
TAX - NEW JERSEY

New Jersey Turnpike Authority v. Township of Monroe

Tax Court of New Jersey - February 22, 2016 - N.J.Tax - 2016 WL 741487

Turnpike Authority brought action against township challenging local property tax assessments. Authority and township filed cross-motions for summary judgment.

The Tax Court held that:

- Tax exemption granted for real property acquired by an authority created by the State may be denied on grounds that the property was not used for a Turnpike purpose for a later tax year;
- Turnpike's acquisition of property to satisfy its mitigation obligations to Department of Environmental Protection for loss of environmentally protected lands was used for a "transportation project," and thus property was exempt from tax assessments under Turnpike's enabling statute; and
- Turnpike's claim for an exemption on property for an earlier tax year was time-barred, and thus Tax Court lacked subject-matter jurisdiction to consider claim.

Tax exemption granted for any real property acquired by an authority created by the State after written notice was provided to the assessor may be denied on the grounds that the property was not used for a Turnpike purpose for a later tax year.

Turnpike's acquisition of property to satisfy its mitigation obligations to Department of Environmental Protection for loss of environmentally protected lands was used for a "transportation project," and thus property was exempt from tax assessments under Turnpike's enabling statute, even if Turnpike obtained some acreage in excess of what was required by Department. Turnpike acquired property solely in furtherance of a project to widen and reconfigure portion of a highway to improve traffic, increase safety, and reduce motor vehicle congestion, Turnpike was required by law to obtain permits from Department allowing it to disturb environmentally sensitive areas, and but for project, such areas would not have been impacted, and property was not being held for an indeterminate purpose or time, nor with an intention to sell it as surplus property.

Turnpike's claim for an exemption from tax assessments on property that it acquired and used for a transportation project was time-barred, and thus Tax Court lacked subject-matter jurisdiction to consider claim, even though Turnpike was granted an exemption in the prior tax year and there was no change in property's ownership or use. Turnpike did not challenge assessment in any forum, timely or otherwise, and raised right to exemption only in a summary judgment motion before the Tax Court.

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