

ASSEMBLY, No. 1185

STATE OF NEW JERSEY 209th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2000 SESSION

Sponsored by:

Assemblyman MICHAEL J. ARNONE

District 12 (Monmouth)

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District 31 (Hudson)

SYNOPSIS

Establishes pilot program for dual real property tax rate system.

CURRENT VERSION OF TEXT

As reported by the Assembly Local Government Committee with technical review.



1 AN ACT concerning real property assessment and authorizing a pilot
2 program for a dual real property tax rate system in certain
3 municipalities.

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

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8 1. The Legislature finds and declares that many years of federal and
9 State programs designed to aid in the redevelopment and revitalization
10 of decayed urban areas have demonstrated that there is no "magic
11 bullet" for solving those problems. A system of site valuation
12 taxation, where land is taxed at a higher rate than improvements on the
13 land, has been used in municipalities in several other states with
14 varying degrees of success in discouraging land speculation and
15 encouraging redevelopment of vacant land in urban areas. While site
16 valuation taxation should not be seen as the sole answer to reviving
17 decayed urban areas in New Jersey, it should be tested and evaluated
18 to determine under what circumstances its use would be appropriate
19 and useful in this State. Therefore, it is in the public interest to make
20 a dual real property tax rate system available as a tool to certain
21 distressed urban areas in order to properly determine whether the same
22 dual tax rate option should be more broadly offered to municipalities.

23
24 2. a. The Director of the Division of Taxation in the Department
25 of the Treasury shall establish a pilot program authorizing the
26 governing bodies of Irvington Township in Essex County, Asbury Park
27 City in Monmouth County and Camden City in Camden County to
28 adopt ordinances implementing a dual real property tax rate system for
29 county, school, municipal and other local purposes.

30 b. An ordinance implementing a dual real property tax rate system
31 shall provide that all taxable land shall be taxed at one rate and all
32 taxable improvements on land shall be taxed at a lesser rate, the
33 difference in tax rates to be determined by the governing body of the
34 municipality. The ordinance also may provide for a phasing in of the
35 tax rate differential over a period of years to be determined by the
36 governing body.

37 c. The director, in consultation with the Director of the Division of
38 Local Government Services in the Department of Community Affairs,
39 shall issue a report to the Legislature five years following the adoption
40 of a dual real property tax rate system ordinance in any of the
41 municipalities eligible to participate in the pilot program. The report
42 shall attempt to determine what effect, if any, a dual real property tax
43 rate system is having on encouraging redevelopment in the
44 participating municipality. The report also shall recommend whether
45 or not the program should be extended to other municipalities.

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- 1 3. The Director of the Division of Taxation in the Department of
2 the Treasury shall issue, in accordance with the "Administrative
3 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), such rules and
4 regulations as are necessary to implement the provisions of this act.
5
- 6 4. This act shall take effect immediately.