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P.L. 2021, CHAPTER 136, *approved June 30, 2021*
Senate, No. 2725 (*Second Reprint*)

1 AN ACT concerning the assessment of real property ²[in certain
2 counties]² and amending various parts of the statutory law.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. Section 10 of P.L.2017, c.306 (C.54:4-23b) is amended to
8 read as follows:

9 10. a. Regarding inspections of real property for purposes of a
10 municipal-wide reassessment pursuant to R.S.54:4-23, in the case of
11 a municipality located in a county wherein the county board of
12 taxation is participating in the demonstration program established in
13 section 4 of ¹the “Real Property Assessment Demonstration
14 Program,”¹ P.L.2013, c.15 (C.54:1-104) **[and]** , in the case of a
15 county operating under the "Property Tax Assessment Reform Act,"
16 P.L.2009, c.118 (C.54:1-86 et seq.), and in the case of a county that
17 has adopted, by resolution, the provisions of section 1 of P.L.2018,
18 c.94 (C.54:1-105), the assessor shall make three good-faith attempts
19 to physically inspect the interior of each of the properties in the
20 municipality not later than December 31 of the ²[eighth]² year
21 immediately preceding the year of the implementation of the
22 proposed district-wide reassessment. Such inspections may be
23 performed in an ongoing ²[eight-year]² assessment cycle. If, after
24 the third attempt to inspect the interior of the premises, access to the
25 interior of the premises has not been granted by the property owner,
26 the assessor shall assess the property using other observations and
27 sources, including information on the property record card
28 maintained by the assessor.

29 As used in this section, “good-faith attempt to physically
30 inspect” shall mean that the assessor, an employee of the
31 municipality acting on behalf of the assessor, or a representative of
32 a revaluation company or other company hired by the municipality
33 to provide internal inspection services, shall physically arrive at the
34 parcel of real property and request entry to the interior of the
35 property. If that person is unable to gain entry to the property to
36 perform an interior inspection, the person shall complete the
37 exterior inspection and shall leave a notice affixed to the front door
38 of the property stating that an attempt was made to inspect the
39 interior of the property, with the appropriate contact information

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SBA committee amendments adopted October 22, 2020.

²Senate amendments adopted in accordance with Governor's recommendations June 24, 2021.

1 prominently displayed on the notice. ²1However, notwithstanding
2 the provisions of this subsection, in the case of a municipality
3 located in a county wherein the county board of taxation is
4 participating in the demonstration program established in section 4
5 of the “Real Property Assessment Demonstration Program,”
6 P.L.2013, c.15 (C.54:1-104), the internal inspection may, at the
7 taxpayer’s discretion, be performed virtually pursuant to the
8 provisions of subsection b. of this section.¹

9 In the case of a municipality located in a county wherein the
10 county board of taxation is participating in the demonstration
11 program established in section 4 of the “Real Property Assessment
12 Demonstration Program,” P.L.2013, c.15 (C.54:1-104), the notice
13 shall state in boldface type that an appeal of the property’s
14 assessment shall not be heard by the county board of taxation unless
15 the interior of the parcel of real property has been inspected.]²

16 b. ²1In the case of a municipality located in a county wherein
17 the county board of taxation is participating in the demonstration
18 program established in section 4 of the “Real Property Assessment
19 Demonstration Program,” P.L.2013, c.15 (C.54:1-104),]
20 Notwithstanding the provisions of this section, in any municipality
21 implementing a revaluation program approved by the Director of
22 the Division of Taxation pursuant to P.L.1971, c.424 (C.54:1-35.35
23 et seq.), district-wide reassessment program, compliance plan, or
24 other form of municipal-wide assessment review that requires the
25 revision of all property assessments to current market value, that is
26 approved by the county board of taxation² at the taxpayer’s
27 discretion, the assessor may perform the internal inspections
28 described in subsection a. of this section in a virtual manner,
29 utilizing smartphone technology and protocols adopted by the
30 county board of taxation. No such video recordings may be
31 retained by the assessor. This virtual internal inspection alternative
32 shall be available to all assessment function inspections ¹[with]
33 within¹ the county, including, but not limited to, revaluations,
34 reassessments, the annual reassessment, and inspections related to
35 added or omitted assessments.

