

[Third 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)

Senator PATRICK J. DIEGNAN, JR.

District 18 (Middlesex)

Co-Sponsored by:

Assemblywoman Lopez, Assemblyman Chiaravalloti, Assemblywoman Vainieri Huttle and Senator Stack

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 Budget and Appropriations Committee on June 17, 2019, with amendments.

(Sponsorship Updated As Of: 6/21/2019)

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 ³if³ the ³**[Local Finance Board**
 25 may, 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] dollar amount of the refund does not exceed
 29 \$100,000, the amount shall be repaid within 60 days of the final
 30 judgment³ . In the case of residential real property, the refund shall
 31 be paid within 60 days of the date of final judgment¹.

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

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

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

40
 41 2. R.S.54:51A-8 is amended to read as follows:

42 54:51A-8. a. Conclusiveness of judgment; changes in value;
 43 effect of revaluation program. Where a judgment not subject to
 44 further appeal has been rendered by the Tax Court involving real

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.

³Senate SBA committee amendments adopted June 17, 2019.

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

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

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

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

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

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