

CHAPTER 230

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

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

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

C.54:3-27.2 Refund of excess taxes; interest.

2. Except as required in paragraph (2) of subsection a. of section 2 of P.L.1983, c.137 (C.54:4-134), in the event that a taxpayer is successful in an appeal from an assessment on real property, the respective taxing district shall refund any excess taxes paid, together with interest thereon from the date of payment at a rate of five percent per annum or one percentage point above the prime rate assessed for each month or fraction thereof, compounded annually at the end of each year, from the date the tax originally was due or paid, whichever date is later, until the date of actual payment, whichever interest rate is lesser, less any amount of taxes, interest, and penalties, which may be applied against delinquencies pursuant to section 2 of P.L.1983, c.137 (C.54:4-134), in substantially equal payment periods and substantially equal payment amounts within three years of the date of final judgment in the case of nonresidential real property; provided, however, that if the dollar amount of the refund does not exceed \$100,000, the amount shall be repaid within 60 days of the final judgment. In the case of residential real property, the refund shall be paid within 60 days of the date of final judgment.

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

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

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

Conclusiveness of judgment; changes in value; effect of revaluation program.

54:51A-8. a. Conclusiveness of judgment; changes in value; effect of revaluation program. Where a judgment not subject to further appeal has been rendered by the Tax Court involving real property, the judgment shall be conclusive and binding upon the municipal assessor and the taxing district, parties to the proceeding, for the assessment year and for the two assessment years succeeding the assessment year covered by the final judgment, except as to changes in the value of the property occurring after the assessment date. The conclusive and binding effect of the judgment shall terminate with the tax year immediately preceding the year in which a program for a complete revaluation or complete reassessment of all real property within the district has been put into effect. If as of October 1 of the pretax year, the property in question has been the subject of an addition qualifying as an added assessment, a condominium or cooperative conversion, a subdivision or a zoning change, the conclusive and binding effect of such judgment shall terminate with said pretax year.

- b. If the assessor increases the assessment or fails to reflect on the tax duplicate a county board of taxation or Tax Court judgment issued prior to the final preparation of the tax duplicate in either of the two years following the year for which the judgment of the Tax Court was rendered and if said judgment is a final judgment not subject to further appeal, the

burden of proof is on the taxing district to establish that the assessor acted reasonably in increasing the assessment. If the Tax Court finds that the assessor did not act reasonably in increasing the assessment or failed to reflect said judgment on the tax duplicate, the Tax Court shall award to the taxpayer reasonable counsel fees, appraisal costs and other costs which shall be paid by the taxing district.

c. In the event that a taxpayer is successful in an appeal from an assessment on nonresidential real property, the respective taxing district shall refund any excess taxes paid, less any amount of taxes, interest, and penalties, which may be applied against delinquencies pursuant to section 2 of P.L.1983, c.137 (C.54:4-134), in substantially equal payment periods and substantially equal payment amounts within three years of the date of final judgment.

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

3. This act shall take effect immediately and shall be applicable to appeals filed after the date of enactment.

Approved August 9, 2019.