36 (cf: P.L.2017, c.306, s.10)

37
38 2. R.S.54:3-21 is amended to read as follows:

39 54:3-21. a. (1) Except as provided in subsection b. of this
40 section a taxpayer feeling aggrieved by the assessed valuation of the
41 taxpayer's property, or feeling discriminated against by the assessed
42 valuation of other property in the county, or a taxing district which
43 may feel discriminated against by the assessed valuation of property
44 in the taxing district, or by the assessed valuation of property in
45 another taxing district in the county, may on or before April 1, or 45
46 days from the date the bulk mailing of notification of assessment is
47 completed in the taxing district, whichever is later, appeal to the

1 county board of taxation by filing with it a petition of appeal;
2 provided, however, that any such taxpayer or taxing district may on
3 or before April 1, or 45 days from the date the bulk mailing of
4 notification of assessment is completed in the taxing district,
5 whichever is later, file a complaint directly with the Tax Court, if
6 the assessed valuation of the property subject to the appeal exceeds
7 \$1,000,000. In a taxing district where a municipal-wide revaluation
8 or municipal-wide reassessment has been implemented, a taxpayer
9 or a taxing district may appeal before or on May 1 to the county
10 board of taxation by filing with it a petition of appeal or, if the
11 assessed valuation of the property subject to the appeal exceeds
12 \$1,000,000, by filing a complaint directly with the State Tax Court.
13 Within ten days of the completion of the bulk mailing of
14 notification of assessment, the assessor of the taxing district shall
15 file with the county board of taxation a certification setting forth the
16 date on which the bulk mailing was completed. If a county board of
17 taxation completes the bulk mailing of notification of assessment,
18 the tax administrator of the county board of taxation shall within ten
19 days of the completion of the bulk mailing prepare and keep on file
20 a certification setting forth the date on which the bulk mailing was
21 completed. A taxpayer shall have 45 days to file an appeal upon the
22 issuance of a notification of a change in assessment. An appeal to
23 the Tax Court by one party in a case in which the Tax Court has
24 jurisdiction shall establish jurisdiction over the entire matter in the
25 Tax Court. All appeals to the Tax Court hereunder shall be in
26 accordance with the provisions of the State Uniform Tax Procedure
27 Law, R.S.54:48-1 et seq.

28 If a petition of appeal or a complaint is filed on April 1 or during
29 the 19 days next preceding April 1, a taxpayer or a taxing district
30 shall have 20 days from the date of service of the petition or
31 complaint to file a cross-petition of appeal with a county board of
32 taxation or a counterclaim with the Tax Court, as appropriate.

33 (2) With respect to property located in a county participating in
34 the demonstration program established in section 4 of P.L.2013,
35 c.15 (C.54:1-104), a property located in a county operating under
36 the "Property Tax Assessment Reform Act," P.L.2009, c.118
37 (C.54:1-86 et seq.), or a property located in a county that has
38 adopted, by resolution, the provisions of section 1 of P.L.2018, c.94
39 (C.54:1-105), and except as provided in subsection b. of this
40 section, a taxpayer feeling aggrieved by the assessed valuation of
41 the taxpayer's property, or feeling discriminated against by the
42 assessed valuation of other property in the county, or a taxing
43 district which may feel discriminated against by the assessed
44 valuation of property in the taxing district, or by the assessed
45 valuation of property in another taxing district in the county, may
46 on or before January 15, or 45 days from the date the bulk mailing
47 of notification of assessment is completed in the taxing district,
48 whichever date is later, appeal to the county board of taxation by

1 filing with it a petition of appeal; provided, however, that any such
2 taxpayer, or taxing district, may on or before April 1, or 45 days
3 from the date the bulk mailing of notification of assessment is
4 completed in the taxing district, whichever date is later, file a
5 complaint directly with the Tax Court, if the assessed valuation of
6 the property subject to the appeal exceeds \$1,000,000.

7 If a petition of appeal is filed on January 15 or during the 19
8 days next preceding January 15, or a complaint is filed with the Tax
9 Court on April 1 or during the 19 days next preceding April 1, a
10 taxpayer or a taxing district shall have 20 days from the date of
11 service of the petition or complaint to file a cross-petition of appeal
12 with a county board of taxation or a counterclaim with the Tax
13 Court, as appropriate.

