

54:3-27, 54:3-27.2, 54:3-27.3

LEGISLATIVE HISTORY CHECKLIST

(Tax appeals--3 quarters assessment payable before appeal, refunds payable with 5% interest)

IRSA 54:3-27, 54:3-27.2, 54:3-27.3, 54:2-39

LAWS OF 1977

CHAPTER 357

Bill No. A2147

Sponsor(s) Karcher

Date Introduced July 22, 1976

Committee: Assembly Taxation

Senate Revenue, Finance & Appropriations

Amended during passage Yes XX Amendments during passage denoted by asterisks

Date of Passage: Assembly June 20, 1977

Senate Sept. 29, 1977

Date of approval January 31, 1978

Following statements are attached if available:

Sponsor statement Yes XX (Below)

Committee Statement: Assembly XXX No

Senate Yes XX

Fiscal Note XXX No

Veto Message XXX No

Message on signing Yes XX

Following were printed:

Reports Yes XX

Hearings Yes XX

Sponsor's Statement:

The purpose of this bill is to amend chapter 361 of P.L. 1975, to reduce taxes due and payable on appeal to 75% and to allow an 8% penalty to be paid only on delinquent refunds.

LB med 9/1/78

(over)

- 974.90 N.J. Legislature. Special Committee on Tax Appeals Procedure.  
T235 Public hearing.  
1977b V.1 - held 3/15/77, pp. 44-45, 82-85.  
V.2 - held 3/30/77, pp. 44-45, ix.
- 974.90 N.J. Legislature. Special Committee on Tax Appeals Procedure.  
T235 Report. 6/26/77.  
1977c pp. 25-31.

CHAPTER 357 LAWS OF N. J. 1977  
APPROVED 1-31-78

[SECOND OFFICIAL COPY REPRINT]

ASSEMBLY, No. 2147

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STATE OF NEW JERSEY

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INTRODUCED JULY 22, 1976

By Assemblyman KARCHER

Referred to Committee on Taxation

AN ACT concerning tax appeals, amending R. S. 54:3-27 *and*  
R. S. 54:2-39\*, amending and supplementing P. L. 1975, c. 361.

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 shall pay to the collector of the taxing district no less  
4 than **[90%]** **\*[75%]\*** *\*the first three quarters\** of the taxes  
5 assessed against him *\*for the current tax year\** in the manner  
5A prescribed in R. S. 54:4-66 even though his petition to the **\*[Tax**  
5B **Appeal Board]\*** *\*county board of taxation\** might request a  
6 reduction in excess of **[10%]** **\*[25%]\*** *\*one quarter\** of the  
7 taxes assessed for the full year. The collector shall accept  
8 such amount, when tendered, give a receipt therefor and credit  
9 the taxpayer therewith, and the taxpayer shall have the benefit  
10 of the same rate of discount on the amount paid as he would have  
11 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 sub-  
15 sequent 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\*, *except as may be provided for in section 2 of this act\*.*

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

1 \*2. R. S. 54:2-39 is amended to read as follows:

2 54:2-39. Any appellant who is dissatisfied with the judgment of  
3 the county board of taxation upon his appeal may appeal from that  
4 judgment to the Division of Tax Appeals in the Department of the  
5 Treasury by filing a petition of appeal to the division, in manner  
6 and form to be by said division prescribed, on or before Decem-  
7 ber 15 following the date fixed for final decisions by the county  
8 boards, and the division shall proceed summarily to hear and  
9 determine all such appeals and render its judgment thereon as  
10 soon as may be.

11 *At the time that a petition of appeal has been filed with the*  
12 *Division of Tax Appeals, all taxes for the current tax year must*  
13 *have been paid and the appellant at such time shall present evi-*  
14 *dence of such payment. No interest shall be due and payable by the*  
15 *appellant for the period from November 1 of the current tax year*  
16 *to the date of filing the petition of appeal.*

17 Each petition of appeal shall be verified and shall contain full  
18 and complete information as to the land, including the size of the  
19 lot, a description of the buildings and structures thereon, if any,  
20 and the use thereof and further shall detail the income and expense  
21 of operation in cases of income-producing property. Where the  
22 petition of appeal is from a judgment as to the assessed valuation  
23 of the appellant's property, there shall be annexed to the petition  
24 evidence of payment of **\*\*[that portion of the]\*\*** taxes due and  
25 payable as **\*\*[to the property which are not in substantial con-**  
25A **troversy]\*\*** **\*\*hereinabove prescribed\*\***.

