

Bond Case Briefs

Municipal Finance Law Since 1971

SPECIAL ASSESSMENTS - NEW JERSEY

Crispino v. Township of Sparta

Supreme Court of New Jersey - July 22, 2020 - A.3d - 2020 WL 4196538

Landowners who owned property near lake brought action challenging township resolution imposing special assessment on landowners' properties to recoup costs of rehabilitation of private dam owned by beach club, in which landowners were not members, following beach club's acquisition of loan, for which township was co-borrower, pursuant to New Jersey Department of Environmental Protection's (NJDEP) dam project fund.

The Superior Court entered judgment voiding the resolution. Township appealed. The Superior Court, Appellate Division, reversed. Landowners petitioned for certification, which was granted.

In a matter of first impression, the Supreme Court held that special assessment was based on an arbitrary methodology.

Township resolution imposing special assessment on landowners' properties to recoup costs of rehabilitation of private dam owned by beach club, in which landowners were not members, was based on an arbitrary methodology and thus void, where expert appraiser's report relied on by township, which was co-borrower on loan obtained by club pursuant to New Jersey Department of Environmental Protection's (NJDEP) dam project fund, simply concluded that landowners who were listed within geographical ambit of club's bylaws received a benefit due to eligibility for club membership, there was lack of certainty whether all landowners in club's "reserve" area near lake were automatically eligible for membership, and report did not address statutory proportionality requirements in any meaningful way.