SENATE COMMUNITY AFFAIRS COMMITTEE

STATEMENT TO

SENATE, No. 1126

STATE OF NEW JERSEY

DATED: SEPTEMBER 19, 1996

The Senate Community Affairs Committee reports favorably Senate Bill No. 1126.

This bill would clarify the point in the tax assessment appeal process at which the "Freeze Act," P.L.1983, c.45 (C.54:51A-1 et seq.), is triggered. The "Freeze Act" provides that the assessed value set by the county board of taxation, after a tax appeal, must remain in effect for the assessment year and for the succeeding two years.

The original statute provided that this rule applied once a taxpayer and an assessor had exhausted the appeals process. When the statutes were re-codified at the time of the creation of the tax court, the phrase "judgment final" was changed to the phrase "final judgment." The New Jersey courts have interpreted that change as an indication of the Legislature's intention to bind the assessor for two years from the entry of judgment on the appeal by the county board of taxation. The effect of this interpretation is to require a refund of any payments previously made to the taxing district even though the taxing district may still have a right of appeal.

This bill would return the law to the original status, namely that the "Freeze Act" provisions apply only after the right to appeal has been exhausted or has expired. The bill's effective date indicates that this change in the law would apply to all cases that may still be appealed or are pending on appeal at the time of the bill's enactment.