

ASSEMBLY, No. 1121

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblywoman MURPHY

1 AN ACT concerning certain property assessment valuation appeals,
2 and the sharing of costs for uncollected taxes and property tax
3 refunds by local units, and amending various sections of statutory
4 law and supplementing chapter 4 of Title 40A of the New Jersey
5 Statutes.

6
7 **BE IT ENACTED** *by the Senate and General Assembly of the State*
8 *of New Jersey:*

9
10 1. R.S.54:3-21 is amended to read as follows:

11 54:3-21. A taxpayer feeling aggrieved by the assessed valuation of
12 his property, or feeling that he is discriminated against by the assessed
13 valuation of other property in the county, or a taxing district which
14 may feel discriminated against by the assessed valuation of property in
15 the taxing district, or by the assessed valuation of property in another
16 taxing district in the county, may on or before April 1 appeal to the
17 county board of taxation by filing with it a petition of appeal;
18 provided, however, that any such taxpayer or taxing district may on or
19 before April 1 file a complaint directly with the tax court, if the
20 assessed valuation of the property subject to the appeal exceeds
21 \$750,000.00. A taxpayer shall have 45 days to file an appeal upon the
22 issuance of a notification of a change in assessment. All appeals to the
23 tax court hereunder shall be in accordance with the provisions of the
24 State Tax Uniform Procedure Law, R.S.54:48-1 et seq.

25 If a petition of appeal or a complaint is filed during the 19 days next
26 preceding April 1, a taxpayer or a taxing district shall have 20 days
27 from the date of service of the petition or complaint to file a
28 cross-petition of appeal with a county board of taxation or a
29 counterclaim with the clerk of the tax court, as appropriate.

30 A taxpayer appealing the assessed valuation of a property for which
31 the assessed valuation exceeds \$750,000 shall be required to file, on
32 or before March 1, a notice of appeal along with a professional

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

1 appraisal of that property performed by a real estate appraiser who has
2 attained licensure or certification by the State Real Estate Appraiser
3 Board in the Division of Consumer Affairs in the Department of Law
4 and Public Safety pursuant to the "Real Estate Appraisers Act,"
5 P.L.1991, c.68 (C.45:14F-1 et seq.). If the notice of appeal or the
6 professional appraisal is not submitted by March 1, then the appeal
7 shall not be considered timely filed.

8 (cf: P.L.1991, c.75, s.28)

9

10 2. (New section) a. The total of the amount of property tax appeal
11 refunds paid by a municipality during a tax year along with the reserve
12 for uncollected taxes maintained by the municipality during that tax
13 year shall be apportioned by the municipal tax collector between the
14 municipality, county, school district, fire districts and any other taxing
15 district operating within the boundaries of the municipality.

16 b. The tax collector shall send a notice to the county, school
17 district and fire districts setting forth their pro rata share of the
18 property tax appeal refunds paid by the municipality during the tax
19 year along with their pro rata share of the municipal reserve for
20 uncollected taxes maintained by the municipality during the tax year,
21 for inclusion into their subsequent annual budgets.

22 c. In the year following the tax year in which the property tax
23 appeal refunds were paid by a municipality and in which the reserve for
24 uncollected taxes was maintained by the municipality, the municipal
25 tax collector shall deduct the applicable pro rata share from the
26 amounts to be paid to the county and each school district and fire
27 district as required by N.J.S.40A:14-79, R.S.54:4-74 and R.S.54:4-75.

28

29 3. N.J.S.40A:14-79 is amended to read as follows:

30 40A:14-79. Upon proper certification pursuant to section 9 of
31 P.L.1979, c.453 (C.40A:14-78.5), the assessor of the municipality in
32 which the fire district is situate shall assess the amount to be raised by
33 taxation to support the district budget against the taxable property
34 therein, in the same manner as municipal taxes are assessed and the
35 said amount shall be assessed, levied and collected at the same time
36 and in the same manner as other municipal taxes.

37 For the purposes of this section:

38 "District tax due" or "tax due" means the amount so assessed less
39 the district's proportionate share of the municipal reserve for
40 uncollected taxes and of the property taxes refunded by the
41 municipality in the preceding tax year pursuant to subsection a. of
42 section 2 of P.L. , c. (C.) (now pending before the
43 Legislature as this bill).

