

SENATE, No. 1450

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED FEBRUARY 13, 2020

Sponsored by:
Senator JAMES W. HOLZAPFEL
District 10 (Ocean)

SYNOPSIS

Requires Director of Division of Taxation to include sales of properties in age-restricted developments by third parties in table of equalized valuations.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning the promulgation of a table of equalized
2 valuations and amending P.L.1954, c.86.

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.1954, c.86 (C.54:1-35.3) is amended to read
8 as follows:

9 3. True value for the purposes of this act shall be deemed to be
10 valuation at current market prices or values, determined in such
11 manner as the director may, in his discretion, select. The director
12 shall determine the ratio of aggregate assessed to aggregate true
13 valuation of real estate of each taxing district. He may make such
14 determination by reference to the county equalization table
15 whenever he is satisfied that the table has been prepared according
16 to accepted methods and practices and that it properly reflects true
17 value or a known percentage thereof for the several taxing districts
18 in the county. The director, with respect to any and all taxing
19 districts, may use the assessment ratios reported in the Sixth Report
20 of the Commission on State Tax Policy (Trenton, 1953) and may
21 consider such other assessment ratio studies as may be available.
22 He may make such further and different investigations of
23 assessment practices as he may deem necessary or desirable for the
24 establishment of the assessment ratios required by this act. In
25 determining usable sales for the purposes of promulgating a table of
26 equalized valuations, the director shall include sales of properties in
27 age-restricted developments by third parties such as guardians,
28 trustees, executors, and administrators.

29 (cf: P.L.1954, c.86, s.3)

30

31 2. This act shall take effect immediately.

32

33

34 STATEMENT

35

36 This bill would require the Director of the Division of Taxation
37 to include sales of properties in age-restricted developments by
38 third parties such as guardians, trustees, executors, and
39 administrators in the promulgation of a table of equalized
40 valuations, for the purposes of establishing local tax assessments.
41 Currently, such sales are not considered usable, because they are
42 not “arms-length transfers” and therefore not considered to be true
43 market-transaction indicators of fair market value. However,
44 because the majority of sales of properties in age-restricted
45 developments are transacted by third parties who have been

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.

S1450 HOLZAPFEL

3

1 entrusted by senior citizens with these transactions, this exclusion
2 places an unfair burden on the residents of age-restricted
3 communities.