26 No appeal, however, shall lie to the Division of Tax Appeals in  
27 the Department of the Treasury where the appeal to the county  
28 board of taxation has been (a) withdrawn at the hearing, or pre-  
29 viously thereto in writing by the appellant or his agent; (b) dis-  
30 missed because of appellant's failure to prosecute the appeal at a  
31 hearing called by the county tax board; (c) settled by mutual  
32 consent of the taxpayer and assessor of the taxing district. This  
33 provision shall not preclude an appeal to the Division of Tax  
34 Appeals in the Department of the Treasury in the event that the  
35 appeal was "dismissed without prejudice" by the county board of  
36 taxation.\*

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

3 2. In the event that a taxpayer is successful in an appeal from  
4 an assessment on real property, the respective taxing district shall

5 refund any excess taxes paid\*, together with interest thereon from  
 5A the date of payment at a rate of ~~8%~~ 5% per annum, within  
 5B ~~50~~ 60 days of the date of final judgment\*. \**In the absence of*  
 6 *further appeals, the refund becomes payable by the municipality,*  
 7 *within 60 days after judgment is rendered. If payment is not made*  
 8 *by the municipality within 60 days of judgment, then an interest*  
 9 *rate of 8% per annum shall be applied to any delinquent refund*  
 10 *awarded to an appellant.]\**

1 \*~~3.~~\* \*4.\* (New section) Class 3B (Farm Qualified) and Class  
 2 15D, E and F (Exempt Property) in appeal where a statutory quali-  
 3 fication is the subject of the appeal is exempt from those provisions  
 4 contained in paragraphs 1 and 2 of this act.

1 \*~~4.~~ (New section) Upon certification by the county board of taxa-  
 2 tion of the existence of an appeal and of the amount of taxes on  
 3 appeal, such real property shall not, for the purpose of apportion-  
 4 ing the amount to be raised by the taxing district of the county  
 5 for county purposes, be included in the local ratables of the taxing  
 6 district wherein such real property is located. The county board  
 7 of taxation shall maintain appropriate records on the value of the  
 8 real property not included in the total ratables for apportioning  
 9 county taxes, and determine and record the amount of such taxes  
 10 annually attributable thereto. Upon collection of the amount of  
 11 taxes on appeal by the taxing district, the amount of county taxes  
 12 attributable to such property for the years in which the real prop-  
 13 erty taxes were on appeal, as determined by the county board of  
 14 taxation, shall be paid by the taxing district to the county. Such  
 15 amount shall be apportioned among the other taxing districts of  
 16 the county in the manner set forth in R. S. 54:4-49, in the form of  
 17 a tax credit against each taxing district's proportionate share of  
 18 the county taxes abated pursuant to this section.

1 5. (New section) Upon receipt of the certification pursuant to  
 2 section 4 of this act, the governing body of the municipality may  
 3 file an amendment to its budget, in accordance with N. J. S.  
 4 40A:4-49 deducting the certified amount of taxes on appeal and  
 5 uncollectible from the municipal apportion for the reserves for  
 6 uncollected taxes; provided, however, that such amount shall also  
 7 be deducted from the total amount of anticipated revenues to be  
 8 raised from receipts from delinquent taxes.]\*

1 \*~~6.~~\* \*5.\* This act shall take effect immediately.

ASSEMBLY, No. 2147

STATE OF NEW JERSEY

INTRODUCED JULY 22, 1976

By Assemblyman KARCHER

Referred to Committee on Taxation

AN ACT concerning tax appeals, amending R. S. 54:3-27, amending and supplementing P. L. 1975, c. 361.

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 shall pay to the collector of the taxing district no less  
4 than **[90%]** 75% of the taxes assessed against him in the manner  
5 prescribed in R. S. 54:4-66 even though his petition to the Tax  
6 Appeal Board might request a reduction in excess of **[10%]** 25%  
7 of the taxes assessed for the full year. The collector shall accept  
8 such amount, when tendered, give a receipt therefor and credit  
9 the taxpayer therewith, and the taxpayer shall have the benefit  
10 of the same rate of discount on the amount paid as he would have  
11 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 sub-  
15 sequent 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. Section 2 of P. L. 1975, c. 361 (C. 54:3-27.2) is amended to  
2 read as follows:

