SUPREME COURT OF NEW JERSEY

Prime Accounting Department v. Township of Carney's Point

212 N.J. 493 (2013) · Decided January 17, 2013

SUMMARY

The New Jersey Supreme Court considered whether a timely tax appeal should be dismissed because the complaint named an entity that was not an aggrieved taxpayer and was not a legal entity. The Court held that the pleading defect could be corrected under the liberal amendment rules and that the amended complaint would relate back to the original filing date. The Court reversed the Appellate Division and remanded for further proceedings, while rejecting the taxpayer's equitable estoppel and laches arguments.

CASE DETAILS

COURT	Supreme Court of New Jersey
WRITING FOR THE COURT	Justice Patterson; Chief Justice Rabner; Justice LaVecchia; Justice Albin; Justice Hoens
JURISDICTION	New Jersey
DECIDED	January 17, 2013
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	Bocceli, LLC appealed the dismissal of its property-tax appeal after the Tax Court denied leave to amend the complaint to substitute Bocceli for the erroneously named plaintiff, Prime Accounting Department. The Appellate Division affirmed, and the Supreme Court of New Jersey granted certification.
STANDARD OF REVIEW	The court reviewed the denial of leave to amend and the resulting jurisdictional dismissal under the liberal amendment standard applicable to Tax Court pleadings and the relation-back doctrine.
PRECEDENTIAL VALUE	published precedential opinion
PARTIES	Prime Accounting Department v. Township of Carney's Point

TOPICS

tax court procedure · state and local tax · pleadings · civil procedure · municipal law

PRACTICE AREAS

tax civil procedure municipal law real estate

QUESTIONS PRESENTED

1. Whether a timely filed property-tax appeal must be dismissed for lack of subject-matter jurisdiction because the complaint mistakenly names an entity that is not an aggrieved taxpayer.
2. Whether the Tax Court should permit amendment of the complaint to substitute the actual aggrieved taxpayer as plaintiff.
3. Whether the amended complaint would relate back to the filing date of the original complaint under Rule 4:9-3.
4. Whether equitable estoppel or laches barred the Township from challenging the plaintiff's designation.

HOLDINGS

1. The error in naming Prime Accounting Department rather than Bocceli, LLC as plaintiff did not deprive the Tax Court of subject-matter jurisdiction because the complaint was timely, identified the property and assessment under challenge, and gave the Township notice of the tax appeal.
2. The Tax Court improperly denied Bocceli leave to amend its complaint to name itself as plaintiff.
3. The proposed amendment substituting Bocceli for Prime Accounting related back to the March 24, 2009 filing date under Rule 4:9-3, thereby preserving the timeliness and subject-matter jurisdiction of the tax appeal.
4. Bocceli's equitable estoppel and laches arguments were properly rejected.

KEY QUOTATIONS

> *"We hold, however, that given the error in the Township's tax assessment list, and pursuant to the liberal amendment of pleadings standard of Rule 8:3-8 and case law construing Rule 4:9-1, the Tax Court improperly denied Bocceli's motion to amend the complaint."* (at 496-497)

> *"That misdesignation constituted a significant error. Yet that error did not deprive the Tax Court of subject-matter jurisdiction."* (at 515)

FACTUAL BACKGROUND

The Township's tax assessment list incorrectly identified Prime Accounting Department, an office associated with a former lessee, as the owner and taxpayer for a commercial property. Bocceli, LLC later became the property's sublessee and assumed responsibility for property-tax payments, while the Township continued to use Prime Accounting's name on the assessment list. Bocceli timely filed a tax appeal through counsel, but the complaint named Prime Accounting rather than Bocceli as plaintiff. Bocceli moved to amend after the filing deadline to identify itself as the aggrieved taxpayer.

PROCEDURAL HISTORY

Bocceli's counsel timely filed a Tax Court complaint naming Prime Accounting Department, an entity that was neither a legal entity nor an aggrieved taxpayer, as plaintiff. After the Tax Court questioned standing, Bocceli moved to amend the complaint to name itself as plaintiff. The Tax Court denied the motion and dismissed for lack of subject-matter jurisdiction; the Appellate Division affirmed. The Supreme Court reversed and remanded.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

The matter was remanded to the Tax Court for further proceedings consistent with the opinion, including permitting Bocceli to amend the complaint with the amendment relating back to the original filing date.

CASES CITED

- Davanne Realty v. Edison Twp., 201 N.J. 280, 990 A.2d 639 (2010)
- McMahon v. City of Newark, 195 N.J. 526, 951 A.2d 185 (2008)
- Macleod v. City of Hoboken, 330 N.J.Super. 502, 750 A.2d 152 (App.Div. 2000)
- Slater v. Holmdel Twp., 20 N.J.Tax 8 (Tax 2002)
- Lato v. Rockaway Twp., 16 N.J.Tax 355 (Tax 1997)
- Ewing Twp. v. Mercer Paper Tube Corp., 8 N.J.Tax 84 (Tax 1985)
- Village Supermarkets, Inc. v. W. Orange Twp., 106 N.J. 628, 525 A.2d 323 (1987)
- Aperion Enterprises, Inc. v. Borough of Fair Lawn, 25 N.J.Tax 70 (Tax 2009)
- Rainhold Holding Co. v. Freehold Twp., 14 N.J.Tax 266 (Tax 1994)
- F.M.C. Stores Co. v. Borough of Morris Plains, 100 N.J. 418, 495 A.2d 1313 (1985)
- Galloway Twp. v. Petkevis, 2 N.J.Tax 85 (Tax 1980)
- Town of Secaucus v. Hudson Cnty. Bd. of Taxation, 17 N.J.Tax 215 (Tax 1998)
- Sahumar v. Borough of Bernardsville, 347 N.J.Super. 325, 790 A.2d 171 (App.Div. 2001)
- Kernan v. One Washington Park Urban Renewal Assoc., 154 N.J. 437, 713 A.2d 411 (1998)
- G & W, Inc. v. Borough of E. Rutherford, 280 N.J.Super. 507, 656 A.2d 11 (App.Div. 1995)
- Notte v. Merchants Mut. Ins. Co., 185 N.J. 490, 888 A.2d 464 (2006)
- Interchange State Bank v. Rinaldi, 303 N.J.Super. 239, 696 A.2d 744 (App.Div. 1997)
- Harr v. Allstate Ins. Co., 54 N.J. 287, 255 A.2d 208 (1969)
- Siligato v. State, 268 N.J.Super. 21, 632 A.2d 837 (App.Div. 1993)
- Bussell v. DeWalt Prod. Corp., 259 N.J.Super. 499, 614 A.2d 622 (App.Div. 1992)
- Avdel Corp. v. Mecure, 58 N.J. 264, 277 A.2d 207 (1971)
- Carrino v. Novotny, 78 N.J. 355, 396 A.2d 561 (1979)
- Flores v. Cameron County, 92 F.3d 258 (5th Cir. 1996)
- E.R. Squibb & Sons, Inc. v. Lloyd's & Cos., 241 F.3d 154 (2d Cir. 2001)
- Berkshire Fashions, Inc. v. The M.V. Hakusan II, 954 F.2d 874 (3d Cir. 1992)
- Black v. Secretary of Health and Human Services, 93 F.3d 781 (Fed. Cir. 1996)

- Newman-Green v. Alfonzo-Larrain, 490 U.S. 826, 109 S.Ct. 2218, 104 L.Ed.2d 893 (1989)
- Prime Accounting Dep't v. Twp. of Carney's Point, 421 N.J.Super. 199, 23 A.3d 427 (App.Div. 2011)
