

19. Sales where purchaser assumes more than two years of accrued taxes;

20. Acquisitions, resale or transfer by railroads, pipeline companies or other public utility corporations for right-of-way purposes;

21. Sales of cemetery lots;

22. Transfers of property in exchange for other real estate, stocks, bonds, or other personal property;

23. Sales of commercial or industrial real property which include machinery, fixtures, equipment, inventories, goodwill when the values of such items are indeterminate;

24. Sales of property, the value of which has been materially influenced by zoning changes where the latter are not reflected in current assessments;

25. Transactions in which the full consideration as defined in the "Realty Transfer Fee Act" is less than \$100.00;

26. Sales which for some reason other than specified in the enumerated categories are not deemed to be a transaction between a willing buyer, not compelled to buy, and a willing seller, not compelled to sell;

27. Sales occurring within the sampling period but prior to a change in assessment practice resulting from the completion of a recognized revaluation or reassessment program; i.e., sales recorded during the period July 1 to December 31 next preceding the tax year in which the result of such revaluation or reassessment program is placed on the tax roll.

(b) Transfers of the foregoing nature should generally be excluded but may be used if after full investigation it clearly appears that the transaction was a sale between a willing buyer, not compelled to buy, and a willing seller, not compelled to sell, and that it meets all other requisites of a usable sale.

Amended by R.1980 d.62, effective February 4, 1980.  
See: 12 N.J.R. 56(a), 12 N.J.R. 162(a).

#### Law Review and Journal Commentaries

Burdens—Municipalities—Taxes. Judith Nallin, 134 N.J.L.J. No. 1, 71 (1993).

Tax assessments. Steven P. Bann, 137 N.J.L.J. No. 3, 76 (1994).

#### Case Notes

To exclude challenged sales taxpayer must demonstrate that inclusion of challenged sale was improper because sale was not for fair market value. 1530 Owners Corp. v. Borough of Fort Lee, 135 N.J. 394, 640 A.2d 811 (1994).

Taxpayer may correct substantially skewed "chapter 123 ratio". 1530 Owners Corp. v. Borough of Fort Lee, 263 N.J.Super. 382, 622 A.2d 1350 (A.D.1993), certification granted 134 N.J. 478, 634 A.2d 525, judgment modified and remanded 135 N.J. 394, 640 A.2d 811.

Tax court could refuse to apply previous year's discount where circumstances have changed. 1530 Owners Corp. v. Borough of Fort Lee, 263 N.J.Super. 382, 622 A.2d 1350 (A.D.1993), certification granted 134 N.J. 478, 634 A.2d 525, judgment modified and remanded 135 N.J. 394, 640 A.2d 811.

When sale price was used to establish "chapter 123 ratio", the taxpayer has burden of proving that price was less than market value. 1530 Owners Corp. v. Borough of Fort Lee, 263 N.J.Super. 382, 622 A.2d 1350 (A.D.1993), certification granted 134 N.J. 478, 634 A.2d 525, judgment modified and remanded 135 N.J. 394, 640 A.2d 811.

Taxpayer could not substitute unweighted, unclassified ratio of assessment to true value for purpose of determining whether taxable value was subject to revision. Glenpointe Associates v. Township of Teaneck, 241 N.J.Super. 37, 574 A.2d 459 (A.D.1990), certification denied 122 N.J. 391, 585 A.2d 392.

Taxpayer improperly relied on tax year in question to determine if taxpayer could substitute unweighted unclassified ratio for statutory ratio. Glenpointe Associates v. Township of Teaneck, 241 N.J.Super. 37, 574 A.2d 459 (A.D.1990), certification denied 122 N.J. 391, 585 A.2d 392.

Statute providing method for taxpayer's discrimination relief is not a sole remedy; statute establishes rebuttable presumption of common level assessment; taxpayer restricted to use of average ratio in statute to establish common level; to overcome common level presumption, a taxpayer must establish that application of the ratio would be virtually confiscatory. Murnick v. City of Asbury Park, 95 N.J. 452, 471 A.2d 1196 (1984).

Upon demonstration that the sales price on an FHA-financed sale was substantially distorted by extraordinary charges so that it does not reflect the true consideration for the property as between the seller and the buyer, the sale should be discarded and not used in a sales-ratio study for equalization table computation purposes. Trenton v. Mercer Cty. Bd. of Taxation, 66 N.J. 470, 333 A.2d 1 (1975).

Comparison of properties for real property taxation includes physical characteristics and economic aspects. Ford Motor Co. v. Edison Tp., 10 N.J.Tax 153 (1988), affirmed 12 N.J.Tax 244, affirmed 127 N.J. 290, 604 A.2d 580.