44 The collector or treasurer of the municipality in which said district
45 is situate shall pay over all [moneys so assessed] district tax due to the
46 treasurer or custodian of funds of said fire district as follows: on or

1 before April 1, an amount equaling 21.25% of all [moneys so assessed]
2 tax due; on or before July 1, an amount equaling 22.5% of all [moneys
3 so assessed] tax due; on or before October 1, an amount equaling 25%
4 of all [moneys so assessed] tax due; and on or before December 31, an
5 amount equaling the difference between the total of all [moneys so
6 assessed] tax due, and the total [amount] of the quarterly amounts of
7 such moneys previously paid over[,]to the fire district. These moneys
8 are to be held and expended for the purpose of providing and
9 maintaining means for extinguishing fires in such district.

10 Notwithstanding anything herein to the contrary, the municipal
11 governing body may authorize, in the cash management plan adopted
12 by it pursuant to N.J.S.40A:5-14, a schedule of payments of fire
13 district [moneys] tax due by which an amount greater than required on
14 any of the first three payment dates cited herein may be paid over.
15 The municipal governing body and board of fire commissioners may,
16 by concurrent resolution, adopt a schedule of payments of fire district
17 [moneys] tax due by which an amount less than required on any of the
18 first three payment dates cited herein may be paid over. Such
19 resolution shall be included in the cash management plan adopted by
20 the municipal governing body pursuant to N.J.S.40A:5-14.

21 The commissioners may also pay back, or cause to be paid back to
22 such municipality, any funds or any part thereof paid to the treasurer
23 or custodian of funds of such fire district by the collector or treasurer
24 of the municipality, representing taxes levied for fire district purposes
25 but not actually collected in cash by said collector or treasurer.

26 (cf: P.L.1985, c.288, s.4)

27
28 4. R.S.54:4-74 is amended to read as follows:

29 54:4-74. For the purpose of this section:

30 "County tax due" or "tax due" means the amount so assessed less
31 the county's proportionate share of the municipal reserve for
32 uncollected taxes and of the property taxes refunded by the
33 municipality in the preceding tax year pursuant to subsection a. of
34 section 2 of P.L. _____, c. _____ (C. _____) (now pending before the
35 Legislature as this bill).

36 The governing body of each municipality shall cause to be paid to
37 the treasurer of the county, in four installments, the amount of county
38 tax due, and the other county taxes required to be assessed and raised
39 in such municipality, on the fifteenth day of the month in which each
40 installment of taxes shall become payable. The amount to be payable
41 as each of the first two installments shall be one-quarter of the total
42 [tax] county tax due and one-quarter of the other total county taxes
43 finally levied against the municipality for the preceding year, and the
44 amount to be payable for the third and fourth installments shall be the
45 county tax due, and for the other county taxes the full tax as levied,
46 for the current year less the amount charged as the first and second

1 installments. The total amount thus found to be payable as the last
2 two installments shall be divided equally for and as each installment.
3 The governing body of each municipality shall cause to be paid to the
4 county treasurer on December fifteenth of each year all of the taxes
5 required to be assessed and raised by taxation in such taxing district
6 for state school and other state purposes.

7 (cf: R.S.54:4-74)

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9 5. R.S.54:4-75 is amended to read as follows:

10 54:4-75. For the purpose of this section:

11 "School tax due" or "tax due" means the amount so assessed less
12 the school district's proportionate share of the municipal reserve for
13 uncollected taxes and of the property taxes refunded by the
14 municipality in the preceding tax year pursuant to subsection a. of
15 section 2 of P.L. , c. (C.) (now pending before the
16 Legislature as this bill). The governing body of each municipality shall
17 pay over to the custodian of school moneys, in the case of school
18 districts in which appropriations for school purposes are made by the
19 inhabitants of the school district, within forty days after the beginning
20 of the school year, twenty per centum (20%) of the [appropriation for
21 local school purposes] moneys from school tax due, and thereafter, but
22 prior to the last day of the school year, the balance of the moneys
23 [raised in the municipality] from school tax due for school purposes in
24 such amounts as may be requested from time to time [be requested] by
25 the Board of Education, within thirty days after each request. The
26 Board of Education shall not request any more money at any one time
27 than shall be required for its expenditures for a period of eight weeks
28 in advance; provided, however, that the Board of Education may at
29 any time, but not earlier than fifteen days prior to the beginning of the
30 school year, request sufficient moneys to meet all interest and debt
31 redemption charges maturing during the first forty days of the school
32 year. The governing body may make payments of such moneys in
33 advance of the time and in excess of the amounts required by this
34 section.

