

[Second Reprint]

ASSEMBLY, No. 2004

STATE OF NEW JERSEY
218th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2018 SESSION

Sponsored by:

Assemblyman ROBERT J. KARABINCHAK

District 18 (Middlesex)

Assemblyman VINCENT MAZZEO

District 2 (Atlantic)

Assemblywoman NANCY J. PINKIN

District 18 (Middlesex)

Assemblyman CRAIG J. COUGHLIN

District 19 (Middlesex)

Co-Sponsored by:

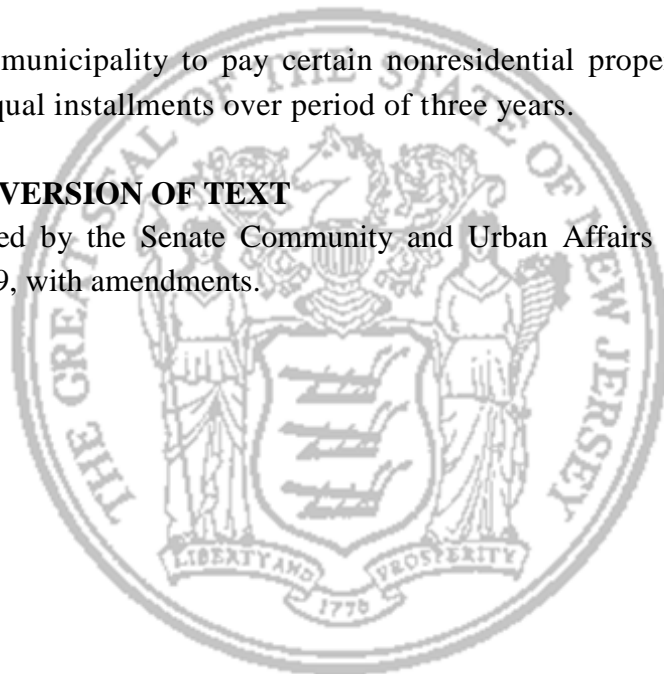
Assemblywoman Lopez, Assemblyman Chiaravalloti and Assemblywoman Vainieri Huttle

SYNOPSIS

Requires municipality to pay certain nonresidential property tax appeal refunds in equal installments over period of three years.

CURRENT VERSION OF TEXT

As reported by the Senate Community and Urban Affairs Committee on May 13, 2019, with amendments.



(Sponsorship Updated As Of: 6/8/2018)

1 AN ACT concerning ¹certain¹ local property tax appeals and
2 amending P.L.1975, c.361 and R.S.54:51A-8.

3
4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6
7 1. Section 2 of P.L.1975, c.361 (C.54:3-27.2) is amended to
8 read as follows:

9 2. Except as required in paragraph (2) of subsection a. of
10 section 2 of P.L.1983, c.137 (C.54:4-134), in the event that a
11 taxpayer is successful in an appeal from an assessment on real
12 property, the respective taxing district shall refund any excess taxes
13 paid, together with interest thereon from the date of payment at a
14 rate of ²**[5%]** five percent² per annum or one percentage point
15 above the prime rate assessed for each month or fraction thereof,
16 compounded annually at the end of each year, from the date the tax
17 originally was due ²or paid, whichever date is later,² until the date
18 of actual payment, whichever ²interest rate² is lesser, less any
19 amount of taxes, interest, ²**[or both]** and penalties², which may be
20 applied against delinquencies pursuant to section 2 of P.L.1983,
21 c.137 (C.54:4-134), in substantially equal payment periods and
22 substantially equal payment amounts within **[60 days]** three years
23 of the date of final judgment ¹in the case of nonresidential real
24 property ²; provided, however, that the Local Finance Board may,
25 as the board deems necessary and appropriate, promulgate
26 regulations establishing a dollar threshold below which a refund for
27 nonresidential real property shall be paid within 60 days of the date
28 of final judgment². In the case of residential real property, the
29 refund shall be paid within 60 days of the date of final judgment¹.

30 ²Nothing in this section shall be construed to preclude Local
31 Finance Board approval for any municipality that has ended the
32 previous budget year with a deficit in operations caused, whether in
33 whole or in part, by obligations created from tax appeals to issue
34 notes pursuant to section 3 of P.L.2011, c.224 (C.40A:4-89).²

35 “Prime rate” means “prime rate” as that term is defined by
36 R.S.54:48-2.

37 (cf: P.L.2012, c.19, s.1)

38
39 2. R.S.54:51A-8 is amended to read as follows:

40 54:51A-8. a. Conclusiveness of judgment; changes in value;
41 effect of revaluation program. Where a judgment not subject to
42 further appeal has been rendered by the Tax Court involving real
43 property, the judgment shall be conclusive and binding upon the

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly floor amendments adopted May 24, 2018.

²Senate SCU committee amendments adopted May 13, 2019.

1 municipal assessor and the taxing district, parties to the proceeding,
2 for the assessment year and for the two assessment years succeeding
3 the assessment year covered by the final judgment, except as to
4 changes in the value of the property occurring after the assessment
5 date. The conclusive and binding effect of the judgment shall
6 terminate with the tax year immediately preceding the year in which
7 a program for a complete revaluation or complete reassessment of
8 all real property within the district has been put into effect. If as of
9 October 1 of the pretax year, the property in question has been the
10 subject of an addition qualifying as an added assessment, a
11 condominium or cooperative conversion, a subdivision or a zoning
12 change, the conclusive and binding effect of such judgment shall
13 terminate with said pretax year.

14 b. If the assessor increases the assessment or fails to reflect on
15 the tax duplicate a county board of taxation or Tax Court judgment
16 issued prior to the final preparation of the tax duplicate in either of
17 the two years following the year for which the judgment of the Tax
18 Court was rendered and if said judgment is a final judgment not
19 subject to further appeal, the burden of proof is on the taxing
20 district to establish that the assessor acted reasonably in increasing
21 the assessment. If the Tax Court finds that the assessor did not act
22 reasonably in increasing the assessment or failed to reflect said
23 judgment on the tax duplicate, the Tax Court shall award to the
24 taxpayer reasonable counsel fees, appraisal costs and other costs
25 which shall be paid by the taxing district.

26 c. In the event that a taxpayer is successful in an appeal from
27 an assessment on ¹nonresidential¹ real property, the respective
28 taxing district shall refund any excess taxes paid, less any amount
29 of taxes, interest, ²[or both] and penalties², which may be applied
30 against delinquencies pursuant to section 2 of P.L.1983, c.137
31 (C.54:4-134), in substantially equal payment periods and
32 substantially equal payment amounts within three years of the date
33 of final judgment.

34 ¹In the event that a taxpayer is successful in an appeal from an
35 assessment on residential real property, the respective taxing district
36 shall refund any excess taxes paid, less any amount of taxes,
37 interest, ²[or both] and penalties², which may be applied against
38 delinquencies pursuant to section 2 of P.L.1983, c.137 (C.54:4-134)
39 within 60 days of the date of final judgment.¹

40 (cf: P.L.1999, c.208, s.16)

41

42 3. This act shall take effect immediately ²and shall be
43 applicable to appeals filed after the date of enactment².