Property value was more accurately presented by taxpayer's expert than municipality's expert. Chevron U.S.A., Inc. v. City of Perth Amboy, 10 N.J.Tax 114 (1988), affirmed 237 N.J.Super. 280, 567 A.2d 597, superseded 11 N.J.Tax 480, certification denied 121 N.J. 628, 583 A.2d 324.

No weight could be attributed to the sale price of the subject property by taxpayer to borough in reviewing assessments; valuation and entitlement to discrimination relief. Linwood Properties, Inc. v. Fort Lee Boro., 7 N.J.Tax 320 (Tax Ct.1985).

Adoption of "master plan" and land development ordinances by township pursuant to Pinelands Comprehensive Management Plan held to have no effect on the sale prices of three properties, sales of which were used by the Director in arriving at assessed value-true value ratio; sales held properly included in a sales study for the establishment of the county equalization table; ratio for residential properties properly applied by the Director to vacant land in the township where no sales of vacant land occurred in the relevant time period. Washington Tp. v. Burlington Cty. Bd. of Taxation, 7 N.J.Tax 1 (Tax Ct.1984).

On appeal by township of 1984 county equalization table, held that, as of the date of the sale in question, the sale price of the parcel could not be related to an identical parcel that had been assessed for the 1982 tax year, and that the sale, therefore, could not be used in arriving at the equalization ratio for the township. Cranbury Tp. v. Middlesex Cty. Bd. of Taxation, 6 N.J.Tax 501 (Tax Ct.1984), affirmed 7 N.J.Tax 667 (App.Div.1985).

Sale of post office property by Federal government held not ipso facto unusable for assessment-sale ratio, without offering of evidence that requisites of usable sale not met; statute providing tax assessment discrimination remedy held not constitutionally repugnant; discrimination relief ordered. Kearny Leasing Corp. v. Town of Kearny, 6

N.J.Tax 363 (Tax Ct.1984), affirmed 7 N.J.Tax 665, certification denied 102 N.J. 340, 508 A.2d 215.

Sale price of lot in open, competitive sales market sold and bought by undressed, use-knowledgeable parties was a reliable indicator of market value and usable in a county equalization table calculation of the ratio of assessments to true value; two usable sales were a sufficient basis from which to determine total true value of "vacant land" classification of property. *West Deptford Tp. v. Gloucester Cty. Bd. of Taxation*, 6 N.J.Tax 79 (Tax Ct.1983).

Sale of commercial property used as trucking company depot held a nonusable deed transaction concerning the sale of commercial property including indeterminable items, thus properly excluded from the Division assessment practices study. *Union Twp. v. Director, Division of Taxation*, 1 N.J.Tax 15, 176 N.J.Super. 239, 422 A.2d 803 (Tax Ct.1980).

## SUBCHAPTER 2. PREPARATION OF LOCAL PROPERTY TAX LIST AND DUPLICATE

### 18:12-2.1 Insertion of property classification code on line items

The assessor of each taxing district shall classify each line item appearing in the tax list according to the several categories shown below, and shall designate the same by the applicable property classification code symbol.

#### PROPERTY CLASSIFICATION CODE

Symbol	Category
1	Vacant Land
2-	Residential (4 Families or less)
3A	Farm (Regular)
3B	Farm (Qualified)
4A	Commercial
4B	Industrial
4C	Apartment
5A	Class I Railroad
5B	Class II Railroad
6A	Telephone
6B	Telegraph
6C	Messenger Service
15A	Exempt Public School
15B	Exempt Other School
15C	Exempt Public
15D	Exempt Charitable
15E	Exempt Cemetery
15F	Exempt Miscellaneous

### 18:12-2.2 Property classification definitions

(a) Class 1: "Vacant Land" means land itself above and under water in its original, indestructible, immobile state. Vacant land is idle land, not actively used for agricultural or any other purpose; unused acreage; and is land in an approved subdivision actively on the market for sale or being held for sale.

(b) Class 2: "Residential" means property described generally as a dwelling house including the lot or parcel of land on which the dwelling house is situated. The dwelling is functionally designed for use and enjoyment by not more than four families. A dwelling functionally designed for use and enjoyment by more than four families should be designated Class 4C.

(c) Class 3A: "Farm property (Regular)" means land being used for agricultural or horticultural purposes, including its use for the breeding, pasturing, and production of livestock and animal products. Farm property also includes land, together with improvements, where the use of the land and function of the buildings thereon are for agricultural or horticultural purposes, as well as farm houses and the lots or parcels of land on which they are situated.<sup>1</sup>

(d) Class 3B: "Farm property (Qualified)" means land which has qualified and is assessed under the Farmland Assessment Act, Chapter 48, Laws of 1964.