3 2. In the event that a taxpayer is successful in an appeal from  
4 an assessment on real property, the respective taxing district shall  
5 refund any excess taxes paid. *In the absence of further appeals,*  
6 *the refund becomes payable by the municipality, within 60 days*

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

7 *after judgment is rendered. If payment is not made by the municipi-*  
8 *ality within 60 days of judgment, then an interest rate of 8%*  
9 *per annum shall be applied to any delinquent refund awarded to*  
10 *an appellant.*

1 3. (New section) Class 3B (Farm Qualified) and Class 15D,  
2 E and F (Exempt Property) in appeal where a statutory qualifi-  
3 cation is the subject of the appeal is exempt from those provisions  
4 contained in paragraphs 1 and 2 of this act.

1 4. (New section) Upon certification by the county board of taxa-  
2 tion of the existence of an appeal and of the amount of taxes on  
3 appeal, such real property shall not, for the purpose of apportion-  
4 ing the amount to be raised by the taxing district of the county  
5 for county purposes, be included in the local ratables of the taxing  
6 district wherein such real property is located. The county board  
7 of taxation shall maintain appropriate records on the value of the  
8 real property not included in the total ratables for apportioning  
9 county taxes, and determine and record the amount of such taxes  
10 annually attributable thereto. Upon collection of the amount of  
11 taxes on appeal by the taxing district, the amount of county taxes  
12 attributable to such property for the years in which the real prop-  
13 erty taxes were on appeal, as determined by the county board of  
14 taxation, shall be paid by the taxing district to the county. Such  
15 amount shall be apportioned among the other taxing districts of  
16 the county in the manner set forth in R. S. 54:4-49, in the form of  
17 a tax credit against each taxing district's proportionate share of  
18 the county taxes abated pursuant to this section.

1 5. (New section) Upon receipt of the certification pursuant to  
2 section 4 of this act, the governing body of the municipality may  
3 file an amendment to its budget, in accordance with N. J. S.  
4 40A:4-49 deducting the certified amount of taxes on appeal and  
5 uncollectible from the municipal apportion for the reserves for  
6 uncollected taxes; provided, however, that such amount shall also  
7 be deducted from the total amount of anticipated revenues to be  
8 raised from receipts from delinquent taxes.

1 6. This act shall take effect immediately.

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#### STATEMENT

The purpose of this bill is to amend chapter 361 of P. L. 1975, to reduce taxes due and payable on appeal to 75% and to allow an 8% penalty to be paid only on delinquent refunds.

ASSEMBLY COMMITTEE AMENDMENTS TO  
**ASSEMBLY, No. 2147**

**STATE OF NEW JERSEY**

ADOPTED APRIL 25, 1977

Amend page 1, title, line 1, after "R. S. 54:3-27", insert "and R. S. 54:2-39".

Amend page 1, section 1, line 4, omit "75%" and insert "the first three quarters".

Amend page 1, section 1, line 4, after "him", insert "for the current tax year".

Amend page 1, section 1, lines 5-6, omit "Tax Appeal Board" and insert "county board of taxation".

Amend page 1, section 1, line 6, omit "25%" and insert "one quarter".

Amend page 1, section 1, line 19, after "taken", insert ", except as may be provided for in section 2. of this act."

Amend page 1, section 1, after line 19 insert the following new section 2.:

"2. R. S. 54:2-39 is amended to read as follows:

54:2-39. Any appellant who is dissatisfied with the judgment of the county board of taxation upon his appeal may appeal from that judgment to the Division of Tax Appeals in the Department of the Treasury by filing a petition of appeal to the division, in manner and form to be by said division prescribed, on or before December 15 following the date fixed for final decisions by the county boards, and the division shall proceed summarily to hear and determine all such appeals and render its judgment thereon as soon as may be.

*At the time that a petition of appeal has been filed with the Division of Tax Appeals, all taxes for the current tax year must have been paid and the appellant at such time shall present evidence of such payment. No interest shall be due and payable by the appellant for the period from November 1 of the current tax year to the date of filing the petition of appeal.*

Each petition of appeal shall be verified and shall contain full and complete information as to the land, including the size of the lot, a

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

description of the buildings and structures thereon, if any, and the use thereof and further shall detail the income and expense of operation in cases of income-producing property. Where the petition of appeal is from a judgment as to the assessed valuation of the appellant's property, there shall be annexed to the petition evidence of payment of that portion of the taxes due and payable as to the property which are not in substantial controversy.

