use or occupancy tax, the  
36 owner shall be required to pay the hotel use or occupancy tax, and, in  
37 addition, the owner shall be required to make a supplemental payment.  
38 For the purposes of this section, "supplemental payment" means an  
39 amount equal to the excess of the real property tax installment over  
40 the hotel use or occupancy tax installment.

41 b. At the end of the calendar year, the total hotel use or occupancy  
42 tax payments made during the year shall be adjusted as follows:

43 (1) If the total of the hotel use or occupancy tax payments,  
44 excluding any supplemental payments, made during the year exceeds  
45 the total real property tax for that year, the city shall refund to the  
46 owner the total amount of the supplemental payments, if any, made



1 during the year; or

2 (2) If the total of the hotel use or occupancy tax payments,  
3 excluding any supplemental payments, made during the year does not  
4 exceed the total real property tax for the year, and if the total of the  
5 hotel use or occupancy tax payments and supplemental payments made  
6 during the year does exceed the total real property tax for the year, the  
7 city shall refund to the owner the difference between: (a) the total  
8 property tax paid and (b) the sum of the hotel or occupancy tax paid  
9 plus the supplemental payments paid.

10 c. The refunds shall be paid to the owner without interest by July  
11 1 of the succeeding year or 15 days after the adoption of the annual  
12 budget by the municipal council, whichever is later.

13 d. No refund shall be made in any year in which the owner has  
14 failed to be current in its hotel use or occupancy tax, including any  
15 supplemental payments required under this section. For the purposes  
16 of this section, "current" means that quarterly installments of tax have  
17 been paid in accordance with R.S.54:4-66].

18 (cf: P.L.1991, c.23, s.1)

19

20 7. (New section) In addition to any parking tax imposed pursuant  
21 to section 6 of P.L.1970, c.326 (C.40:48C-6) the municipality, by  
22 ordinance, may impose a revaluation relief surcharge, not to exceed an  
23 additional 4%, on fees for parking, garaging, or storing of motor  
24 vehicles, other than parking in a garage which is part of premises  
25 occupied solely as a private one- or two-family dwelling. For the  
26 purposes of this section, in the case where any parking facility situated  
27 within two contiguous municipalities authorized under section 1 of  
28 P.L.1970, c.326 (C.40:48C-1) and section 2 of P.L.1987, c.21  
29 (C.40:48C-1.2), the surcharge authorized herein may only be imposed  
30 on fees attributable to that portion of any parking facility which is  
31 situated within the physical boundaries of the municipality.

32

33 8. (New section) Notwithstanding sections 5, 8 and 19 of  
34 P.L.1970, c.326 (C.40:48C-5, 40:48C-8 and 30:48C-19) any tax  
35 imposed by the City of Newark pursuant to the "Local Tax  
36 Authorization Act," P.L.1970, c.326 (C.40:48C-1 et seq.), and may be  
37 continued by the City of Newark until January 1 of the fourth year  
38 next following the year in which the revaluation required pursuant to  
39 P.L. , c. (C. ) (now pending before the Legislature as this bill)  
40 is implemented or until the date on which the tax expires, whichever  
41 is later, and any surcharge on those taxes authorized under P.L. ,  
42 c. (C. ) (now pending before the Legislature as this bill), may  
43 be continued by the City of Newark until January 1 of the fourth year  
44 next following the year in which the revaluation required pursuant to  
45 P.L. , c. (C. ) (now pending before the Legislature as this bill)  
46 is implemented.

1 9. (New section) The City of Newark is hereby authorized and  
2 empowered to enact an ordinance imposing a tax on sales of fuels  
3 taxed pursuant to chapter 39 of Title 54 of the Revised Statutes sold  
4 or delivered to the consumer thereof in that municipality and  
5 specifying the rate of the tax. That tax shall be in addition to the tax  
6 imposed by such chapter and shall be administered and collected by the  
7 Director of the Division of Taxation pursuant to chapter 39 of Title 54  
8 of the Revised Statutes and the State Tax Uniform Procedure Law,  
9 R.S.54:48-1 et seq. That additional tax shall be imposed upon those  
10 persons who now pay to the director the tax imposed by chapter 39 of  
11 Title 54 of the Revised statutes to the extent that such persons have  
12 reason to believe such fuel is intended for sale or delivery to the  
13 consumer thereof in such municipality. In the event that the additional  
14 tax has not been paid for any motor fuel which is delivered for sale or  
15 delivery within the municipality to the consumer thereof, the additional  
16 tax shall be imposed upon the person making such delivery and said  
17 person shall pay the tax to the director, and the failure of such person  
18 to so pay and remit the tax shall constitute a violation of P.L. , c.  
19 (C. ) (pending before the Legislature as this bill).

20

21 10. (New section) All receipts collected by the Director of the  
22 Division of Taxation in the Department of the Treasury with respect  
23 to an additional tax imposed by an ordinance adopted pursuant to  
24 section 9 of P.L. , c. (C. ) (now pending before the  
25 Legislature as this bill), shall be paid by the State Treasurer to the City  
26 of Newark upon certification of the director to the chief financial  
27 officer of such municipality on or before the tenth day of each month  
28 following receipt thereof by the director.

29

30 11. (New section) Any ordinance and any amendment thereof  
31 adopted pursuant to section 9 of P.L. , c. (C. ) (now pending  
32 before the Legislature as this bill) shall apply to sales of motor fuels on  
33 and after the first day of the month following the filing of a certified  
34 copy thereof with the Director of the Division of Taxation in the  
35 Department of the Treasury and the Director of the Division of Local  
36 Government Services in the Department of Community Affairs.

