

SENATE, No. 4187

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED NOVEMBER 22, 2021

Sponsored by:

Senator LINDA R. GREENSTEIN

District 14 (Mercer and Middlesex)

Senator DECLAN J. O'SCANLON, JR.

District 13 (Monmouth)

SYNOPSIS

Requires municipality to return to taxpayer property taxes paid in error due to assessor's or owner's mistake.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 12/2/2021)

1 AN ACT concerning errors in the assessment of real property and
2 property tax overpayment and amending R.S.54:4-54.

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

6
7 1. R.S.54:4-54 is amended to read as follows:

8 54:4-54. a. Where by mistake property real or personal has been
9 twice entered and assessed on the tax duplicate, the governing body
10 of the taxing district or county board of taxation may order and
11 cause the tax record to be corrected and if the tax has been twice
12 paid the governing body of the taxing district shall refund the
13 excessive payment without interest.

14 b. Where by mistake an assessment intended for one parcel has
15 been placed upon another, the governing body may cancel the
16 erroneous assessment, return without interest any money paid by
17 one not the owner of the parcel intended to be assessed, and enter
18 upon the record the assessment and tax against the proper parcel,
19 after a hearing upon five days' notice to the owner.

20 c. Where one person has by mistake paid the tax on the
21 property of another supposing it to be his own, the governing body
22 after a hearing, on five days' notice to the owner, **may** shall
23 return the money paid in error without interest and restore the
24 record of the assessment and tax against the property in the name of
25 the true owner, provided the lien of the tax has not expired and no
26 transfer or encumbrance has been put on record against the
27 property since the date of the payment in error.

28 d. No assessment of real or personal property shall be
29 considered invalid because listed or assessed in the name of one
30 not the owner thereof, or because erroneously classed as the land of
31 an unknown or nonresident owner.

32 e. All refunds made pursuant to subsections a. through c. of
33 this section shall be subject to a three-year statute of limitations,
34 and shall be computed as refunds for the tax year in which the
35 governing body has been notified by the taxpayer of the error, and
36 the three tax years immediately preceding the notice.

37 (cf: R.S.54:4-54)

38
39 2. This act shall take effect immediately.

40

41

42

STATEMENT

43

44 This bill would require a municipality to issue a property tax
45 refund to a property owner who overpays his or her property taxes.

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 The New Jersey Statutes currently permit, but do not require, a
2 municipality to make such a refund to a property taxpayer under
3 these circumstances.

4 This amendment is necessary to revise the statute to reflect the
5 New Jersey Tax Court's decision in Hanover Floral v. East Hanover
6 Twp., 30 N.J. Tax 181 (Tax 2017), which required Hanover
7 Township to refund excess property taxes paid by Hanover Floral as
8 the result of an error made by the municipal tax assessor. The Tax
9 Court limited the amount of the refund due to Hanover Floral to the
10 excess taxes paid in the tax year in which Hanover Floral filed its
11 complaint, and the three years prior.

12 The bill also limits the amount of the refund to the amount of
13 excess taxes paid in the tax year in which the governing body has
14 been notified by the taxpayer of the error, and the three tax years
15 immediately prior.