No appeal, however, shall lie to the Division of Tax Appeals in the Department of the Treasury where the appeal to the county board of taxation has been (a) withdrawn at the hearing, or previously thereto in writing by the appellant or his agent; (b) dismissed because of appellant's failure to prosecute the appeal at a hearing called by the county tax board; (c) settled by mutual consent of the taxpayer and assessor of the taxing district. This provision shall not preclude an appeal to the Division of Tax Appeals in the Department of the Treasury in the event the appeal was 'dismissed without prejudice' by the county board of taxation."

Amend page 1, section 2, line 1, omit "2." and insert "3."

Amend page 1, section 2, line 5, after "paid", insert ", together with interest thereon from the date of payment at a rate of ~~8%~~ 5% per annum, within ~~50~~ 60 days of the date of *final* judgment."

Amend page 1, section 2, line 5, omit "In the absence of further appeals".

Amend pages 1-2, section 2, lines 6-10, omit in their entirety.

Amend page 2, section 3, line 1, delete "3." and insert "4."

Amend page 2, sections 4-5, omit sections 4 and 5 in their entirety.

Amend page 2, section 6, line 1, omit "6.", insert "5."

[OFFICIAL COPY REPRINT]  
ASSEMBLY, No. 2147

STATE OF NEW JERSEY

INTRODUCED JULY 22, 1976

By Assemblyman KARCHER

Referred to Committee on Taxation

AN ACT concerning tax appeals, amending R. S. 54:3-27 *and*  
R. S. 54:2-39\*, amending and supplementing P. L. 1975, c. 361.

1 BE IT ENACTED *by the Senate and General Assembly of the State*  
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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 shall pay to the collector of the taxing district no less  
4 than **[90%]** **\*[75%]\*** *the first three quarters\** of the taxes  
5 assessed against him *for the current tax year\** in the manner  
5A prescribed in R. S. 54:4-66 even though his petition to the **\*[Tax**  
5B **Appeal Board]\*** *county board of taxation\** might request a  
6 reduction in excess of **[10%]** **\*[25%]\*** *one quarter\** of the  
7 taxes assessed for the full year. The collector shall accept  
8 such amount, when tendered, give a receipt therefor and credit  
9 the taxpayer therewith, and the taxpayer shall have the benefit  
10 of the same rate of discount on the amount paid as he would have  
11 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 sub-  
15 sequent 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\*, *except as may be provided for in section 2 of this act\*.*

1 \*2. R. S. 54:2-39 is amended to read as follows:

2 54:2-39. Any appellant who is dissatisfied with the judgment of  
3 the county board of taxation upon his appeal may appeal from that  
4 judgment to the Division of Tax Appeals in the Department of the

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is not enacted and is intended to be omitted in the law.**

5 Treasury by filing a petition of appeal to the division, in manner  
6 and form to be by said division prescribed, on or before Decem-  
7 ber 15 following the date fixed for final decisions by the county  
8 boards, and the division shall proceed summarily to hear and  
9 determine all such appeals and render its judgment thereon as  
10 soon as may be.

11 *At the time that a petition of appeal has been filed with the*  
12 *Division of Tax Appeals, all taxes for the current tax year must*  
13 *have been paid and the appellant at such time shall present evi-*  
14 *dence of such payment. No interest shall be due and payable by the*  
15 *appellant for the period from November 1 of the current tax year*  
16 *to the date of filing the petition of appeal.*

17 Each petition of appeal shall be verified and shall contain full  
18 and complete information as to the land, including the size of the  
19 lot, a description of the buildings and structures thereon, if any,  
20 and the use thereof and further shall detail the income and expense  
21 of operation in cases of income-producing property. Where the  
22 petition of appeal is from a judgment as to the assessed valuation  
23 of the appellant's property, there shall be annexed to the petition  
24 evidence of payment of that portion of the taxes due and payable as  
25 to the property which are not in substantial controversy.

