

# **Bond Case Briefs**

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## **TAX - NEW JERSEY**

### **City of Newark v. Township of Jefferson**

**Superior Court of New Jersey, Appellate Division - January 29, 2021 - A.3d - 2021 WL 297824**

Taxpayer, a city, sought review of local property tax assessment on taxpayer's watershed land located in township.

After a bench trial, the Tax Court affirmed. Taxpayer appealed.

The Superior Court, Appellate Division, held that:

- Value of land was not nominal by virtue of sale of development rights to State as part of land conservation and moratorium on development;
- Assessment at amount believed by assessor to be agreed-amount from settlement negotiations was not discriminatory; but
- Assessment was defective as having no basis in fact.

Value of city's watershed land in township was not nominal for purposes of local property tax assessment by virtue of sale of development rights to State as part of land conservation and the moratorium on development by virtue of land's status as watershed property; even city's expert asserted that property's assessed value should be based on \$1500 per acre.

Local property tax assessment on city's watershed land in township did not result in discrimination against city, even if assessments increased on city's land but were otherwise reduced township-wide, where assessment was primarily based on assessor's settlement negotiations with city's counsel, which assessor believed resulted in an assessment of \$5000 per acre.

Local property tax assessment on city's watershed land in township had no basis in fact and thus was defective, where assessment was primarily based on assessor's settlement discussion with city's counsel rather than value of land, which was subject to unique restrictions due to sale of development rights to State as part of land conservation and the moratorium on development by virtue of land's status as watershed property, assessor relied on another sale that he failed to verify, and trial judge made no findings regarding validity of assessment methodology.