14 Within 10 days of the completion of the bulk mailing of
15 notification of assessment, the assessor of the taxing district shall
16 file with the county board of taxation a certification setting forth the
17 date on which the bulk mailing was completed. If a county board of
18 taxation completes the bulk mailing of notification of assessment,
19 the tax administrator of the county board of taxation shall within 10
20 days of the completion of the bulk mailing prepare and keep on file
21 a certification setting forth the date on which the bulk mailing was
22 completed. A taxpayer shall have 45 days to file an appeal upon the
23 issuance of a notification of a change in assessment. An appeal to
24 the Tax Court by one party in a case in which the Tax Court has
25 jurisdiction shall establish jurisdiction over the entire matter in the
26 Tax Court. All appeals to the Tax Court hereunder shall be in
27 accordance with the provisions of the State Uniform Tax Procedure
28 Law, R.S.54:48-1 et seq.

29 b. No taxpayer or taxing district shall be entitled to appeal either
30 an assessment or an exemption or both that is based on a financial
31 agreement subject to the provisions of the "Long Term Tax
32 Exemption Law" under the appeals process set forth in subsection a.
33 of this section.

34 c. In the case of a municipality located in a county wherein the
35 county board of taxation is participating in the demonstration
36 program established in section 4 of the "Real Property Assessment
37 Demonstration Program," P.L.2013, c.15 (C.54:1-104) ¹, absent
38 good cause,¹ a property owner shall not be entitled to appeal an
39 assessment on a parcel of real property if the assessor's ¹or the
40 county board of taxation's¹ request to internally inspect the
41 property ¹, made after the appeal is filed,¹ has been refused by the
42 property owner.

43 (cf: P.L.2018, c.94, s.5)

44

45 3. R.S.54:3-22 is amended to read as follows:

46 54:3-22. a. The board shall thereupon make such order
47 respecting the time and manner for hearing the appeal as it may

1 deem just, and shall summarily hear and determine the appeal, and
2 revise and correct the assessment in accordance with the value
3 prescribed by law. All appeals filed pursuant to the provisions of
4 chapter 3 of Title 54 of the Revised Statutes shall be heard and
5 determined by the board. It may compel the attendance of
6 witnesses, the production of books and papers before it, examine
7 witnesses or cause witnesses to be examined under oath before it,
8 which oath may be administered by a member of the board.

9 b. In any proceedings before the board where deeds or other
10 instruments of conveyance do not state the true consideration or
11 sale price of the property, which is the subject of appeal, the realty
12 transfer fee paid upon the recording of such deeds or instruments as
13 well as an affidavit of consideration attached to and filed with any
14 such deed or instrument shall be admitted as prima facie evidence
15 of the actual amount of money and the monetary value of any other
16 thing of value constituting the entire compensation paid for such
17 transfer of realty.

18 c. Whenever the county board of taxation is satisfied by the
19 proofs that the ratio of the assessed valuation of the subject property
20 to its true value exceeds the upper limit or falls below the lower
21 limit of the common level range, it shall revise the taxable value of
22 the property by applying the average ratio to the true value of the
23 property except as hereinafter provided.

24 d. If the average ratio is below the county percentage level and
25 the ratio of the assessed value of the subject property to its true
26 value exceeds the county percentage level, the county board of
27 taxation shall reduce the taxable value of the property by applying
28 the average ratio to the true value of the property.

29 e. If both the average ratio and the ratio of the assessed value
30 of the subject property to its true value exceed the county
31 percentage level, the county board of taxation shall revise the
32 taxable value of the property by applying the county percentage
33 level to the true value of the property.

34 f. The provisions of this section shall not apply to any appeal
35 from an assessment of real property taken with respect to the tax
36 year in which the taxing district shall have completed and put into
37 operation a district-wide revaluation program approved by the
38 Director of the Division of Taxation pursuant to **chapter 424, laws**
39 **of 1971** **P.L.1971, c.424** (C. 54:1-35.35 et seq.) ², district-wide
40 reassessment program, compliance plan, or other form of
41 municipal-wide assessment review that requires the revision of all
42 property assessments to current market value, that is approved by
43 the county board of taxation pursuant to R.S.54:4-23².

44 ²[g. (1) With respect to real property located in a county
45 participating in the real property assessment demonstration program
46 established in section 4 of the “Real Property Assessment
47 Demonstration Program,” P.L.2013, c.15 (C.54:1-104), the
48 provisions of this section shall not apply to any appeal from an

1 assessment of real property taken with respect to the tax year in
2 which the assessor implements either a municipal-wide
3 reassessment, or other form of municipal-wide assessment review
4 that requires the revision of all property assessments to current
5 market value, that is approved by the county board of taxation.

