

SENATE, No. 926

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED JANUARY 27, 2020

Sponsored by:

Senator JOSEPH PENNACCHIO

District 26 (Essex, Morris and Passaic)

Co-Sponsored by:

Senator O'Scanlon

SYNOPSIS

Permits municipalities to refund excess property taxes paid by a taxpayer who wins an assessment appeal as a property tax credit.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 11/15/2021)

1 AN ACT concerning real property assessment appeals and amending
2 P.L.1975, c.361 and P.L.1983, c.137.

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 5% per annum, less any amount of taxes, interest, or both,
15 which may be applied against delinquencies pursuant to section 2 of
16 P.L.1983, c.137 (C.54:4-134), within 60 days of the date of final
17 judgment; except that a municipality may refund the amount owed
18 to the taxpayer as a credit against the balance of property taxes that
19 become due and payable on the parcel of real property immediately
20 following the county board of taxation's decision, or the Tax Court
21 judgment, as appropriate.

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

23

24 2. Section 2 of P.L.1983, c.137 (C.54:4-134) is amended to
25 read as follows:

26 2. a. (1) Whenever the owner of real property shall be
27 entitled, pursuant to a determination of a county board of taxation
28 or a judgment of the tax court, to a refund of all or any portion of
29 the property taxes paid against the property in any given year, and
30 any property taxes, water or sewer payments, or parking or payroll
31 taxes imposed or to be collected by the municipality against that
32 property or the owner or owners of that property are delinquent at
33 the time of the determination or judgment, the governing body of
34 the municipality constituting the taxing district in which the
35 property is located may apply the refund, or such portion thereof as
36 may be necessary, including any accrued interest, against the
37 delinquency.

38 (2) In addition to the application of a refund against a
39 delinquency as set forth in paragraph (1) of this subsection, a refund
40 from an appeal on the assessment of a property that was a
41 constituent part of an industrial site or complex that is currently
42 vacant or underutilized, and that is subject to any federal or State
43 court order, or administrative action or order, for environmental
44 remediation, shall be deposited by the taxing district with the
45 Commissioner of Environmental Protection, to be used to ensure

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.

1 required site remediation. Once the industrial site has been
2 remediated, any remaining refund amounts shall be returned by the
3 commissioner to the taxpayer within 30 days after completion of the
4 site remediation. Any monies not returned within 30 days shall be
5 paid, with interest, from the date of completion of the site
6 remediation, at a rate of 5% per annum. The provisions of this
7 paragraph shall not apply to any property for which a remediation
8 trust fund has been established pursuant to the provisions of section
9 25 of P.L.1993, c.139 (C.58:10B-3).

10 b. If the total amount of the refund is equal to or exceeds the
11 total amount of the delinquency, the lien against the property for
12 unpaid taxes shall be extinguished, and the balance, if any,
13 remaining after the application of the refund against the
14 delinquency shall be forwarded to the owner not later than 60 days
15 after the date of the determination of the county board of taxation or
16 the tax court judgment, as the case may be; except that a
17 municipality may refund the amount owed to the taxpayer as a
18 credit against the balance of property taxes that become due and
19 payable on the parcel of real property immediately following the
20 county board of taxation's decision, or the Tax Court judgment, as
21 appropriate. If the total amount of the delinquency exceeds the total
22 amount of the refund, the balance of the delinquency remaining
23 shall remain a lien against the property.

24 (cf: P.L.2012, c.19, s.2)

25
26 3. This act shall take effect immediately.

27 28 29 STATEMENT

30
31 This bill would permit municipalities to refund excess property
32 taxes paid by a taxpayer who wins an assessment appeal as a
33 property tax credit against property taxes due and payable on the
34 parcel of real property immediately following the county board of
35 taxation's decision, or the Tax Court judgment, as appropriate.

36 This bill is intended to relieve municipalities from the pressure
37 of paying property tax appeal refunds not later than 60 days after
38 the date of determination of the county board of taxation or the tax
39 court judgment, as the case may be, which is a relatively short
40 period of time. Many municipal governments experience fiscal
41 pressures due to increases in costs and revenue constraints. This
42 bill would allow municipalities to better manage the payment of
43 property tax refunds by providing refunds as a credit against
44 property taxes due and payable in the current tax year, or
45 succeeding tax years.