

**To: New Jersey Law Revision Commission**

**From: John Cannel**

**Re: Property Tax**

**Date: April 11, 2016**

## M E M O R A N D U M

---

I have begun outreach on possible response to a report revision 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. However, I expect more response from the Bar Association, perhaps by the time of the meeting. It may be that practitioners know the basic principles and do not consult the confusing statutory structure.

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.

All of this leaves the Commission with a number of options:

- 1) It could proceed since most of the report would be not controversial, and in the hope that the one controversial provision might be helpful.
- 2) It could abandon the project.
- 3) It could continue with the project but make no recommendation on the one controversial issue.
- 4) It could delay decision on the matter until more information becomes available.