(e) Class 4A: "Commercial properties" means any other type of income-producing property other than property in Classes 1, 2, 3A, 3B and those properties included in Classes 4B and 4C below.

(f) Class 4B: "Industrial properties".

(g) Class 4C: "Apartments" designed for the use and enjoyment of five families or more.<sup>2</sup>

(h) Class 5A: "Railroad Class I" means real property consisting of the length of main stem of a railroad in each taxing district.

(i) Class 5B: "Railroad Class II" means all real property used for railroad purposes which is not Class I or Class III.

(j) Class 6A: "Personal Property Telephone" means tangible goods and chattels exclusive of inventories used in the business of telephone companies.

(k) Class 6B: "Personal Property Telegraph" means tangible goods and chattels exclusive of inventories used in the business of telegraph companies.

(l) Class 6C: "Personal Property Messenger Service" means tangible goods and chattels exclusive of inventories used in the business of messenger services.

(m) Class 15A: "Public School Property" means real property owned by federal, state, county or local governments or their agencies used for public education.

(n) Class 15B: "Other School Property" means real property owned by a non-governmental, non-profit corporation used for educational purposes.

(o) Class 15C: "Public Property" means real property owned by federal, state, county or local governments or their agencies and devoted to public uses.

(p) Class 15D: "Church and Charitable Property" means real property owned by religious and charitable organizations actually and exclusively used in the work of the organizations.

(q) Class 15E: "Cemeteries and Graveyards" means real property solely devoted to or held for use as a cemetery, graveyard or burial ground.

(r) Class 15F: "Other Exempt" means real property exempt from taxation but not described in any of the foregoing classes.

<sup>1</sup> For definitions of Agricultural Use and Horticultural Use see Reg. 16:12-10.100(c) and (g) of the Regulations Governing The Valuation, Assessment and Taxation of Land Under the "Farmland Assessment Act of 1964".

<sup>2</sup> While Classes 4A, 4B and 4C are required to be separately designated on the tax list, the aggregate of these classes will be indicated as Class 4 ("Other") for the purpose of the table of equalized valuations (school aid table).

**18:12-2.3 Tax list page summaries; recapitulation of property**

(a) The assessor shall prepare a summary containing the valuations as they appear in his tax list and duplicate for both taxable and exempt properties. In addition, the assessor shall prepare an alphabetical index listing the taxpayer by name. The summaries will pertain to the property classification code as described in section 1 of this subchapter.

(b) The assessor shall make provisions for a summary of deduction amounts for veterans, senior citizens, disabled citizens, surviving spouses and widows of veterans. There shall also be a summary setting forth the number of parcels and the exemption amounts for the following:

1. Air pollution control;
2. Water pollution control;
3. Fallout shelter;
4. Sewerage treatment control;
5. Water supply control;
6. Household improvement;
7. Solar energy;
8. Commercial/Industrial improvement.

(c) The assessor shall prepare a summary of special tax districts such as fire, garbage, sewer, light and water.

**18:12-2.4 Insertion of building description code on line items**

The assessor of each taxing district shall include in the tax list the applicable building description code designation for each line item and such inclusion shall be in accordance with the building description code appearing below.

**BUILDING DESCRIPTION CODE**

**FORMAT**

Stories:

**FORMAT**

S Prefix S with number of stories

**Structure:**

- Al Aluminum siding
- B Brick
- CB Concrete block
- F Frame
- M Metal
- RC Reinforced concrete
- S Stucco
- SS Structural steel
- St Stone
- W Wooden

**Style:**

- A Commercial
- B Industrial
- C Apartments
- D Dutch Colonial
- E English Tudor
- F Cape Cod
- L Colonial
- M Mobile home
- R Rancher
- S Split level
- T Twin
- W Row home
- X Duplex
- Z Raised rancher
- O Other
- 2 Bilevel
- 3 Trilevel

**Garage:**

- AG Attached garage
  - UG Unattached garage
- Note: Number of cars is prefixed to Code.

Example: 15SST L 2AG means 1½ stories; stone; colonial; 2 car attached garage.

**18:12-2.5 Separate line item for farm property assessment**

Where a portion of a parcel of farmland is assessed under the provision of the Farmland Assessment Act as Farm (Qualified), Class 3B, and another portion of the parcel is assessed as Farm (Regular), Class 3A, each said portion must be shown on the tax list as a separate line-item. All farm real property improvements should be included under classification 3A.

**Cross References**

See Section 16:12-10.230 of the Regulations Governing the Valuation, Assessment and Taxation of Land under the Farmland Assessment Act of 1964.

