

54:3-27 ET AL.

LEGISLATIVE HISTORY CHECKLIST

COPY NO. 2

NJSA 54:3-27 et al.

Laws of 1975 Chapter 361

Bill No. A1276

Sponsor(s) Karcher & others

Date Introduced March 18, 1974

Committee: Assembly Taxation

Senate Revenue, Finance & Appropriations

Amended during passage Yes Amendments during passage denoted by asterisks

Date of passage: Assembly May 13, 1974

Senate April 28, 1975

Date of approval March 3, 1976

Following statements are attached if available:

Sponsor statement Yes

Committee Statement: Assembly No

Senate Yes

Fiscal Note No

Veto message No

Message on signing No

Following were printed:

Reports No

Hearings No

Do Not Remove From Library
DEPOSITORY COPY

10/4/76

MAY 1977

[SECOND OFFICIAL COPY REPRINT]
ASSEMBLY, No. 1276

STATE OF NEW JERSEY

INTRODUCED MARCH 18, 1974

By Assemblymen KARCHER, OTLOWSKI, BORNHEIMER,
SALKIND, DOYLE, WORTHINGTON and VAN WAGNER

Referred to Committee on Taxation

AN ACT concerning tax appeals, amending R. S. 54:3-27 ****[and]****
******,****** supplementing article 4 of chapter 3 of Title 54 of the
Revised Statutes ****and repealing P. L. 1968, c. 365****.

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. R. S. 54:3-27 is amended to read as follows:

2 54:3-27. A taxpayer who shall file an appeal from an assessment
3 against him **[may]** *shall* pay to the collector of the taxing district
4 **[such portion]** *no less than 90%* of the taxes assessed against him
5 **[as he would be required to pay if his appeal were sustained]** ****in**
6 *the manner prescribed in R. S. 54:4-66** even though his petition*
7 *to the Tax Appeal Board might request a reduction in excess of*
8 *10% of the taxes assessed for the full year.* The collector shall
9 accept such amount, when tendered, give a receipt therefor and
10 credit the taxpayer therewith, and the taxpayer shall have the
11 benefit of the same rate of discount on the amount paid as he would
12 have on the whole amount.

13 The payment of part or all of the taxes upon any property, due
14 for the year for which an appeal from an assessment upon such
15 property has been or shall hereafter be taken, or of taxes for
16 subsequent years, shall in nowise prejudice the status of the appeal
17 or the rights of the appellant to prosecute such appeal, before the
18 county board of taxation, the State Board of Tax Appeals, or in
19 any court to which the judgment arising out of such appeal shall
20 be taken.

1 2. In the event that a taxpayer is successful in an appeal from an

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

2 assessment on real property ****[to the extent that he is awarded a**
3 **reduction in taxes in excess of \$50,000.00, then and in that event,]****
4 the respective taxing district ****[may credit such abatement of**
5 **taxes in five equal installments over the next 5 years **with interest***
6 ***at a rate of 8% per annum*]***** ****shall refund any excess taxes**
7 ***paid, together with interest thereon from the date of payment at***
8 ***a rate of 8% per annum, within 50 days of the date of judgment.*****

1 ****3. P. L. 1968, c. 365 (C. 54:2-41.5 and C. 54:2-41.6) is hereby**
2 **repealed.****

1 ****[3.]**** ****4.**** This act shall take effect ****[immediately]****
2 *****for purposes of the tax year next following enactment and there-***
3 ***after.*****

LAW LIBRARY COPY
DO NOT REMOVE

ASSEMBLY, No. 1276

STATE OF NEW JERSEY

INTRODUCED MARCH 18, 1974

By Assemblymen KARCHER, OTLOWSKI, BORNHEIMER,
SALKIND, DOYLE, WORTHINGTON and VAN WAGNER

Referred to Committee on Taxation

AN ACT concerning tax appeals, amending R. S. 54:3-27 and supplementing article 4 of chapter 3 of Title 54 of the Revised Statutes.

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. R. S. 54:3-27 is amended to read as follows:

2 54:3-27. A taxpayer who shall file an appeal from an assessment
3 against him **[may]** *shall* pay to the collector of the taxing district
4 **[such portion]** *no less than 90%* of the taxes assessed against him
5 **[as he would be required to pay if his appeal were sustained]** *even*
6 *though his petition to the Tax Appeal Board might request a*
7 *reduction in excess of 10% of the taxes assessed for the full year.*
8 The collector shall accept such amount, when tendered, give a
9 receipt therefor and credit the taxpayer therewith, and the taxpayer
10 shall have the benefit of the same rate of discount on the amount
11 paid as he would have on the whole amount.