37

38 12. (New section) a. No tax shall be imposed under any ordinance  
39 adopted pursuant to section 9 P.L. , c. (C. ) (now pending  
40 before the Legislature as this bill), and no surcharge shall be imposed  
41 under any ordinance adopted pursuant to section 7 of P.L. , c.  
42 (C. ) (now pending before the Legislature as this bill), on or  
43 after the first day of the first month next following the fifth year after  
44 enactment of P.L. , c. (C. ) (now pending before the  
45 Legislature as this bill).

46 b. All monies received by the City of Newark pursuant to a tax or

1 surcharge imposed pursuant to sections 7 or 9 of P.L. , c. ,  
2 (C. ) (now pending before the Legislature as this bill) shall be  
3 used for the sole purpose of funding revaluation relief credits.

4  
5 13. (New section) Prior to imposition of any new tax or surcharge  
6 authorized by P.L. , c. (C. ) (now pending before the  
7 Legislature as this bill), the Director of the Division of Local  
8 Government Services in the Department of Community Affairs shall  
9 present a plan to the Legislature, in consultation with the Essex  
10 County Board of Taxation, the tax assessor for the City of Newark,  
11 and the mayor and city council of the City of Newark, to maintain  
12 assessments at market value following implementation of the  
13 revaluation.

14  
15 14. This act shall take effect immediately.

16  
17  
18 STATEMENT

19  
20 This bill authorizes the City of Newark to phase-in its revaluation  
21 of real property over a period of five years in order to mitigate the  
22 "fiscal shock" to property owners facing immediate increases in  
23 property tax bills resulting from the revaluation. The bill also permits  
24 the city to subsidize the five-year phase-in of the revaluation with five  
25 years' worth of taxes imposed pursuant to the "Local Tax  
26 Authorization Act" or surcharges on various other taxes as authorized  
27 under the bill. The City of Newark, being the largest urban center in  
28 the State, has many unique aspects which make it proper to establish  
29 a classification that excludes all other municipalities in this bill. It is  
30 the sponsor's intent that if this program is successful in the City of  
31 Newark, legislation would be introduced to make it available to other  
32 municipalities in the future.

ASSEMBLY LOCAL GOVERNMENT AND HOUSING  
COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 2669**

with committee amendments

**STATE OF NEW JERSEY**

DATED: MARCH 10, 1999

The Assembly Local Government and Housing Committee reports favorably, with committee amendments, Assembly Bill No. 2669.

This bill authorizes the City of Newark to phase-in its revaluation of real property over a period of five years in order to mitigate the "fiscal shock" to property owners facing immediate increases in property tax bills resulting from the revaluation. The bill also permits the city to subsidize the five-year phase-in of the revaluation with five years' worth of taxes imposed pursuant to the "Local Tax Authorization Act" or surcharges on various other taxes as authorized under the bill. The City of Newark, being the largest urban center in the State, has many unique aspects which make it proper to establish a classification that excludes all other municipalities in this bill. It is the sponsor's intent that if this program is successful in the City of Newark, legislation would be introduced to make it available to other municipalities in the future.

The committee amended section 8 of the bill to correct a typographical error in a statutory citation and to remove an extraneous word.

# ASSEMBLY APPROPRIATIONS COMMITTEE

## STATEMENT TO

[First Reprint]

### **ASSEMBLY, No. 2669**

with Assembly committee amendments

# **STATE OF NEW JERSEY**

DATED: MAY 17, 1999

The Assembly Appropriations Committee reports favorably Assembly Bill No. 2669 (1R) with committee amendments.

Assembly Bill No. 2669 (1R), as amended, authorizes the City of Newark to phase in revaluations of real property over a period of five years to mitigate the "fiscal shock" to property owners facing immediate increases in property tax bills resulting from the revaluation.

The major impact of a revaluation is usually felt in the first year of an implementation. The impact is accelerated by the fact that budgetary increases in county, municipal, and school tax levies are added to tax bill increases resulting from new assessed values established by the revaluation.

The bill mitigates the fiscal shock caused by a revaluation by spreading the tax impact of the revaluation over a five-year period through a series of revaluation relief abatements for eligible property owners. This limited five-year cycle ensures that owners of previously over-assessed properties obtain property tax relief without undue delay, while cushioning the blow to owners of previously under-assessed properties. The relief provided under the act affects only properties for which the assessment increased at a rate of change equal to or greater than the overall increase in municipal assessment as a result of revaluation.

Through the use of a "constant rate factor," the bill restricts the amount to be phased in to increases resulting solely from changes in valuations due to the revaluation. Tax increases stemming from increased municipal, county or school budgets will not be phased in.

The bill permits a city to subsidize the five-year phase-in of the revaluation with extensions of, and special provisions relating to, the taxes imposed pursuant to the "Local Tax Authorization Act."

#### FISCAL IMPACT:

The Office of Legislative Services (OLS) has noted that the bill has no State cost. The Revaluation Management Analysis specified in the bill to be conducted under procedures established by the Director of the Division of Taxation in the Department of the Treasury, and which

is to be reviewed and certified by the director, can be performed with current State resources. Further, OLS believes that the plan required to be submitted to the Legislature, by the Director of the Division of Local Government Services in the Department of Community Affairs, to maintain assessments at market value following implementation of the revaluation can be achieved with current State resources.

OLS notes that during the revaluation phase-in, and after application of revaluation relief abatements to eligible properties, many property taxpayers in implementing municipalities may experience significant changes in their property tax liabilities from redistribution of the property tax burden.

Currently, the "Local Tax Authorization Act," P.L.1970, c.326 (C.40:48C-1 et seq.), enables certain municipalities to impose an alcoholic beverage excise tax, a parking facility gross receipts tax and an employer payroll tax. The authorization for the alcoholic beverage excise tax expired on December 31, 1996. The authorizations for the parking facility gross receipts tax and the employer payroll tax expire December 31, 1999.

