

ASSEMBLY STATE AND LOCAL GOVERNMENT
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1314

STATE OF NEW JERSEY

DATED: MARCH 17, 2022

The Assembly State and Local Government Committee reports favorably Assembly Bill No. 1314.

This bill would require a municipality to issue a property tax refund to a property owner who overpays his or her property taxes. The New Jersey Statutes currently permit, but do not require, a municipality to make such a refund to a property taxpayer under these circumstances.

This amendment is necessary to revise the statute to reflect the New Jersey Tax Court's decision in Hanover Floral v. East Hanover Twp., 30 N.J. Tax 181 (Tax 2017), which required Hanover Township to refund excess property taxes paid by Hanover Floral as the result of an error made by the municipal tax assessor. The Tax Court limited the amount of the refund due to Hanover Floral to the excess taxes paid in the tax year in which Hanover Floral filed its complaint, and the three years prior.

The bill also limits the amount of the refund to the amount of excess taxes paid in the tax year in which the governing body has been notified by the taxpayer of the error, and the three tax years immediately prior.

This bill was pre-filed for introduction in the 2022-2023 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.