26 No appeal, however, shall lie to the Division of Tax Appeals in  
27 the Department of the Treasury where the appeal to the county  
28 board of taxation has been (a) withdrawn at the hearing, or pre-  
29 viously thereto in writing by the appellant or his agent; (b) dis-  
30 missed because of appellant's failure to prosecute the appeal at a  
31 hearing called by the county tax board; (c) settled by mutual  
32 consent of the taxpayer and assessor of the taxing district. This  
33 provision shall not preclude an appeal to the Division of Tax  
34 Appeals in the Department of the Treasury in the event that the  
35 appeal was "dismissed without prejudice" by the county board of  
36 taxation.\*

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

3 2. In the event that a taxpayer is successful in an appeal from  
4 an assessment on real property, the respective taxing district shall  
5 refund any excess taxes paid\*, together with interest thereon from  
5A the date of payment at a rate of **[8%]** 5% per annum, within  
5B **[50]** 60 days of the date of final judgment\*. \***[In the absence of**  
6 *further appeals, the refund becomes payable by the municipality,*  
7 *within 60 days after judgment is rendered. If payment is not made*  
8 *by the municipality within 60 days of judgment, then an interest*

9 *rate of 8% per annum shall be applied to any delinquent refund*  
10 *awarded to an appellant.】\**

1 \***【3.】**\* \*4.\* (New section) Class 3B (Farm Qualified) and Class  
2 15D, E and F (Exempt Property) in appeal where a statutory quali-  
3 fication is the subject of the appeal is exempt from those provisions  
4 contained in paragraphs 1 and 2 of this act.

1 \***【4.】** (New section) Upon certification by the county board of taxa-  
2 tion of the existence of an appeal and of the amount of taxes on  
3 appeal, such real property shall not, for the purpose of apportion-  
4 ing the amount to be raised by the taxing district of the county  
5 for county purposes, be included in the local ratables of the taxing  
6 district wherein such real property is located. The county board  
7 of taxation shall maintain appropriate records on the value of the  
8 real property not included in the total ratables for apportioning  
9 county taxes, and determine and record the amount of such taxes  
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11 taxes on appeal by the taxing district, the amount of county taxes  
12 attributable to such property for the years in which the real prop-  
13 erty taxes were on appeal, as determined by the county board of  
14 taxation, shall be paid by the taxing district to the county. Such  
15 amount shall be apportioned among the other taxing districts of  
16 the county in the manner set forth in R. S. 54:4-49, in the form of  
17 a tax credit against each taxing district's proportionate share of  
18 the county taxes abated pursuant to this section.

1 5. (New section) Upon receipt of the certification pursuant to  
2 section 4 of this act, the governing body of the municipality may  
3 file an amendment to its budget, in accordance with N. J. S.  
4 40A:4-49 deducting the certified amount of taxes on appeal and  
5 uncollectible from the municipal apportion for the reserves for  
6 uncollected taxes; provided, however, that such amount shall also  
7 be deducted from the total amount of anticipated revenues to be  
8 raised from receipts from delinquent taxes.】\*

1 \***【6.】**\* \*5.\* This act shall take effect immediately.

SENATE REVENUE, FINANCE AND  
APPROPRIATIONS COMMITTEE

STATEMENT TO  
**ASSEMBLY, No. 2147**  
[OFFICIAL COPY REPRINT]

**STATE OF NEW JERSEY**

DATED: JULY 11, 1977

The purpose of this bill is to require the payment of the first three quarters of property tax by a taxpayer who files an appeal with the county board of taxation, to require full payment of current year property taxes upon appeal to the Division of Tax Appeals, and to provide for the payment of interest at a rate of 5% instead of 8% per annum on any refund of excess taxes paid as indicated in the final judgment.

Currently, a taxpayer who has filed an appeal from an assessment with the county board of taxation is required to pay 90% of taxes assessed against him for the current year in the manner prescribed in R. S. 54:4-66 (quarterly payment of property taxes). Thus, an appellant taxpayer who files an appeal, for example, on August 3 is required to pay 90% of the taxes due on Feb. 1, May 1, and Aug. 1. The appeal filed, for example, on June 15, or any time after being informed of a new assessment (usually the first week in June with the annual tax bill) would find a tax payment requirement, under the current law, of 90% of the taxes due Feb. 1 and May 1. This bill requires the first three quarters of the taxes assessed for the current tax year be paid as an absolute requirement, leaving no question open as to what amount of taxes are to be paid.

An appellant dissatisfied with the judgment of the county board of taxation may appeal that judgment to the Division of Tax Appeals. There is no direction in current law regarding tax payments. This bill would require that at the time a petition of appeal has been filed with the Division of Tax Appeals all taxes for the current year must have been paid. Appeals filed with the Division of Tax Appeals are generally after the November 1 quarterly tax installment is due and payable. Thus, this provision requires an appellant to be current in his tax payments notwithstanding the pending appeal. This imposes no burden

of prepayment of taxes on the appellant, and does not put the burden of an appellant's unpaid property taxes on the other taxpayers in a taxing district—a burden reflected in the reserve for uncollected taxes, and thus in the tax rate.