Section 10 of the bill authorizes a municipality to impose the parking facility gross receipts tax and the employer payroll tax until the end of the third year following the revaluation year if the municipality undertakes a revaluation by entering into a revaluation contract approved by the Director of the Division of Taxation within 360 days of the effective date of the bill. The parking facility gross receipts and employer payroll taxes imposed pursuant to section 10 shall be used solely for funding revaluation relief abatements.

#### COMMITTEE AMENDMENTS:

The amendments:

- Reincorporate the use of the constant rate factor to restrict the amount to be phased in due to increases resulting solely from valuation changes due to the revaluation.
- Delete provisions that would otherwise have imposed a local motor fuels tax, reauthorized the local alcoholic beverage excise tax, and allowed the simultaneous collection of hotel occupancy tax and real property taxes.
- Shift regulatory authority for the implementation of the revaluation from the Department of Community Affairs to the Department of Treasury
- Provide oversight by the Director of the Division of Local Government Services in the Department of Community Affairs to assure that the requirement is met that revenues from the reauthorized taxes be used for the sole purpose of funding revaluation relief. The division, in consultation with the city, will provide an implementation plan and the municipality will report annually, on or before April 1 of the year following the revaluation year and each of the three years thereafter, on the implementation of the plan, the expenditure of the tax revenue, and the impact of the plan on the municipal budget.

# **LEGISLATIVE FISCAL ESTIMATE**

[First Reprint]

## **ASSEMBLY, No. 2669**

# **STATE OF NEW JERSEY**

## **208th LEGISLATURE**

DATED: APRIL 29, 1999

Assembly Bill No. 2669 (1R) of 1998 authorizes the City of Newark to phase-in its revaluation of real property over a period of five years in order to mitigate the "fiscal shock" to property owners facing immediate increases in property tax bills resulting from the revaluation. The bill, with the use of relief credits, also permits the city to subsidize the five-year phase-in of the revaluation with five years of taxes imposed pursuant to the "Local Tax Authorization Act" or surcharges on various other taxes as authorized under the bill.

The Office of Legislative Services (OLS) states that this bill has no State cost. The Revaluation Management Analysis specified in the bill to be conducted under procedures established by the Director of the Division of Taxation in the Department of the Treasury, and which is to be reviewed and certified by the director, can be performed with current State resources. Further, OLS believes that the plan required to be submitted to the Legislature, by the Director of the Division of Local Government Services in the Department of Community Affairs, to maintain assessments at market value following implementation of the revaluation can be achieved with current State resources.

However, the OLS believes that during the revaluation phase-in, and after application of revaluation relief credits to eligible properties, many property taxpayers in the City of Newark will experience significant changes in the amount of their property tax bills due to the redistribution of the property tax burden.

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.

[Second Reprint]

**ASSEMBLY, No. 2669**

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**STATE OF NEW JERSEY**  
**208th LEGISLATURE**

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INTRODUCED DECEMBER 3, 1998

**Sponsored by:**

**Assemblyman DONALD K. TUCKER**

**District 29 (Essex and Union)**

**Co-Sponsored by:**

**Assemblymen Caraballo, Cohen, Doria, Assemblywoman Gill,**

**Assemblymen Green, Impreveduto, Jones, Payne, R.Smith, Stanley,**

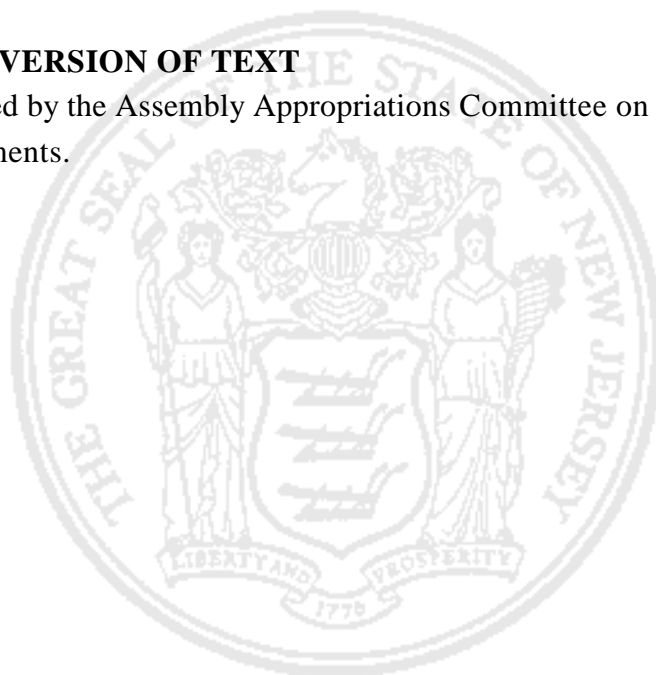
**Assemblywoman Weinberg and Assemblyman Garcia**

**SYNOPSIS**

Permits five-year phase-in of real property revaluation in Newark.

**CURRENT VERSION OF TEXT**

As reported by the Assembly Appropriations Committee on May 17, 1999,  
with amendments.



**(Sponsorship Updated As Of: 3/19/1999)**



1 AN ACT concerning revaluation relief for certain cities and amending  
2 and supplementing various sections of statutory law.

3  
4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

6  
7 1. (New section) This act shall be known and may be cited as the  
8 "Revaluation Relief Act of <sup>2</sup>**[1998]** 1999 <sup>2</sup>."