**18:12-2.6 Veteran, senior citizen, disabled citizen and surviving spouse deductions**

(a) Approval of a tax deduction should be indicated by designating the claimant as "V" in the case of veteran, by "W" in the case of a veteran's or serviceman's widow, by "S" in the case of a senior citizen, by "D" in the case of a

disabled citizen, and by "R" in the case of a surviving spouse.

(b) In the case of multiple ownership of a property for which tax deduction is claimed, each line item of the tax list and duplicate must reflect the total number of owners and the number of veterans, veterans' and servicemens' widows, senior citizens, disabled citizens and surviving spouses.

#### 18:12-2.7 Hackensack Meadowland District designations<sup>1</sup>

(a) The assessor or board of assessors for the taxing districts of Carlstadt, East Rutherford, Little Ferry, Lyndhurst, Moonachie, North Arlington, Ridgefield, Rutherford, South Hackensack and Teterboro all in Bergen County; and Jersey City, Kearny, North Bergen and Secaucus, all in Hudson County, shall review the 1969 municipal real property tax list and shall indicate for each parcel of property whether or not such parcel is located within the boundaries of the Hackensack Meadowlands District, and in preparing the Tax List for the tax year 1970 and for each tax year thereafter for the aforementioned taxing districts shall, in addition to furnishing all other information required on the Tax List, indicate for each parcel of property whether or not such parcel is located within the boundaries of the Hackensack Meadowlands District, i.e., the area within the jurisdiction of the Hackensack Meadowlands Development Commission as such area is described in Section 4 of the Hackensack Meadowlands Reclamation and Development N.J.S.A. 13:17-63.

(b) In the case of a parcel of property located within the boundaries of the Hackensack Meadowlands District, the assessor or board of assessors shall indicate such fact by adding the letter "HM" to the lot number or to the lot number suffix in the column of the Tax List captioned "Block No. Lot No."

(c) When the boundary of the Hackensack Meadowlands District divides a lot of land, the entire lot shall be included within the district.

As amended, R.1969, d.11, effective October 23, 1969.  
See: 1 N.J.R. 24(a).

<sup>1</sup> Section 61 of the Hackensack Meadowlands Reclamation and Development Act (N.J.S.A. 13:17-63) provides, as follows:

"(a) In preparing the list of owners of taxable property pursuant to Revised Statutes 54:4-24, the assessor of each constituent municipality shall indicate in the list for each parcel of property whether or not it is located regulations prescribed by the Director of the Division of Taxation.

"(b) When the boundary of the district divides a lot of land, the entire lot shall be included within the district".

#### Authority

N.J.S.A. 13:17-63.

#### 18:12-2.8 Tax list and instructions

(a) Reproduced and made a part hereof are the real property tax list and accompanying instructions.

Editor's note: Graphics which were filed with these rules are not reproduced herein. Information on such data may be obtained from the Division of Taxation, West State and Willow Streets, Trenton, N.J. 08625.

(b) These instructions describe the form and content of the real property tax list and duplicate for each tax year as prescribed by the Director of the Division of Taxation.

1. The size of the tax list and duplicate should be 14 inches by 17 inches. Each page of a tax list should provide for 14 line items.

i. Page headings:

(1) Title: "REAL PROPERTY TAX LIST"; An identical list shall also be prepared which shall serve as the assessor's duplicate.

(2) Page number;

(3) Taxing district name and number;

(4) County name and number;

(5) County percentage level.

ii. Columnar headings: The following headings shall appear on the real property tax list and duplicate.

(1) Column 1—Line number: This column assigns a line number to a particular parcel of property for identification in billing and other purposes. Each line must be consecutively numbered on every page.

(2) Column 2—Block number, lot number, qualification code and account number: Insert the block and lot number of the parcel and the qualification code if any. Qualification codes are shown on the real property tax list under the legend. The account number, if used, shall be entered in this column.

(3) Column 3—Land dimensions, acreage, property classification, building description code and additional lots: Insert land dimensions of lot or lots or the acreage where applicable, appropriate building description code, and the appropriate property classification.

(4) Column 4—Owner's name: Insert owner's name, mailing address and zip code, property location, billing code, type of zoning as shown on zoning map of taxing district, and tax map page.

(5) Column 5—Land taxable value.

(6) Column 6—Improvements taxable value.

(7) Column 7—Exemptions: The exemption code and the exemption amount should be inserted in this column. The specific exemptions are as follows:

#### Code

A—Air Pollution Control	(N.J.S.A. 54:4-3.56)
P—Water Pollution Control	(N.J.S.A. 54:4-3.56)
F—Fallout Shelter	(N.J.S.A. 54:4-3.58)