This bill represents a turnaround in State policy regarding payment of property taxes where an appeal is pending. The presumption in law, prior to P. L. 1975, c. 361, was that an appellant was responsible for paying only that amount of tax which he felt was reasonable as reflected in his appeal. With P. L. 1975, c. 361, a requirement that 90% of current taxes be paid was put in law. This gave rise to the disparity of amount of taxes due related to the point in time that the appeal is filed. The presumption in law in this bill is that a taxpayer is responsible for the taxes assessed against him and the filing of an appeal in no way reduces or forgives that liability.

SENATE AMENDMENTS TO  
**ASSEMBLY, No. 2147**  
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**STATE OF NEW JERSEY**

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ADOPTED: SEPTEMBER 19, 1977

Amend page 2, section 2, line 24, delete "that portion of the".

Amend page 2, section 2, line 25, delete and insert "hereinabove prescribed".

[SENATE REPRINT]  
**ASSEMBLY, No. 2147**

[OFFICIAL COPY REPRINT]

with Senate amendments adopted September 19, 1977

**STATE OF NEW JERSEY**

INTRODUCED JULY 22, 1976

By Assemblyman KARCHER

Referred to Committee on Taxation

AN ACT concerning tax appeals, amending R. S. 54:3-27 *\*and*  
*R. S. 54:2-39\**, amending and supplementing P. L. 1975, c. 361.

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 shall pay to the collector of the taxing district no less  
4 than **[90%]** *\*[75%]\** *\*the first three quarters\** of the taxes  
5 assessed against him *\*for the current tax year\** in the manner  
5A prescribed in R. S. 54:4-66 even though his petition to the *\*[Tax*  
5B *Appeal Board]\** *\*county board of taxation\** might request a  
6 reduction in excess of **[10%]** *\*[25%]\** *\*one quarter\** of the  
7 taxes assessed for the full year. The collector shall accept  
8 such amount, when tendered, give a receipt therefor and credit  
9 the taxpayer therewith, and the taxpayer shall have the benefit  
10 of the same rate of discount on the amount paid as he would have  
11 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 sub-  
15 sequent 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\*, *except as may be provided for in section 2 of this act\**.

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

1 \*2. R. S. 54:2-39 is amended to read as follows:

2 54:2-39. Any appellant who is dissatisfied with the judgment of  
3 the county board of taxation upon his appeal may appeal from that  
4 judgment to the Division of Tax Appeals in the Department of the  
5 Treasury by filing a petition of appeal to the division, in manner  
6 and form to be by said division prescribed, on or before Decem-  
7 ber 15 following the date fixed for final decisions by the county  
8 boards, and the division shall proceed summarily to hear and  
9 determine all such appeals and render its judgment thereon as  
10 soon as may be.

11 *At the time that a petition of appeal has been filed with the*  
12 *Division of Tax Appeals, all taxes for the current tax year must*  
13 *have been paid and the appellant at such time shall present evi-*  
14 *dence of such payment. No interest shall be due and payable by the*  
15 *appellant for the period from November 1 of the current tax year*  
16 *to the date of filing the petition of appeal.*

17 Each petition of appeal shall be verified and shall contain full  
18 and complete information as to the land, including the size of the  
19 lot, a description of the buildings and structures thereon, if any,  
20 and the use thereof and further shall detail the income and expense  
21 of operation in cases of income-producing property. Where the  
22 petition of appeal is from a judgment as to the assessed valuation  
23 of the appellant's property, there shall be annexed to the petition  
24 evidence of payment of **\*\*[that portion of the]\*\*** taxes due and  
25 payable as **\*\*[to the property which are not in substantial con-**  
25A **troversy]\*\*** *\*\*hereinabove prescribed\*\**.