9  
10 2. (New section) The Legislature finds and determines that:

11 a. Article VIII, Section I, paragraph 1 of the Constitution of the  
12 State of New Jersey requires that all real property in this State be  
13 assessed for taxation under the same standard of value, which the  
14 Legislature has defined as "true" or "market" value, and taxed at a  
15 uniform general tax rate within each taxing district;

16 b. Because of such factors as civil disturbances, loss of an  
17 industrial tax base, an inordinately high ratio of tax exempt and abated  
18 properties to taxable properties, limited resources available to the tax  
19 assessor, a lack of uniform data processing standards, and the  
20 technological obsolescence of certain local assessment practices, the  
21 City of Newark has been unable to implement a municipal revaluation  
22 since 1962, resulting in a haphazard patchwork of assessments for the  
23 properties within its corporate boundaries;

24 c. Through the statutory equalization process, the Legislature has  
25 addressed certain difficulties arising from differential assessment  
26 levels, by directing county boards of taxation to adjust aggregate  
27 assessments to presumed market levels for the purpose of equitable  
28 inter-municipal apportionment of county and school tax burdens;  
29 however, adequate resources have not been available for the provision  
30 of an ongoing adjustment process to address the assessment  
31 discrepancies which often arise within individual municipalities;

32 d. When intra-municipal discrepancies become too severe, it is  
33 necessary to periodically revalue all parcels of real property within a  
34 municipality, in order to reestablish fair and equitable taxation  
35 pursuant to the intent of our constitutional mandate, and to avoid  
36 costly and time consuming litigation;

37 e. While revaluations are thus necessary to maintain tax equity,  
38 implementing a revaluation in a municipality such as the City of  
39 Newark will result in "shocking," immediate increases in individual  
40 property tax bills, which severely strain the financial resources of many  
41 of the remaining property owners, particularly middle-class

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

**Matter underlined thus is new matter.**

**Matter enclosed in superscript numerals has been adopted as follows:**

<sup>1</sup> Assembly ALH committee amendments adopted March 11, 1999.

<sup>2</sup> Assembly AAP committee amendments adopted May 17, 1999.

1 homeowners, and which threaten the stability and viability of  
2 long-standing neighborhoods and communities which are often already  
3 in need of rehabilitation; and

4 f. It is, therefore, incumbent upon the Legislature, as a compelling  
5 public purpose and a matter of the general public welfare in order to  
6 preserve the very existence of the largest urban center in the State and  
7 to establish and evaluate a procedure which the Legislature may use  
8 for other municipalities with similar problems, to provide the City of  
9 Newark with the authority to mitigate this fiscal shock by phasing in  
10 tax increases in areas determined to be in need of rehabilitation, thus  
11 maintaining the stability and viability of those neighborhoods and  
12 communities, while requiring the governing body of the City of  
13 Newark to conduct and implement a revaluation.

14

15 3. Section 3 of P.L.1993, c.101 (C.54:1-35.41) is amended to read  
16 as follows:

17 3. As used in **[this act]** P.L.1993, c.101 (C.54:1-35.39 et seq.) and  
18 P.L. , c. (C. ) (now pending before the Legislature as this  
19 bill):

20 a. "Base year" means the tax year immediately preceding the  
21 revaluation year;

22 b. **["Constant rate factor"** means the result obtained by dividing the  
23 total tax levy for a municipality, excluding any special district tax  
24 levies, for the base year by the net valuation taxable for that  
25 municipality for the revaluation year, as both are listed in the Abstract  
26 of Ratables and Exemptions compiled from the Table of Aggregates  
27 prepared for the municipality pursuant to R.S.54:4-52<sup>2</sup> **[(Deleted by**  
28 amendment, P.L. , c. (now pending before the Legislature as this  
29 bill)]<sup>2</sup>"Constant rate factor" means the result obtained by dividing the  
30 total tax law levy for a municipality, excluding any special district tax  
31 levies, for the base year by the net valuation taxable for that  
32 municipality for the revaluation year, as both are listed in the Abstract  
33 of Ratables and Exemptions compiled from the Table of Aggregates  
34 prepared for the municipality pursuant to R.S. 54:4-52<sup>2</sup>;

35 c. "Director" means the Director of the Division of Taxation in the  
36 Department of the Treasury;

37 d. "Eligible property" means any parcel of real property containing  
38 a building or structure and located within an area declared in need of  
39 rehabilitation pursuant to this act in a municipality in which the  
40 director and municipal governing body have determined to implement  
41 a revaluation phase-in program, and for which the net assessed  
42 valuation of that parcel after exemptions and abatements as it appears  
43 on the assessor's duplicate for the revaluation year is scheduled to  
44 increase from the value as it appeared on the assessor's duplicate for  
45 the base year at a ratio equal to or greater than the total ratio change  
46 in net valuation taxable of that municipality for the revaluation year;

- 1 e. "Revaluation" means the revaluation of all real property within  
2 the corporate boundaries of a municipality, performed under a contract  
3 approved by the director pursuant to P.L.1971, c.424 (C.54:1-35.35  
4 et seq.);
- 5 f. "Revaluation relief <sup>2</sup>~~credit~~ abatement<sup>2</sup>" means an exemption  
6 of that portion of the assessed value of an eligible property which  
7 results in a reduction of tax liability<sup>2</sup> equivalent to the amount  
8 deducted from the tax liability of an eligible property, as part of a  
9 revaluation phase-in program;
- 10 g. "Revaluation impact study" means a calculation of the difference  
11 between the tax liability for each parcel of real property situated within  
12 the municipality for the revaluation year without benefit of a  
13 revaluation <sup>2</sup>~~phase-in credit~~ relief abatement,<sup>2</sup> and that liability for  
14 the base year, and the average of all the differences within appropriate  
15 groupings of those parcels, which study is conducted under procedures  
16 established by the director and is reviewed and certified by the  
17 director;
- 18 h. "Revaluation management analysis" means a revaluation impact  
19 study and a revaluation phase-in analysis;
- 20 i. "Revaluation phase-in analysis" means a calculation of the  
21 increase in the tax liability for each parcel of eligible property within  
22 a municipality between the base year and the revaluation year after  
23 application of the ~~constant rate factor~~ <sup>2</sup>~~general tax rate~~ constant  
24 rate factor,<sup>2</sup> minus the revaluation relief <sup>2</sup>~~credit~~ abatement<sup>2</sup> the  
25 municipality is authorized to allow for that property for each of the  
26 ~~three~~ five years of a revaluation phase-in program provided for by  
27 this act, and the average of all such calculations within such groupings  
28 of those parcels as appropriate which study is conducted under  
29 procedures established by the director and is reviewed and certified by  
30 the director;
- 31 j. "Revaluation phase-in program" means the provision of  
32 revaluation relief <sup>2</sup>~~credits~~ abatement<sup>2</sup> by a municipality for eligible  
33 properties pursuant to this act;
- 34 k. "Revaluation year" means the first tax year in which the tax  
35 liability of real property within a municipality is determined, pursuant  
36 to chapter 4 of Title 54 of the Revised Statutes, on the basis of  
37 assessed valuations of the property established by a revaluation within  
38 that municipality; ~~and~~
- 39 l. "Area in need of rehabilitation" means a municipality or a portion  
40 of a municipality in which at least 60% of the housing units are at least  
41 30 years of age; or which has been determined to be an area in need of  
42 rehabilitation or redevelopment pursuant to the "Local Redevelopment  
43 and Housing Law," P.L.1992, c.79 (C.40A:12A-1 et al.) or a "blighted  
44 area" as determined pursuant to the Blighted Area Act, P.L.1949,  
45 c.187 (C.40:55-21.1 et seq.); or which has been determined to be in  
46 need of rehabilitation pursuant to the "Five-Year Exemption and

