

**ASSEMBLY, No. 2004**

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**STATE OF NEW JERSEY**

**218th LEGISLATURE**

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PRE-FILED FOR INTRODUCTION IN THE 2018 SESSION

**Sponsored by:**  
**Assemblyman ROBERT J. KARABINCHAK**  
**District 18 (Middlesex)**

**SYNOPSIS**

Permits municipality to pay property tax appeal refund in equal installments over period of three years.

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel.



A2004 KARABINCHAK

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1 AN ACT concerning local property tax appeals and amending  
2 P.L.1975, c.361 and R.S.54:51A-8.

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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  
8 read as follows:

9 2. Except as required in paragraph (2) of subsection a. of  
10 section 2 of P.L.1983, c.137 (C.54:4-134), in the event that a  
11 taxpayer is successful in an appeal from an assessment on real  
12 property, the respective taxing district shall refund any excess taxes  
13 paid, together with interest thereon from the date of payment at a  
14 rate of 5% per annum or one percentage point above the prime rate  
15 assessed for each month or fraction thereof, compounded annually  
16 at the end of each year, from the date the tax was originally due  
17 until the date of actual payment, whichever is lesser, less any  
18 amount of taxes, interest, or both, which may be applied against  
19 delinquencies pursuant to section 2 of P.L.1983, c.137 (C.54:4-  
20 134), in substantially equal payment periods and substantially equal  
21 payment amounts within **[60 days]** three years of the date of final  
22 judgment.

23 “Prime rate” means “prime rate” as that term is defined by  
24 R.S.54:48-2.

25 (cf: P.L.2012, c.19, s.1)

26  
27 2. R.S.54:51A-8 is amended to read as follows:

28 54:51A-8. a. Conclusiveness of judgment; changes in value;  
29 effect of revaluation program. Where a judgment not subject to  
30 further appeal has been rendered by the Tax Court involving real  
31 property, the judgment shall be conclusive and binding upon the  
32 municipal assessor and the taxing district, parties to the proceeding,  
33 for the assessment year and for the two assessment years succeeding  
34 the assessment year covered by the final judgment, except as to  
35 changes in the value of the property occurring after the assessment  
36 date. The conclusive and binding effect of the judgment shall  
37 terminate with the tax year immediately preceding the year in which  
38 a program for a complete revaluation or complete reassessment of  
39 all real property within the district has been put into effect. If as of  
40 October 1 of the pretax year, the property in question has been the  
41 subject of an addition qualifying as an added assessment, a  
42 condominium or cooperative conversion, a subdivision or a zoning  
43 change, the conclusive and binding effect of such judgment shall  
44 terminate with said pretax year.

**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.

1       **b.** If the assessor increases the assessment or fails to reflect on  
2 the tax duplicate a county board of taxation or Tax Court judgment  
3 issued prior to the final preparation of the tax duplicate in either of  
4 the two years following the year for which the judgment of the Tax  
5 Court was rendered and if said judgment is a final judgment not  
6 subject to further appeal, the burden of proof is on the taxing  
7 district to establish that the assessor acted reasonably in increasing  
8 the assessment. If the Tax Court finds that the assessor did not act  
9 reasonably in increasing the assessment or failed to reflect said  
10 judgment on the tax duplicate, the Tax Court shall award to the  
11 taxpayer reasonable counsel fees, appraisal costs and other costs  
12 which shall be paid by the taxing district.

13       **c.** In the event that a taxpayer is successful in an appeal from  
14 an assessment on real property, the respective taxing district shall  
15 refund any excess taxes paid, less any amount of taxes, interest, or  
16 both, which may be applied against delinquencies pursuant to  
17 section 2 of P.L.1983, c.137 (C.54:4-134), in substantially equal  
18 payment periods and substantially equal payment amounts within  
19 three years of the date of final judgment.

20 (cf: P.L.1999, c.208, s.16)

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22       3. This act shall take effect immediately.

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STATEMENT

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27       This bill requires that, in the event a taxpayer is successful in a  
28 real property tax appeal, the taxing district in which the real  
29 property is located shall pay to the taxpayer any excess taxes paid,  
30 plus interest charged at an annual rate of 5% or one percentage  
31 point above the prime rate, within three years of the date of the final  
32 judgment, whichever is lesser. Current law requires full payment of  
33 any taxes paid, including interest calculated at an annual rate of 5%,  
34 within 60 days of the final judgment.

35       This legislation is intended to relieve municipalities of paying  
36 property tax appeal refunds within a relatively short period of time.  
37 The sponsor notes that many municipal governments are  
38 experiencing fiscal pressures due to increases in costs and revenue  
39 constraints. This bill would allow municipalities to better manage  
40 the payment of property tax refunds by budgeting for them over a  
41 defined period of time.