26 No appeal, however, shall lie to the Division of Tax Appeals in  
27 the Department of the Treasury where the appeal to the county  
28 board of taxation has been (a) withdrawn at the hearing, or pre-  
29 viously thereto in writing by the appellant or his agent; (b) dis-  
30 missed because of appellant's failure to prosecute the appeal at a  
31 hearing called by the county tax board; (c) settled by mutual  
32 consent of the taxpayer and assessor of the taxing district. This  
33 provision shall not preclude an appeal to the Division of Tax  
34 Appeals in the Department of the Treasury in the event that the  
35 appeal was "dismissed without prejudice" by the county board of  
36 taxation.\*

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

3 2. In the event that a taxpayer is successful in an appeal from  
4 an assessment on real property, the respective taxing district shall

5 refund any excess taxes paid\*, together with interest thereon from  
 5A the date of payment at a rate of ~~8%~~ 5% per annum, within  
 5B ~~50~~ 60 days of the date of final judgment\*. ~~In the absence of~~  
 6 further appeals, the refund becomes payable by the municipality,  
 7 within 60 days after judgment is rendered. If payment is not made  
 8 by the municipality within 60 days of judgment, then an interest  
 9 rate of 8% per annum shall be applied to any delinquent refund  
 10 awarded to an appellant.]\*

1 \*~~3.~~\* \*4.\* (New section) Class 3B (Farm Qualified) and Class  
 2 15D, E and F (Exempt Property) in appeal where a statutory quali-  
 3 fication is the subject of the appeal is exempt from those provisions  
 4 contained in paragraphs 1 and 2 of this act.

1 \*~~4.~~ (New section) Upon certification by the county board of taxa-  
 2 tion of the existence of an appeal and of the amount of taxes on  
 3 appeal, such real property shall not, for the purpose of apportion-  
 4 ing the amount to be raised by the taxing district of the county  
 5 for county purposes, be included in the local ratables of the taxing  
 6 district wherein such real property is located. The county board  
 7 of taxation shall maintain appropriate records on the value of the  
 8 real property not included in the total ratables for apportioning  
 9 county taxes, and determine and record the amount of such taxes  
 10 annually attributable thereto. Upon collection of the amount of  
 11 taxes on appeal by the taxing district, the amount of county taxes  
 12 attributable to such property for the years in which the real prop-  
 13 erty taxes were on appeal, as determined by the county board of  
 14 taxation, shall be paid by the taxing district to the county. Such  
 15 amount shall be apportioned among the other taxing districts of  
 16 the county in the manner set forth in R. S. 54:4-49, in the form of  
 17 a tax credit against each taxing district's proportionate share of  
 18 the county taxes abated pursuant to this section.

1 5. (New section) Upon receipt of the certification pursuant to  
 2 section 4 of this act, the governing body of the municipality may  
 3 file an amendment to its budget, in accordance with N. J. S.  
 4 40A:4-49 deducting the certified amount of taxes on appeal and  
 5 uncollectible from the municipal apportion for the reserves for  
 6 uncollected taxes; provided, however, that such amount shall also  
 7 be deducted from the total amount of anticipated revenues to be  
 8 raised from receipts from delinquent taxes.]\*

1 \*~~6.~~\* \*5.\* This act shall take effect immediately.

FROM THE OFFICE OF THE GOVERNOR

FOR IMMEDIATE RELEASE

FOR FURTHER INFORMATION

FEBRUARY 1, 1978

ANNE BURNS

Governor Brendan Byrne has signed the following <sup>1976-77</sup> bills into law:

A-2147, sponsored by Assemblyman Alan Karcher, (D-Middlesex), which states that when a taxpayer files an appeal with the county Board of Taxation, he must pay the amount assessed for the first three quarters of the year before the appeal is heard.

If the appeal continues to the State Division of Tax Appeals, the taxpayer will be required to pay the balance of the taxes.

If the taxpayer subsequently wins the tax appeal, the municipality refunds the taxes plus 5 percent interest on the refund.

The bill is intended to correct the inequities which allow the majority of local property taxpayers to be penalized during the period when large property taxpayers are litigating tax appeals.

A-2267, sponsored by Assemblyman John J. Gallagher, (D-Camden) which appropriates \$336,000 to install a fire alarm system equipped with flashing light warning devices at the Marie H. Katzenbach School for the Deaf.

A-3492, sponsored by Assemblyman Walter J. Kavanaugh, (D-Somerset), which exempt authorized volunteer first aid, rescue or emergency squads from paying motor vehicle registration fees for vehicles owned by the organizations.

S-587, sponsored by former Senator Anne Martindell, (D-Princeton), which prohibits lending institutions from increasing payments to mortgage escrow tax accounts on the basis of the institutions "estimate" of a tax increase unless an official notification of tax increases have been given by the taxing district.

The purpose of the measure is to prevent homeowners from having to make tax escrow payments greater than would actually be needed to cover a higher tax bill.