1 Abatement Law," P.L.1991, c.441 (C.40A:21-1 et seq.), P.L.1975,  
2 c.104 (C.54:4-3.72 et seq.), P.L.1977, c.12 (C.54:4-3.95 et seq.), or  
3 P.L.1979, c.233 (C.54:4-3.121 et al.); and  
4 m. "Act" means sections 1 through 10 of P.L.1993, c.101 (C.54:1-  
5 35.39 et seq.), as amended and supplemented by P.L. , c. (C. )  
6 (now pending before the Legislature as this bill).  
7 (cf: P.L.1993, c.101, s.3)

8  
9 <sup>2</sup>4. Section 4 of P.L.1993, c.101 (C54:1-35.42) is amended to read  
10 as follows:

11 4. The director and the governing body of a municipality which  
12 has undertaken a revaluation may allow revaluation relief **[credits]**  
13 **abatements** for eligible properties as hereinafter provided:

14 a. On or before April 15 of the revaluation year for municipalities  
15 operating on the January 1 to December 31 fiscal year, or one week  
16 following the date established by law for the adoption of the municipal  
17 budget for municipalities operating on the State fiscal year, whichever  
18 is appropriate, the governing body of the municipality shall conduct a  
19 revaluation management analysis; provided, however, that a  
20 municipality which has conducted a revaluation that has not yet been  
21 used as the basis for a tax billing as of the effective date of this act  
22 may undertake the revaluation management analysis without regard for  
23 the deadline established herein. The governing body shall, at the same  
24 time, notify the county board of taxation of the county in which the  
25 municipality is situated of its intention to conduct a revaluation  
26 management analysis.

27 b. Within three days of filling out the Table of Aggregates for the  
28 county, the county board of taxation shall transmit to each  
29 municipality which has notified the county board of taxation of its  
30 intention to conduct a revaluation management analysis certified  
31 copies of the assessor's duplicate for the revaluation year and the base  
32 year and include a certified copy of the Table of Aggregates for the  
33 municipality.

34 c. Upon receipt of the assessor's duplicates and Tables of  
35 Aggregates, as provided in subsection b. of this section, and the  
36 certified copy of the Table of Aggregates from the county treasurer,  
37 as provided in R.S.54:4-52, the municipality shall prepare a  
38 revaluation management analysis as soon as practicable thereafter.

39 d. After review of the revaluation management analysis, the  
40 governing body of the municipality may determine, by ordinance, to  
41 implement a revaluation phase-in program. That ordinance also shall  
42 contain a listing of the areas within the municipality declared in need  
43 of rehabilitation in accordance with subsection 1. of section 3 of this  
44 act. A listing, by block and lot, shall be available for public inspection  
45 in the office of the municipal assessor immediately following adoption  
46 of the ordinance.

1 e. Upon the adoption of an ordinance pursuant to subsection d. of  
 2 this section, the governing body shall immediately notify and transmit  
 3 certified copies of the ordinance to the director and the county board  
 4 of taxation. In addition, notwithstanding the provisions of  
 5 R.S.54:4-64, the governing body shall direct the collector of the taxing  
 6 district not to prepare and deliver any tax bills until the county board  
 7 of taxation has prepared and delivered a revised tax duplicate for the  
 8 municipality. Any collector so directed shall prepare and mail, or  
 9 otherwise cause to be delivered, a statement to the individuals assessed  
 10 and, if so authorized, to any mortgagee or other agent in substantially  
 11 the following form: "The governing body of (municipality) has  
 12 determined to phase in tax increases associated with the recently  
 13 completed revaluation. Your tax bill incorporating the phase-in will  
 14 be forthcoming."<sup>22</sup>

15 (cf: P.L.1993, c.101, s.4.)

16

17 <sup>2</sup>[4.] 5.<sup>2</sup> Section 5 of P.L.1993, c.101 (C.54:1-35.43) is amended  
 18 to read as follows:

19 5. a. Upon the receipt of a certified copy of the ordinance, the  
 20 director shall conduct a final review of the tax duplicate for the  
 21 municipality, and make a final determination of which parcels of real  
 22 property in the municipality are eligible properties.