35 (cf: P.L.1952, c.274, s.1)

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37 6. R.S.54:4-76 is amended to read as follows:

38 54:4-76. The governing body of the municipality or the county
39 shall cause the county tax due, as calculated pursuant to R.S.54:4-74,
40 and other county taxes levied, [local] school tax due, as calculated
41 pursuant to R.S.54:4-75, and State taxes to be paid as and when due
42 for payment. If there shall not be sufficient funds in the treasury
43 available for such payments, the governing body shall immediately
44 borrow sufficient money and pay such taxes due. The board of chosen
45 freeholders of each county may by resolution fix the rate of discount
46 to be allowed for the payment to the county treasurer of county taxes

1 previous to the date on which they will become due for payment. The
2 rate so fixed shall not exceed six per centum per annum, and shall be
3 allowed only in case of payment on or before the thirtieth day previous
4 to the date on which said taxes will become due for payment to the
5 county treasurer. On any part of the taxes payable to the county
6 treasurer and on any part of the taxes payable to the State by the
7 county treasurer, which shall remain unpaid after the time within which
8 they are required to be paid by this chapter, the taxing district or
9 county in arrears shall pay to the county or State, as the case may be,
10 interest at the rate of six per centum per annum upon the delayed
11 payment.

12 (cf: P.L.1940, c.21, s.1)

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14 7. Section 10 of P.L.1941, c.397 (C.54:4-63.10) is amended to
15 read as follows:

16 10. The municipality on February fifteenth of each year shall, in
17 addition to the regular installment of county, school and fire district
18 taxes to be paid on said date, pay to the county [an amount] , school
19 and fire districts amounts determined by multiplying the total amount
20 of assessments in the added assessment list for the previous year by the
21 county, school, fire district and State rate, as applicable, for the
22 preceding year, and such [amount] amounts shall be for the use of the
23 county, school district and fire districts.

24 (cf: P.L.1941, c.397, s.10)

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26 8. Section 11 of P.L.1947, c.413 (C.54:4-63.22) is amended to
27 read as follows:

28 11. The municipality, on February fifteenth of each year, shall, in
29 addition to the regular installment of county, school and fire district
30 taxes to be paid on said date, pay to the county [an amount] , school
31 and fire districts amounts determined by multiplying the total amount
32 of assessments, if any, in the omitted property assessment list for the
33 previous year by the county, school, fire district and State rate, as
34 applicable, for the particular year of the assessment, and such
35 [amount] amounts shall be for the use of the county, school district
36 and fire districts.

37 (cf: P.L.1947, c.413, s.11)

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39 9. Section 8 of P.L.1968, c.184 (C.54:4-63.38) is amended to read
40 as follows:

41 8. The municipality on February 15 of each year shall, in addition
42 to the regular installment of county, school and fire district taxes to be
43 paid on said date, pay to the county [an amount] , school and fire
44 districts amounts determined by multiplying the total amount of
45 assessments in the omitted assessment list for the previous year by the
46 county, school, fire district and State rate, as applicable, for the

1 preceding year, and such [amount] amounts shall be for the use of the
2 county, school district and fire districts.

3 (cf: P.L.1968, c.184, s.8)

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5 10. This act shall take effect immediately.

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8 STATEMENT

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10 This bill would require persons appealing the valuation of a
11 property assessed over \$750,000 to submit a professional appraisal
12 prior to filing the tax appeal. Currently, the threshold amount for
13 appealing directly to tax court is \$750,000. Many property tax
14 appeals are withdrawn by taxpayers once an appraisal has been
15 performed in anticipation of the tax appeal hearing. The bill requires
16 the appraisal to be filed on or before March 1 of the tax year or the tax
17 appeal will not be considered timely filed. The bill also requires
18 county governments, school districts and fire districts to share in the
19 burden of paying for the municipal reserve for uncollected taxes and
20 for property tax refunds. Under current law only the county shares in
21 the cost of property tax refunds. The bill requires the municipal tax
22 collector to send a notice of the pro rata share of the municipal reserve
23 for uncollected taxes and for property tax appeal refunds paid by the
24 municipality during the tax year to the county, school districts and fire
25 districts for inclusion into their subsequent annual budgets. In the year
26 following the tax year in which the reserve for uncollected taxes was
27 maintained and the property tax refunds were paid, the municipal tax
28 collector is then required to deduct the applicable pro rata share of the
29 reserve for uncollected taxes and of the property tax refunds from the
30 amounts to be paid to the county and each school district and fire
31 district as required by N.J.S.40A:14-79, R.S.54:4-74 and R.S.54:4-75.

32 Finally, the bill permits school districts and fire districts to share in
33 the added and omitted taxes collected by a municipality during the tax
34 year. Under current law only the county shares in the tax collections
35 for added and omitted assessments.

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40 Requires appraisal prior to appeal on certain property; requires
41 counties and taxing districts to share cost of uncollected taxes and tax
42 refunds; includes school and fire districts in distribution of added and
43 omitted assessments.