

**To: New Jersey Law Revision Commission**

**From: John Cannel**

**Re: Property Tax**

**Date: May 9, 2016**

## **MEMORANDUM**

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I have done some outreach on possible response to a report revising laws on property tax. I have had a couple of conversations with the counsel to the League of Municipalities. I also spoke to the Legislative Liaison of the Bar Association. The information that I have received so far does not indicate a reluctance to change wording of current law. The Bar Association indicated that members of the Taxation Section “would absolutely have an interest in a review of the property taxation statutes”.

The League of Municipalities said that the overwhelming current issue in property tax law concerns profit making activities associated with non-profit or charitable entities. The Legislature, the Governor, and municipalities have taken divergent positions. Whether we could craft a provision based on the Constitutional cases that would function as a compromise is uncertain. More time and the results of current litigation may make the kind of approach necessary clearer.

On the basis of these responses I would recommend that the Commission continue with the project. Most of the report would be not controversial, and the Commission’s attempt on the one controversial provision might be helpful. A rough draft toward a report was prepared for this meeting. It includes the parts of the 1998 draft that are relevant to this project and drafts of the relevant statutes that were enacted after 1998. Those appear beginning at Tax 2-11. We have not yet incorporated legislative amendments to other sections.