23 b. The director shall determine the amount of the revaluation  
 24 relief <sup>2</sup>[credit] abatement<sup>2</sup> for each eligible property for the  
 25 revaluation year as follows:

26

$$27 \quad RR^2[C]A^2 = [0.75] \underline{0.80} (A-B)$$

28

29 **[here]** where:

30 "RR<sup>2</sup>[C]A<sup>2</sup>" equals the revaluation relief <sup>2</sup>[credit] abatement<sup>2</sup> for  
 31 the eligible property;

32 "A" equals the tax liability produced by multiplying the **[constant**  
 33 **rate factor]** <sup>2</sup>[general tax rate] constant rate factor<sup>2</sup> for the  
 34 municipality for the revaluation year times the net assessed value of  
 35 the eligible property as it appears on the assessor's duplicate for the  
 36 revaluation year; and

37 "B" equals the tax liability produced by multiplying the general tax  
 38 rate for the municipality for the base year times the net assessed value  
 39 of the eligible property as it appeared on the assessor's duplicate for  
 40 the base year.

41 (cf: P.L.1993, c.101, s.5)

42

43 <sup>2</sup>6. Section 6 of P.L.1993, c.101 (C.54:1-35.44) is amended to  
 44 read as follows:

45 6. a. The director shall certify to the county board of taxation the  
 46 aggregate amount of revaluation relief **[credits]** abatements to be

1 allowed eligible properties within the municipality. The county board  
 2 of taxation shall forthwith prepare a revised Table of Aggregates. In  
 3 the revised Table of Aggregates, the board shall include, as part of the  
 4 amount which must be raised for local municipal purposes through  
 5 taxation, the aggregate amount of the revaluation relief **[credits]**  
 6 abatements to be allowed eligible properties within the municipality.  
 7 The revised Table of Aggregates for the municipality shall be signed  
 8 and transmitted as provided in R.S.54:4-52.

9 b. The director shall provide, at the same time, the county board of  
 10 taxation with a certified list of the eligible properties within the  
 11 municipality and the amount of the revaluation relief **[credit]**  
 12 abatement to which each is entitled. The county board shall  
 13 immediately thereafter cause the corrected, revised and completed  
 14 duplicate, certified by it to be a true record of the taxes assessed, to  
 15 be delivered to the collector of the municipality. The revised tax list  
 16 shall remain in the office of the board as a public record. Thereafter  
 17 neither the assessor nor the collector shall make or cause to be made  
 18 any change or alteration in the tax duplicate except as may be provided  
 19 by law.<sup>2</sup>

20 (cf: P.L.1993, c.101, s.6)

21

22 <sup>2</sup>7. Section 7 of P.L.1993, c.101 (C.54:1-35.45) is amended to  
 23 read as follows:

24 7. a. As soon as the tax duplicate is delivered to the collector of  
 25 the municipality, the collector shall proceed with the work of  
 26 preparing, completing, mailing or otherwise delivering tax bills to the  
 27 individuals assessed pursuant to R.S.54:4-64 and R.S.54:4-66.

28 b. The tax bill shall be in a form prescribed by the Director of the  
 29 Division of Local Government Services in the Department of  
 30 Community Affairs, after consultation with the director, and shall  
 31 include, in addition to such other information as may be required by  
 32 law, rule or regulation, notification **[that]** as to whether and to what  
 33 extent the local municipal purposes tax rate for the municipality  
 34 includes a rate to support the revaluation phase-in program. The bill  
 35 shall also indicate the amount of the revaluation relief **[credit]**  
 36 abatement the taxpayer received for his eligible property.<sup>2</sup>

37 (cf. P.L.1993, c.101, s.7)

38

39 <sup>2</sup>**[5]** 8.<sup>2</sup> Section 9 of P.L.1993, c.101 (C.54:1-35.47) is amended  
 40 to read as follows:

41 9. Revaluation relief <sup>2</sup>**[credits]** abatements<sup>2</sup> for eligible properties  
 42 in the revaluation year shall continue to be provided in the first **[and]**,  
 43 second and third tax year next following the revaluation year.

44 For the first **[and]**, second and third year following the revaluation  
 45 year, the director shall calculate, forthwith each year upon the receipt  
 46 of a certified copy of a resolution from the municipality, the amount

1 of the revaluation relief <sup>2</sup>**[credit]** abatement<sup>2</sup> for each eligible  
2 property.

3 For the purposes of this section:

4 "RR <sup>2</sup>**[C]**A"<sup>2</sup> equals the revaluation relief <sup>2</sup>**[credit]** abatement<sup>2</sup> for  
5 the eligible property;

6 "A" equals the tax liability produced by multiplying the **[constant**  
7 **rate factor]** <sup>2</sup>**[general tax rate]** constant rate factor<sup>2</sup> for the  
8 municipality for the revaluation year by the net assessed value of the  
9 eligible property as it appeared on the assessor's duplicate for the  
10 revaluation year; and

11 "B" equals the tax liability produced by multiplying the general tax  
12 rate for the municipality for the base year by the net assessed value of  
13 the eligible property as it appeared on the assessor's duplicate for the  
14 base year.

15 For the first tax year next following the revaluation year, the  
16 director shall determine the amount of the revaluation relief <sup>2</sup>**[credit]**  
17 abatement<sup>2</sup> as follows:

18

$$19 \quad RR^2[C]A^2 = [0.50] \underline{0.60} (A-B)$$

20

21 For the second tax year next following the revaluation year, the  
22 director shall determine the amount of the revaluation relief <sup>2</sup>**[credit]**  
23 abatement<sup>2</sup> for each eligible property as follows:

24

$$25 \quad RR^2[C]A^2 = [0.25] \underline{0.40} (A-B)$$

26

27 For the third year next following the revaluation year, the director  
28 shall determine the amount of the revaluation relief <sup>2</sup>**[credit]**  
29 abatement<sup>2</sup> for each eligible property as follows:

30

$$31 \quad RR^2[C]A^2 = 0.20 (A-B)$$

32

33 For the fourth year next following the revaluation year, there shall  
34 be no revaluation relief <sup>2</sup>**[credit]** abatement<sup>2</sup> given, and all properties  
35 shall be assessed and taxed at their taxable value.

