

## CHAPTER 8

AN ACT concerning the prepayment of property taxes, amending R.S.54:4-68, and supplementing chapter 4 of Title 54 of the Revised Statutes.

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

1. R.S.54:4-68 is amended to read as follows:

Property taxes, assessments, prepayment in certain cases.

54:4-68. The officer charged with the collection of taxes or assessments shall receive the tax or assessment due or to become due for any current year at any time during the year as provided in this section and section 54:4-69 of this title. The payments may be made on the basis of taxes and assessments levied for the preceding year and may be paid in full, or in installments in amounts of not less than one dollar or multiples thereof. The collecting officer shall issue a receipt therefor and credit the amount paid to the account of any tax or assessment so levied or to be levied.

C.54:4-68.1 Definitions relative to prepayment; issuance of receipt, refund.

2. a. For the purposes of this section:

“Dedicated prepayment” means a payment toward an anticipated quarterly installment property tax and assessment obligation that is made prior to the issuance of the tax bill for that installment.

“Tax collector” means a municipal officer charged with the collection of taxes.

- b. Notwithstanding any provision of law or regulation to the contrary, when a taxpayer makes a dedicated prepayment, the tax collector shall issue a receipt therefor, and shall credit the amount received toward the amount to become due and payable by the taxpayer for the dedicated installment. The dedicated prepayment shall be made payable to the municipality and shall explicitly and conspicuously indicate the installment to which the payment shall be credited. If the taxpayer is otherwise delinquent on property taxes or other municipal charges, the taxpayer shall first satisfy all such outstanding delinquencies before being permitted to make a dedicated prepayment.

- c. (1) When the amount paid in a dedicated prepayment exceeds the total property tax and assessment levied for the dedicated installment, the municipality shall refund the taxpayer the amount of the excess within 60 days of issuance of the tax bill or, if the governing body does not meet within those 60 days, the next regularly scheduled governing body meeting thereafter. When, upon issuing the tax bill for a dedicated installment, the tax collector determines that the dedicated prepayment is insufficient to equal the total property tax and assessment levied, the difference due and payable shall be paid or collected as other taxes are collected.

- (2) When a mortgagee pays any property tax and assessment installment for the mortgaged premises, and the owner of the mortgaged premises also makes a dedicated prepayment toward the installment, the municipality shall, within 60 days of the issuance of the tax bill or, if the governing body does not meet within those 60 days, the next regularly scheduled governing body meeting thereafter, refund the second-in-time payor the amount in excess of the tax and assessment levied.

3. This act shall take effect immediately and shall be retroactive to July 1, 2017.

Approved April 20, 2018.