

ASSEMBLY, No. 2931

STATE OF NEW JERSEY

INTRODUCED MAY 5, 1997

By Assemblyman BAGGER

1 AN ACT concerning the correction of certain errors in the tax lists and
2 in assessments of real property, amending R.S.54:4-54.

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

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

8 54:4-54. 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 cause
11 the tax record to be corrected and if the tax has been twice paid the
12 governing body of the taxing district shall refund the excessive
13 payment without interest. Where by mistake the land area of real
14 property has been incorrectly entered on the tax list, the governing
15 body of the taxing district or county board of taxation shall order and
16 cause the tax record to be corrected to the area of the taxpayer's
17 survey, and if the land area of the property was relevant to the land
18 assessment of the property the governing body of the taxing district
19 shall refund the excessive payment, if any, together with interest
20 thereon from the date of payment at a rate of 5%, compounded
21 annually. Where by mistake an assessment intended for one parcel
22 has been placed upon another, the governing body may cancel the
23 erroneous assessment, return without interest any money paid by one
24 not the owner of the parcel intended to be assessed, and enter upon
25 the record the assessment and tax against the proper parcel, after a
26 hearing upon five days' notice to the owner. Where one person has
27 by mistake paid the tax on the property of another supposing it to be
28 his own, the governing body after a hearing, on five days' notice to
29 the owner, may return the money paid in error without interest and
30 restore the record of the assessment and tax against the property in
31 the name of the true owner, provided the lien of the tax has not
32 expired and no transfer or encumbrance has been put on record against
33 the property since the date of the payment in error. No assessment of
34 real or personal property shall be considered invalid because listed or

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 assessed in the name of one not the owner thereof, or because
2 erroneously classed as the land of an unknown or nonresident owner.
3 (cf: R.S.54:4-54)

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5 2. This act shall take effect immediately and apply retroactively to
6 mistakes made before enactment.

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9 STATEMENT

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11 This bill provides for the refund of property tax payments due to
12 assessments based on mistaken land areas.

13 Currently, N.J.S.A.54:4-54, which provides for the correction of
14 property tax assessment errors and the refund of erroneously collected
15 taxes, provides relief if a taxpayer: (1) has been assessed for the same
16 property twice; (2) has been assessed for someone else's property; or
17 (3) has payed someone else's assessment.

18 While taxpayers are currently provided relief for billing errors based
19 on property that actually exists, but has been misassigned in tax billing,
20 no relief is currently available for billings based on nonexistent
21 property.

22 This bill provides for the correction of real property acreage
23 mistakenly entered on the municipal tax list. The governing body of
24 the taxing district or county board of taxation may correct the tax
25 record to the area of the taxpayer's survey; the burden is on the
26 taxpayer to prove, by survey, that the land area on the municipal tax
27 list is incorrect. If the land area of the property was relevant to the
28 land assessment of the property, the governing body of the taxing
29 district must refund the excessive payments, if any, without interest.
30 The bill applies retroactively to mistakes made before its enactment.

31 Actual land area is not a factor in some methods of assessing land
32 values, such as the "frontage and depth" method which establishes
33 value based on the footage of property along a road or street;
34 however, with other assessment methods land area may be a critical
35 component of assessing value. With surprising frequency, taxpayers
36 discover that they have been paying assessments based on inflated
37 acreage measurements.

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42 Provides for correction of land area errors on municipal tax lists and
43 refund of certain property taxes relating thereto.