36 In each of those tax years the director shall certify to the county  
37 board of taxation the aggregate amount of revaluation relief <sup>2</sup>**[credits]**  
38 abatements<sup>2</sup> to be provided for eligible properties within the  
39 municipality, and shall provide the county board of taxation with a  
40 certified list of eligible properties within the municipality and the  
41 amount of the revaluation relief <sup>2</sup>**[credit]** abatement<sup>2</sup> to which each is  
42 entitled. The county board of taxation shall incorporate the  
43 information provided on that list into the tax duplicate prepared for the  
44 taxing district pursuant to R.S.54:4-55.

45 (cf: P.L.1993, c.101, s.9)

1       <sup>2</sup>9. Section 10 of P.L.1993, c.101 (C.54:1-35.48) is amended to  
2 read as follows:

3       10. The provision of revaluation relief **[credits]** abatements  
4 pursuant to this act shall not result in any tax year in a tax liability for  
5 an eligible property which is less than the tax liability for the base  
6 year.<sup>2</sup>

7 (cf: P.L.1993, c.101, s.10)

8

9       <sup>2</sup>[6. Section 5 of P.L.1981, c.77 (C.40:48E-5) is amended to read  
10 as follows:

11       5. a. For any calendar year, the owner of a hotel shall be required  
12 to pay the **[greater of the]** real property tax (defined to be the  
13 payment of ad valorem taxes or payment in lieu of taxes or payment  
14 of annual service charges) **[or]** and the hotel use or occupancy tax**],**  
15 to be calculated as follows:

16       (1) If the quarterly installment of the real property tax is less than  
17 the quarterly installment of the hotel use or occupancy tax, the owner  
18 shall be required to pay only the hotel use or occupancy tax.

19       (2) If the quarterly installment of the real property tax is greater  
20 than the quarterly installment of the hotel use or occupancy tax, the  
21 owner shall be required to pay the hotel use or occupancy tax, and, in  
22 addition, the owner shall be required to make a supplemental payment.  
23 For the purposes of this section, "supplemental payment" means an  
24 amount equal to the excess of the real property tax installment over  
25 the hotel use or occupancy tax installment.

26       b. At the end of the calendar year, the total hotel use or occupancy  
27 tax payments made during the year shall be adjusted as follows:

28       (1) If the total of the hotel use or occupancy tax payments,  
29 excluding any supplemental payments, made during the year exceeds  
30 the total real property tax for that year, the city shall refund to the  
31 owner the total amount of the supplemental payments, if any, made  
32 during the year; or

33       (2) If the total of the hotel use or occupancy tax payments,  
34 excluding any supplemental payments, made during the year does not  
35 exceed the total real property tax for the year, and if the total of the  
36 hotel use or occupancy tax payments and supplemental payments made  
37 during the year does exceed the total real property tax for the year, the  
38 city shall refund to the owner the difference between: (a) the total  
39 property tax paid and (b) the sum of the hotel or occupancy tax paid  
40 plus the supplemental payments paid.

41       c. The refunds shall be paid to the owner without interest by July  
42 1 of the succeeding year or 15 days after the adoption of the annual  
43 budget by the municipal council, whichever is later.

44       d. No refund shall be made in any year in which the owner has  
45 failed to be current in its hotel use or occupancy tax, including any  
46 supplemental payments required under this section. For the purposes



1 of this section, "current" means that quarterly installments of tax have  
2 been paid in accordance with R.S.54:4-66].

3 (cf: P.L.1991, c.23, s.1)]<sup>2</sup>

4

5 <sup>2</sup>[7. (New section) In addition to any parking tax imposed  
6 pursuant to section 6 of P.L.1970, c.326 (C.40:48C-6) the  
7 municipality, by ordinance, may impose a revaluation relief surcharge,  
8 not to exceed an additional 4%, on fees for parking, garaging, or  
9 storing of motor vehicles, other than parking in a garage which is part  
10 of premises occupied solely as a private one- or two-family dwelling.  
11 For the purposes of this section, in the case where any parking facility  
12 situated within two contiguous municipalities authorized under section  
13 1 of P.L.1970, c.326 (C.40:48C-1) and section 2 of P.L.1987, c.21  
14 (C.40:48C-1.2), the surcharge authorized herein may only be imposed  
15 on fees attributable to that portion of any parking facility which is  
16 situated within the physical boundaries of the municipality.]<sup>2</sup>

17

18 <sup>2</sup>[8. (New section) Notwithstanding sections 5, 8 and 19 of  
19 P.L.1970, c.326 (C.40:48C-5, 40:48C-8 and <sup>1</sup>[30:48C-19] 40:48C-  
20 19<sup>1</sup>) any tax imposed by the City of Newark pursuant to the "Local  
21 Tax Authorization Act," P.L.1970, c.326 (C.40:48C-1 et seq.),  
22 <sup>1</sup>[and]<sup>1</sup> may be continued by the City of Newark until January 1 of the  
23 fourth year next following the year in which the revaluation required  
24 pursuant to P.L. , c. (C. ) (now pending before the Legislature  
25 as this bill) is implemented or until the date on which the tax expires,  
26 whichever is later, and any surcharge on those taxes authorized under  
27 P.L. , c. (C. ) (now pending before the Legislature as this  
28 bill), may be continued by the City of Newark until January 1 of the  
29 fourth year next following the year in which the revaluation required  
30 pursuant to P.L. , c. (C. ) (now pending before the Legislature  
31 as this bill) is implemented.]<sup>2</sup>

