



**Reserve for Tax Appeals:**

Created by legislation in 1909, County Boards of Taxation serve as the supervising taxing authority for their respective counties. The office of the Board of Taxation falls into two major categories: Administrative and Appellate. Under the Appellate, the Board conducts hearings of real property tax assessment appeals filed by the taxpayer and renders judgments. [http://www.middlesexcountynj.gov/Government/Departments/Finance/Pages/Office TaxBoard.aspx](http://www.middlesexcountynj.gov/Government/Departments/Finance/Pages/Office_TaxBoard.aspx)

A taxpayer considering an appeal must prove that his/her assessed value is unreasonable compared to a market value standard. For an assessed value to be considered excessive or discriminatory, a taxpayer must prove that the assessment does not fairly represent either the True Market Value Standard or Common Level Range Standard. The common level range for a taxing district is that range which is plus or minus 15% of the average ratio for that district.

The State has authorized municipalities to create a Reserve account for potential tax appeals in the event an appeal is successful and results in a cash payout by the Municipality. North Brunswick has been diligent in maintaining a balance in this account that exceeds its potential liability given the market conditions. <https://www.nj.gov/dca/divisions/dlgs/lfns/12/2012-4.pdf>

New Jersey Municipalities operate on an annual *Line Item Budget* (Salary & Wage and Operating). Funding for this is generated each year from the Reserve for Tax Appeals and transferred into the Reserve account.

TAX APPEALS Tax Appeals							
1-01-20-151-000-218	20,000.00	5,000.00	5,000.00	5,000.00	100.00	5,000.00	1,000.00
	20,000.00	5,000.00	5,000.00	5,000.00	100.00		
Control Total	20,000.00	5,000.00	5,000.00	5,000.00	100.00	5,000.00	1,000.00
	20,000.00	5,000.00	5,000.00	5,000.00	100.00		

Funded within the FY2021 Budget \$1,000

7/1/2020 Reserve Balance is approximately **\$365,000**