6 (2) With respect to real property located in a county
7 participating in the real property assessment demonstration program
8 established in section 4 of the “Real Property Assessment
9 Demonstration Program,” P.L.2013, c.15 (C.54:1-104), at] g. At²
10 the property owner’s written request submitted at the time of filing,
11 the county board of taxation may proceed with a full evidentiary
12 hearing based on the evidence submitted at least seven full days
13 prior to the original appeal hearing date, without the attendance of
14 the property owner. The ability to proceed based on the evidence
15 timely submitted is at the sole discretion of the property owner.
16 The attendance of the author of any expert appraisal or report
17 submitted as evidence in the appeal, if otherwise required, shall not
18 be waived by the taxpayer’s decision not to attend the appeal
19 hearing.

20 ²[(3) With respect to real property located in a county
21 participating in the real property assessment demonstration program
22 established in section 4 of the “Real Property Assessment
23 Demonstration Program,” P.L.2013, c.15 (C.54:1-104), at] h. At²
24 the property owner’s written request submitted at the time of filing,
25 assessment appeal hearings conducted by the county board of
26 taxation may be conducted virtually, using ²[the county’s online
27 appeal system, and]² conference call technology and protocols
28 adopted by the county board of taxation. ²The county board of
29 taxation may relax the requirement of the time of the taxpayer’s
30 appeal as the needs of justice allow.²

31 (cf: P.L.1973, c.123, s.3)

32
33 4. R.S.54:51A-6 is amended to read as follows:

34 54:51A-6. a. Whenever the tax court is satisfied by the proofs
35 that the ratio of the assessed valuation of the subject property to its
36 true value exceeds the upper limit or falls below the lower limit of
37 the common level range, it shall enter judgment revising the
38 taxable value of the property by applying the average ratio to the
39 true value of the property except as hereinafter provided.

40 b. If the average ratio is below the county percentage level and
41 the ratio of the assessed value of the subject property to its true
42 value exceeds the county percentage level, the tax court shall enter
43 judgment revising the taxable value of the property by applying the
44 average ratio to the true value of the property.

45 c. If both the average ratio and the ratio of the assessed value
46 of the subject property to its true value exceed the county
47 percentage level, the tax court shall enter judgment revising the

1 taxable value of the property by applying the county percentage
2 level to the true value of the property.

3 d. The provisions of this section shall not apply to any
4 proceeding to review an assessment of real property taken with
5 respect to the tax year in which the taxing district shall have
6 completed and put into operation a district-wide revaluation
7 program approved by the Director of the Division of Taxation
8 pursuant to P.L.1971, c. 424 (C. 54:1-35.35 et seq.), ²[or a
9 reassessment program approved by the county board of taxation.

10 e. With respect to real property located in a county
11 participating in the real property assessment program established in
12 section 4 of the "Real Property Assessment Demonstration
13 Program," P.L.2013, c.15 (C.54:1-104), the provisions of this
14 section shall not apply to any appeal from an assessment of real
15 property taken with respect to the tax year in which the assessor
16 implements either a municipal-wide reassessment or other form of
17 municipal-wide assessment review that requires the revision of all
18 property assessments to current market value, that is approved by
19 the county board of taxation.] district-wide reassessment program,
20 compliance plan, or other form of municipal-wide assessment
21 review that requires the revision of all property assessments to
22 current market value, that is approved by the county board of
23 taxation pursuant to R.S.54:4-23.²
24 (cf: R.S.54:51A-6)

25

26 ¹[5.R.S.54:3-26 is amended to read as follows:

27 54:3-26. The county board of taxation shall hear and
28 determine all such appeals within three months after the last day
29 for filing such appeals, and shall keep a record of its judgments
30 thereon in permanent form, and shall transmit a written
31 memorandum of its judgments to the assessor of the taxing district
32 and to the taxpayer, setting forth the reasons on which such
33 judgment was based, and in all cases where the amount of tax to be
34 paid shall be changed as the result of an appeal, to the collector of
35 the taxing district. The Director of the Division of Taxation shall
36 prescribe such procedures and forms for the setting forth of such
37 written memorandums of judgments as may be necessary.

