SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

STATEMENT TO

# SENATE, No. 926

with committee amendments

# STATE OF NEW JERSEY

DATED: NOVEMBER 15, 2021

The Senate Community and Urban Affairs Committee reports favorably and with committee amendments Senate Bill No. 926.

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

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

Additionally, this bill would require the amount of a property tax refund due and owing to a property taxpayer after a successful appeal, which is paid by the municipality as a credit against future property taxes due and payable, to include accumulated interest until fully returned to the taxpayer. Under this bill, if the property tax refund due and owing is not fully returned after three years, then the property tax refund must be immediately refunded

As amended and reported by the committee, this bill is identical to Assembly Bill No. 862 (1R), which was also reported by the committee on this date.

COMMITTEE AMENDMENTS:

The committee amendments require that the amount of a property tax refund due and owing to a property taxpayer after a successful appeal, which is paid by the municipality as a credit against future property taxes due and payable, to include accumulated interest until fully returned to the taxpayer. If the property tax refund due and owing is not fully returned after three years, then the property tax refund must be immediately refunded. The committee amendments also make various technical changes to update the underlying statutory provisions in section 1 of the bill.