

SENATE, No. 470

STATE OF NEW JERSEY 219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Senator NICHOLAS J. SACCO

District 32 (Bergen and Hudson)

Senator PAUL A. SARLO

District 36 (Bergen and Passaic)

SYNOPSIS

Establishes State payment in lieu of taxes to municipalities for loss of revenues due to an overburden of tax-exempt cemetery property; appropriates \$66 million.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** providing for payments for local services in lieu of taxation
2 on cemetery property, supplementing chapter 4 of Title 54 of the
3 Revised Statutes, and making an appropriation.

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

7
8 1. As used in this act:

9 “Director” means the Director of the Division of Taxation in the
10 Department of the Treasury.

11 “Exempt cemetery property” means any land or place used or
12 dedicated for use for burial of human remains, cremation of human
13 remains, or disposition of cremated human remains.

14 “Local purpose tax levy” means the total levy on which the tax
15 rate is computed, as reported in column 12D of the abstract of
16 ratables for the current tax year.

17
18 2. Notwithstanding the provisions of any other law to the
19 contrary, and to compensate municipalities for taxes lost due to
20 exempt cemetery property, such property shall be assessed and
21 subject to an in lieu of tax payment provided pursuant to section 5
22 of P.L. , c. (C.) (pending before the Legislature as this bill).

23
24 3. Commencing in tax year 2012, each assessor, annually on or
25 before September 15, shall prepare and send to the Director of the
26 Division of Taxation, on a form prescribed by him, statements of
27 the taxable value assessments, as if the same were not exempt from
28 taxation listing each parcel of exempt cemetery property within the
29 taxing district, as defined in section 1 of P.L. , c. (C.)
30 (pending before the Legislature as this bill.

31
32 4. Upon receipt of the assessments of exempt cemetery
33 property, the director shall review and revise the list and the
34 assessment of any parcel of exempt cemetery property, and
35 annually, on or before November 15, shall notify the county board
36 of taxation and the taxing district affected by any such change,
37 addition, or revision. The determination by the director shall be
38 final and there shall be no appeal taken with respect thereto, except
39 to correct typographical errors and mathematical errors.

40
41 5. After completion of the review of the assessments of exempt
42 cemetery property, the director shall compute the State’s liability
43 for in lieu of tax payments to each municipality affected. The in
44 lieu payment shall be calculated by applying the effective local
45 purpose tax rate of the municipality for the current tax year to the
46 value of exempt cemetery property, in the municipality, and the sum
47 of such calculations shall constitute the State’s liability; provided,
48 however, that the State shall have no liability to any one

1 municipality when the sum of its liability is less than \$1,000 and no
2 municipality shall receive an in lieu payment from the State greater
3 than an amount equal to 20% of the local purpose tax levy.
4

5 6. a. Upon completion of the review of assessments of exempt
6 cemetery property and the calculation of the State's liability for in
7 lieu of tax payments, the director shall certify annually to the State
8 Treasurer, on or before December 1, the amount of aid payable to
9 each municipality pursuant to section 5 of P.L. , c. (C.)
10 (pending before the Legislature as this bill). A copy of the
11 certification shall be transmitted to the Director of the Division of
12 Local Government Services in the Department of Community
13 Affairs.

14 b. State payments to municipalities for exempt cemetery
15 property shall be made in four equal installments on August 1,
16 September 1, October 1, and November 1 in the year succeeding
17 certification by the director as set forth in this section. The amounts
18 payable to each municipality pursuant to section 5 of
19 P.L. , c. (C.) (pending before the Legislature as this bill)
20 shall be paid by the State Treasurer upon certification of the
21 director and warrant of the Director of the Division of Budget and
22 Accounting in the Department of the Treasury.
23

24 7. An in lieu of tax payment provided to a municipality
25 pursuant to the provisions of this act shall be appropriated by the
26 municipality in compliance with the provisions of the "Local
27 Budget Law," N.J.S.40A:4-1 et seq. Any municipality receiving an
28 in lieu of tax payment may anticipate the receipt of such payment as
29 certified by the director and may file any amendment or correction
30 in its local budget as may be required to reflect that certified
31 amount in its budget.
32

33 8. In the event that an appropriation made for any year is less
34 than the amount required for full payment in lieu of taxes to each
35 municipality, the amount otherwise payable to each municipality
36 shall be reduced in the same proportion as the appropriation made is
37 to the amount required for full funding.
38

39 9. The director may promulgate such rules and regulations
40 pursuant to the "Administrative Procedure Act," P.L.1968, c.410
41 (C.52:14B-1 et seq.) in order to effectuate the purposes of this act
42 and may require such facts and information from municipal
43 assessors, county boards of taxation, and agencies of the State
44 government as he may deem necessary to carry out its provisions.
45

46 10. There shall be annually appropriated a sum which shall be
47 apportioned among municipalities which qualify for State aid under
48 the provisions of this act.

1 11. There is appropriated \$66,000,000 from the Property Tax
2 Relief Fund to the Department of the Treasury for distribution to
3 municipalities as payments in lieu of taxes.

4
5 12. This act shall take effect immediately.

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8 **STATEMENT**

9
10 This bill provides for an in lieu of tax payment by the State to
11 municipalities to compensate them for the loss of tax ratables
12 resulting from cemetery and graveyard property that is exempt from
13 taxation.

14 Under the bill, a municipal assessor would determine the taxable
15 value of cemetery property as if it were not exempt from taxation.
16 The bill defines “exempt cemetery property” as any land or place
17 used or dedicated for use for burial of human remains, cremation of
18 human remains, or disposition of cremated human remains. These
19 assessments would be transmitted to, reviewed by, and if necessary,
20 revised by the Director of the Division of Taxation in the
21 Department of the Treasury. The director’s determination with
22 regard to the assessment of the value of exempt cemetery property
23 would be final and could not be appealed.

24 The amount of each municipality’s in lieu of tax payment is
25 determined by multiplying the local purposes tax rate for the current
26 tax year by the total assessed value of its exempt cemetery property.
27 No municipality may receive a payment that is greater than 20% of
28 its property tax levy for local purposes. The director must certify
29 the amount owed to each municipality by December 1 of each year.
30 Payments in lieu of taxes would be distributed to municipalities in
31 four equal installments on August 1, September 1, October 1, and
32 November 1 of the following year. Based on data reported by the
33 county boards of taxation in the 2011 Abstract of Ratables 383
34 municipalities would be eligible for in lieu of tax payments under
35 this bill.

36 The bill appropriates \$66 million from the Property Tax Relief
37 Fund to the Department of the Treasury for distribution to
38 municipalities as payments in lieu of taxes.