32

33 <sup>2</sup>[9. (New section) The City of Newark is hereby authorized and  
34 empowered to enact an ordinance imposing a tax on sales of fuels  
35 taxed pursuant to chapter 39 of Title 54 of the Revised Statutes sold  
36 or delivered to the consumer thereof in that municipality and  
37 specifying the rate of the tax. That tax shall be in addition to the tax  
38 imposed by such chapter and shall be administered and collected by the  
39 Director of the Division of Taxation pursuant to chapter 39 of Title 54  
40 of the Revised Statutes and the State Tax Uniform Procedure Law,  
41 R.S.54:48-1 et seq. That additional tax shall be imposed upon those  
42 persons who now pay to the director the tax imposed by chapter 39 of  
43 Title 54 of the Revised statutes to the extent that such persons have  
44 reason to believe such fuel is intended for sale or delivery to the  
45 consumer thereof in such municipality. In the event that the additional

1 tax has not been paid for any motor fuel which is delivered for sale or  
 2 delivery within the municipality to the consumer thereof, the additional  
 3 tax shall be imposed upon the person making such delivery and said  
 4 person shall pay the tax to the director, and the failure of such person  
 5 to so pay and remit the tax shall constitute a violation of P.L. , c.  
 6 (C. ) (pending before the Legislature as this bill).<sup>2</sup>

7  
 8 <sup>2</sup>[10. (New section) All receipts collected by the Director of the  
 9 Division of Taxation in the Department of the Treasury with respect  
 10 to an additional tax imposed by an ordinance adopted pursuant to  
 11 section 9 of P.L. , c. (C. ) (now pending before the  
 12 Legislature as this bill), shall be paid by the State Treasurer to the City  
 13 of Newark upon certification of the director to the chief financial  
 14 officer of such municipality on or before the tenth day of each month  
 15 following receipt thereof by the director.]<sup>2</sup>

16  
 17 <sup>2</sup>[11. (New section) Any ordinance and any amendment thereof  
 18 adopted pursuant to section 9 of P.L. , c. (C. ) (now pending  
 19 before the Legislature as this bill) shall apply to sales of motor fuels on  
 20 and after the first day of the month following the filing of a certified  
 21 copy thereof with the Director of the Division of Taxation in the  
 22 Department of the Treasury and the Director of the Division of Local  
 23 Government Services in the Department of Community Affairs.]<sup>2</sup>

24  
 25 <sup>2</sup>10.(New section) Notwithstanding any provisions of sections 8  
 26 and 19 of P.L.1970, c.326 (C.40:48C-8 and 40:48C-19) to the  
 27 contrary, a municipality as defined in section 1 of P.L.1970, c.326  
 28 (C.40:48C-1) that undertakes a revaluation by entering into a contract  
 29 approved by the director for the completion of a revaluation, and  
 30 enters into that contract within 360 days following the effective date  
 31 of P.L. , c. (C. )(now pending before the Legislature as this  
 32 bill) pursuant to P.L.1993, c.101 (C.54:1-35.39 et seq.) is authorized  
 33 to impose the taxes authorized by articles 3 and 5 of P.L.1970, c.326  
 34 until January 1 of the fourth year next following the revaluation year  
 35 or until the date on which the tax expires, whichever is later.<sup>2</sup>

36  
 37 <sup>2</sup>[12]<sup>2</sup>[11.<sup>2</sup> (New section) <sup>2</sup>[a. No tax shall be imposed under any  
 38 ordinance adopted pursuant to section 9 P.L. , c. (C. )  
 39 (now pending before the Legislature as this bill), and no surcharge  
 40 shall be imposed under any ordinance adopted pursuant to section 7 of  
 41 P.L. , c. (C. ) (now pending before the Legislature as this  
 42 bill), on or after the first day of the first month next following the fifth  
 43 year after enactment of P.L. , c. (C. ) (now pending before  
 44 the Legislature as this bill).

45 b.]<sup>2</sup> All monies received by the City of Newark pursuant to a tax  
 46 <sup>2</sup>[or surcharge ]<sup>2</sup> imposed pursuant to <sup>2</sup>[sections 7 or 9] section 10<sup>2</sup>

1 of P.L. , c. , (C. ) (now pending before the Legislature as  
2 this bill) shall be used for the sole purpose of funding revaluation relief  
3 <sup>2</sup>**[credits]** abatements. The procedures and safeguards to implement  
4 the requirement that funds be used for the sole purpose of funding  
5 revaluation relief shall be as the Director of the Division of Local  
6 Government Services in the Department of Community Affairs shall  
7 prescribe.<sup>2</sup>

8  
9 <sup>2</sup>**[13.]12.<sup>2</sup> (New section) Prior to imposition of any <sup>2</sup>**[new]**<sup>2</sup> tax  
10 <sup>2</sup>**[or surcharge]**<sup>2</sup> authorized by P.L. , c. (C. ) (now  
11 pending before the Legislature as this bill), the <sup>2</sup>**[Director of the**  
12 **Division of Local Government Services in the Department of**  
13 **Community Affairs]** director<sup>2</sup> shall present a plan to the Legislature,  
14 in consultation with the Essex County Board of Taxation, the tax  
15 assessor for the City of Newark, and the mayor and city council of the  
16 City of Newark, to maintain assessments at market value following  
17 implementation of the revaluation<sup>2</sup>; and, prior to the imposition of any  
18 tax authorized by P.L. , c. (C. ) (now pending before the  
19 Legislature as this bill), the Director of the Division of Local  
20 Government Services in the Department of Community Affairs, in  
21 consultation with the city, shall present to the Legislature a plan for  
22 assuring that the requirements of section 11 of P.L. , c. (C. )  
23 (now pending before the Legislature as this bill) that funds be used for  
24 the sole purpose of funding revaluation relief will be fulfilled; and  
25 provided further that the city shall report annually, on or before April  
26 1 of the year following the revaluation year and each of the three years  
27 thereafter, on the implementation of that plan, the expenditure of those  
28 funds, and the impact of the plan on the level of expenditures in the  
29 city budget<sup>2</sup>.**

30  
31 <sup>2</sup>**[14.] 13.**<sup>2</sup> This act shall take effect immediately.