

[First Reprint]

ASSEMBLY, No. 862

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblyman NICHOLAS CHIARAVALLOTI

District 31 (Hudson)

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SYNOPSIS

Permits municipalities to refund excess property taxes paid by a taxpayer who wins an assessment appeal as a property tax credit.

CURRENT VERSION OF TEXT



(Sponsorship Updated As Of: 5/5/2021)

1 AN ACT concerning real property assessment appeals and amending
2 P.L.1975, c.361 and P.L.1983, c.137.

3

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

6

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

9 2. Except as required in paragraph (2) of subsection a. of section 2
10 of P.L.1983, c.137 (C.54:4-134), in the event that a taxpayer is
11 successful in an appeal from an assessment on real property, the
12 respective taxing district shall refund any excess taxes paid, together
13 with interest thereon from the date of payment at a rate of five percent
14 per annum or one percentage point above the prime rate assessed for
15 each month or fraction thereof, compounded annually at the end of
16 each year, from the date the tax originally was due or paid, whichever
17 date is later, until the date of actual payment, whichever interest rate is
18 lesser, less any amount of taxes, interest, and penalties, which may be
19 applied against delinquencies pursuant to section 2 of P.L.1983, c.137
20 (C.54:4-134), in substantially equal payment periods and substantially
21 equal payment amounts within three years of the date of final
22 judgment in the case of nonresidential real property; provided,
23 however, that if the dollar amount of the refund does not exceed
24 \$100,000, the amount shall be repaid within 60 days of the final
25 judgment. In the case of residential real property, the refund shall be
26 paid within 60 days of the date of final judgment; except that a
27 municipality may refund the amount owed to the taxpayer as a credit
28 against the balance of property taxes that become due and payable on
29 the parcel of real property immediately following the county board of
30 taxation's decision, or the Tax Court judgment, as appropriate.

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

36 "Prime rate" means "prime rate" as that term is defined by
37 R.S.54:48-2.

38 (cf: P.L.2019, c.230, s.1)

39

40 2. Section 2 of P.L.1983, c.137 (C.54:4-134) is amended to
41 read as follows:

42 2. a. (1) Whenever the owner of real property shall be
43 entitled, pursuant to a determination of a county board of taxation
44 or a judgment of the tax court, to a refund of all or any portion of
45 the property taxes paid against the property in any given year, and
46 any property taxes, water or sewer payments, or parking or payroll

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

1 taxes imposed or to be collected by the municipality against that
2 property or the owner or owners of that property are delinquent at
3 the time of the determination or judgment, the governing body of
4 the municipality constituting the taxing district in which the
5 property is located may apply the refund, or such portion thereof as
6 may be necessary, including any accrued interest, against the
7 delinquency.

8 (2) In addition to the application of a refund against a
9 delinquency as set forth in paragraph (1) of this subsection, a refund
10 from an appeal on the assessment of a property that was a
11 constituent part of an industrial site or complex that is currently
12 vacant or underutilized, and that is subject to any federal or State
13 court order, or administrative action or order, for environmental
14 remediation, shall be deposited by the taxing district with the
15 Commissioner of Environmental Protection, to be used to ensure
16 required site remediation. Once the industrial site has been
17 remediated, any remaining refund amounts shall be returned by the
18 commissioner to the taxpayer within 30 days after completion of the
19 site remediation. Any monies not returned within 30 days shall be
20 paid, with interest, from the date of completion of the site
21 remediation, at a rate of 5% per annum. The provisions of this
22 paragraph shall not apply to any property for which a remediation
23 trust fund has been established pursuant to the provisions of section
24 25 of P.L.1993, c.139 (C.58:10B-3).

25 b. If the total amount of the refund is equal to or exceeds the
26 total amount of the delinquency, the lien against the property for
27 unpaid taxes shall be extinguished, and the balance, if any,
28 remaining after the application of the refund against the
29 delinquency shall be forwarded to the owner not later than 60 days
30 after the date of the determination of the county board of taxation or
31 the tax court judgment, as the case may be; except that a
32 municipality may refund the amount owed to the taxpayer as a
33 credit against the balance of property taxes that become due and
34 payable on the parcel of real property immediately following the
35 county board of taxation's decision, or the Tax Court judgment, as
36 appropriate. If the total amount of the delinquency exceeds the total
37 amount of the refund, the balance of the delinquency remaining
38 shall remain a lien against the property.

39 (cf: P.L.2012, c.19, s.2)

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41 3. This act shall take effect immediately.