12 The payment of part or all of the taxes upon any property, due
13 for the year for which an appeal from an assessment upon such
14 property has been or shall hereafter be taken, or of taxes for
15 subsequent years, shall in nowise prejudice the status of the appeal
16 or the rights of the appellant to prosecute such appeal, before the
17 county board of taxation, the State Board of Tax Appeals, or in
18 any court to which the judgment arising out of such appeal shall
19 be taken.

1 2. In the event that a taxpayer is successful in an appeal from an
2 assessment on real property to the extent that he is awarded a
3 reduction in taxes in excess of \$50,000.00, then and in that event,
4 the respective taxing district may credit such abatement of taxes
5 in five equal installments over the next 5 years.

1 3. This act shall take effect immediately.

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

A1276 (1974)

2

STATEMENT

The purpose of this bill is to require that a taxpayer filing an appeal from a real property assessment shall pay to the tax collector no less than 90% of the taxes assessed against him even though his petition to the Tax Appeal Board might request a reduction in excess of 10% of the taxes assessed for the full year. This bill further provides that whenever an appeal results in a reduction of taxes in excess of \$50,000.00, the local taxing district may credit such abatement of taxes in five equal installments over the next 5 years.

SENATE REVENUE, FINANCE AND
APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1276

[OFFICIAL COPY REPRINT]

STATE OF NEW JERSEY

DATED: JANUARY 27, 1975

Assembly Bill 1276 OCR proposes to amend and supplement the property tax appeal process as concerns payment of taxes.

The existing provisions of the appeal process with regard to payment of taxes are amended to require the payment of 90 percent of taxes assessed against a taxpayer as a prerequisite to an appeal. Current provisions (R. S. 54:3-27) provide that a taxpayer may pay the taxes he would be required to pay if his appeal were sustained. There are cases where a taxpayer with a substantial tax liability will file an appeal and pay the taxes he feels are reasonable, as represented in the appeal, and this creates a financial hardship for the tax district involved. In other cases groups of taxpayers will file appeals, especially when a revaluation has occurred, in aggregate representing a substantial tax liability, and again a financial hardship is created for the tax district. In recommending this bill, the Committee takes cognizance of both the taxpayers' and the tax districts' problem with the property tax valuation and collection process. On the taxpayers' side, it is reasonable to assume that an assessment may not be fair and payment of the full tax liability would be inequitable, and some degree of relief before the adjudication of an appeal is necessary. From the tax district viewpoint, collections are required to meet expenses, and when substantial shortfalls occur, a financial hardship is created, or in anticipation of appeals reserves are high, imposing a greater tax burden on the other taxpayers in the district. Further, it does not seem entirely reasonable to make the assumption in statute that a taxpayer's appeal should be the basis for his tax liability. Therefore, the payment of 90 percent of tax assessment is felt equitable to both taxpayer and tax district.

The tax payment provision is supplemented by requiring that any overpayment made as a result of the required payment of 90 percent

of property tax will be refunded within 50 days of the date of judgment of appeal, with interest at eight percent per year. Thus, a taxpayer who is successful in an appeal, having lost the use of his money in meeting the tax payment requirement will be entitled to quick refund together with a reasonable interest payment.

It is necessary, in establishing the requirement of tax payments as a prerequisite to appeal, to repeal the current provisions concerning tax payments where the appeal is at the State Division of Tax Appeals level. This provision would be surplus and of no effect given the enactment of A-1276. Therefore, Chapter 365 of the Laws of 1968 (R. S. 54:2-41.5 and R. S. 54:2-41.6) is repealed by the provisions of A-1276. Committee amendments so provide.

Further, Committee amendments require that any excess taxes paid regardless of amount are to be refunded within 50 days of the date of judgment. As originally proposed, the bill addressed refund of overpayments where the amount was \$50,000 or more, permitting a taxing district to credit such overpayment over a five-year period. The Committee feels that where an overpayment of property taxes has occurred, a taxpayer is entitled to immediate refund.

The effective date of the bill has been amended to have the provisions of the bill effective commencing with the tax year next following enactment. Thus, all appeals from that tax year forward will be affected. Any appeals under the existing statutes will be treated in the same manner, thereby providing equal treatment to all taxpayers. The new provision commences with a new tax year.