

# **Bond Case Briefs**

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## **TAX - NEW JERSEY**

### **New Jersey Turnpike Authority v. Township of Monroe**

**Tax Court of New Jersey - July 2, 2014 - N.J.Tax - 2014 WL 3034413**

Turnpike Authority purchased property in connection with a highway-widening project.

In a prior opinion, the Tax Court held that the Turnpike did not fit within the definition of a “local government unit” for purposes of N.J.S.A. 54:4-23.8 which provides an exemption for roll-back taxes if lands are acquired by a local government unit for “recreation and conservation purposes.”

At issue in this case was whether the Turnpike could or should be considered as “the State” for purposes of the same exemption. The Turnpike argued that it is the alter ego of the State and thus qualifies. Township contended otherwise, and added that that property acquired by the Turnpike to comply with another unrelated statute’s mitigation requirements cannot qualify even if such property is transferred by the Turnpike to, and will be held by, the New Jersey Department of Environmental Protection for conservation purposes.

The court concluded that the Turnpike is not the State for purposes of the roll-back tax exemption. It therefore did not reach the issue of whether the Turnpike’s transfer of the property to the NJDEP as part of its mitigation obligation in connection with the Turnpike widening project qualifies as a purchase for “recreation and conservation purposes.”