

# SENATE JUDICIARY COMMITTEE

## STATEMENT TO

### **SENATE, No. 1982**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: MAY 8, 1997

The Senate Judiciary Committee reports favorably and with committee amendments Senate Bill No. 1982.

This bill would implement a series of recommendations promulgated by the Supreme Court's Committee on the Tax Court. The following is a summary of the bill's provisions.

1. N.J.S.A.54:3-21 provides that a taxpayer has up to April 1 to file an appeal with the county tax board. The bill would extend the deadline if there is a bulk mailing of assessment notices to 45 days from completion of the mailing or April 1 whichever is later.

2. The bill would add language to N.J.S.54:3-21 providing that an appeal to the Tax Court by one party establishes jurisdiction over the entire matter in the Tax Court.

3. The bill would repeal N.J.S.A.54:3-21.4 and N.J.S.A.54:3-21.5 which authorize county boards of taxation to extend time for appeal with the approval of Director, Division of Taxation where the assessor fails to deliver notice of assessment or notice of change of assessment.

4. The term "Freeze Act" refers to several statutes which provide that if a taxpayer successfully appeals an assessment, the assessment on that property cannot be raised for a period of three years. The bill would provide that the "Freeze Act" shall apply to a judgment only when the time periods for all appeals from the county tax board judgment or the Tax Court judgment have expired; to provide that the "Freeze Act" shall not apply for a year in which a complete reassessment of taxing district is adopted; and to provide that the "Freeze Act" shall not apply to a property which has been the subject of an addition qualifying as an added assessment, a condominium or cooperative conversion, a subdivision or a zoning change. The bill would eliminate the requirement that a taxing district file a protective appeal if it wishes to increase an assessment in a year subsequent to a successful appeal. In its place, the bill would substitute a provision that if the assessor increases an assessment in the subsequent year, the taxing district has the burden of proving the reasonableness of the increase, and if the county tax board or the Tax Court finds that the increase is unreasonable, it shall award the taxpayer reasonable counsel fees, appraisal costs and other costs.

5. The bill would amend several sections of Title 54 to provide

that the Director of the Division of Taxation may extend the time within which a county board of taxation may hear assessment appeals.

6. The bill would amend N.J.S.A.54:3-27, N.J.S.A.54:4-66 and N.J.S.A.54:51A-1 to provide for a uniform procedure with respect to the requirement for payment of taxes to maintain an appeal to the county board of taxation and the Tax Court for both regular assessments and added or omitted assessments; to provide that the county board of taxation and the Tax Court may relax the tax payment requirement and fix such terms of payment as the interests of justice may require, and to eliminate the provision in R.S.54:51A-1(b) which excuses the taxpayer from paying interest on unpaid taxes from November 1 to the date of the filing of the complaint.

7. The bill amend three sections of Title 54 to authorize the county board of taxation and the Tax Court to extend time to appeal added or omitted assessments to on or before December 1 or 30 days from mailing of tax bills, whichever is later, and to provide that added and omitted assessments can be appealed directly to the Tax Court if the aggregate assessment exceeds \$750,000.

8. The bill amends N.J.S.A.54:38A-1 to provide that approval of agreements among the Director of the Division of Taxation, the taxing authority of another state and the executor, administrator or trustee in settlement of a transfer inheritance tax matter shall be approved by a judge of the Tax Court.

9. The bill amends N.J.S.A.54:48-1 to change the name of the State Tax Uniform Procedure Law to State Uniform Tax Procedure Law.

10. The bill amends N.J.S.A.54:51A-9 to provide that the Tax Court may extend the time for appeal in added and omitted assessment cases when the tax bill containing the added or omitted assessment is not delivered to the taxpayer before December 1 of the tax year and provide that any extension of time granted by the Tax Court shall act as an extension of time for all such appeals filed with respect to property located in that taxing district.

11. The bill changes "Superior Court" to "Tax Court" in N.J.S.A.54:4-3.3e which relates to jurisdiction to determine disputes between the owner and the State with respect to apportionment and payment of taxes.

12. The bill amends N.J.S.A.54:51A-2 to delete the final sentence, "The tax court may, on or after April 1 next following the filing of the complaint, proceed to hear and determine all issues raised therein," in view of the enactment of P.L.1991, c.75, which provides for an April 1 filing deadline for direct appeals to the Tax Court.

13. The bill amends N.J.S.A.54:51A-9 to change the filing deadline for direct appeals to the Tax Court from August 15 to April 1.

14. The bill amends N.J.S.A.54:1-35 to change "commissioner" to "Director of the Division of Taxation" and to change "State Board of Tax Appeals" to "Tax Court."

The amendments adopted by the committee where of a technical nature and corrected several typographical errors.