38 Whenever any review is sought of the determination of the
39 county board of taxation, the complaint shall contain a copy of the
40 memorandum of judgment of the county board.

41 Where no request for review is taken to the Tax Court to review
42 the action or determination of the county board involving real
43 property the judgment of the county board shall be conclusive and
44 binding upon the municipal assessor and the taxing district for the
45 assessment year, and for the two assessment years succeeding the
46 assessment year, covered by the judgment, except as to changes in
47 value of the property occurring after the assessment date. The
48 conclusive and binding effect of such judgment shall terminate with

1 the tax year immediately preceding the year in which a program for
2 a complete revaluation or complete reassessment of all real property
3 within the district has been put into effect, or, in the case of a
4 municipality located in a county wherein the county board of
5 taxation is participating in the real property assessment program
6 established in section 4 of the “Real Property Assessment
7 Demonstration Program,” P.L.2013, c.15 (C.54:1-104), when the
8 assessor implements either a municipal-wide reassessment or other
9 form of district-wide assessment review that requires the revision of
10 all property assessments to current market value, that is approved
11 by the county board of taxation. If as of October 1 of the pretax
12 year, the property in question has been the subject of an addition
13 qualifying as an added assessment, a condominium or cooperative
14 conversion, a subdivision or a zoning change, the conclusive and
15 binding effect of such judgment shall terminate with said pretax
16 year.

17 If the assessor increases the assessment or fails to reflect on the
18 tax duplicate a county board of taxation or Tax Court judgment
19 issued prior to the final preparation of the tax duplicate in either of
20 the two years following the year for which the judgment of the
21 county board was rendered, and if said judgment is a final judgment
22 not further appealed, the burden of proof shall be on the taxing
23 district to establish that the assessor acted reasonably in increasing
24 the assessment. If the county board finds that the assessor did not
25 act reasonably in increasing the assessment or failed to reflect said
26 judgment on the tax duplicate, the county board shall award to the
27 taxpayer reasonable counsel fees, appraisal costs and other costs
28 which shall be paid by the taxing district.

29 With respect to real property located in a county participating in
30 the real property assessment program established in section 4 of the
31 “Real Property Assessment Demonstration Program,” P.L.2013,
32 c.15 (C.54:1-104), in a municipality that has performed municipal-
33 wide reassessments that were approved by the county board of
34 taxation, and required the review and revision of all parcels to
35 current market value, if the assessor changes an assessment judged
36 by appeal in the previous year by any amount, the assessor shall
37 send an additional notice to the owner of the property disclosing the
38 change in assessment. This assessment change notification shall be
39 sent by regular mail at least 45 days immediately prior to the
40 deadline for filing an appeal with the county board of taxation.

41 (cf: P.L.1999, c.208, s.3)]¹

42

43 ¹6.R.S.54:51A-8 is amended to read as follows:

44 54:51A-8. a. Conclusiveness of judgment; changes in value;
45 effect of revaluation program. Where a judgment not subject to
46 further appeal has been rendered by the Tax Court involving real
47 property, the judgment shall be conclusive and binding upon the
48 municipal assessor and the taxing district, parties to the proceeding,

1 for the assessment year and for the two assessment years succeeding
2 the assessment year covered by the final judgment, except as to
3 changes in the value of the property occurring after the assessment
4 date. The conclusive and binding effect of the judgment shall
5 terminate with the tax year immediately preceding the year in which
6 a program for a complete revaluation or complete reassessment of
7 all real property within the district has been put into effect, or in the
8 case of a municipality located in a county wherein the county board
9 of taxation is participating in the demonstration program established
10 in section 4 of “the Real Property Assessment Demonstration
11 Program,” P.L.2013, c.15 (C.54:1-104), when the assessor
12 implements either a reassessment or other form of district-wide
13 assessment review that requires the revision of all property
14 assessments to current market value, that is approved by the county
15 board of taxation. If as of October 1 of the pretax year, the property
16 in question has been the subject of an addition qualifying as an
17 added assessment, a condominium or cooperative conversion, a
18 subdivision or a zoning change, the conclusive and binding effect of
19 such judgment shall terminate with said pretax year.

20 b. If the assessor increases the assessment or fails to reflect on
21 the tax duplicate a county board of taxation or Tax Court judgment
22 issued prior to the final preparation of the tax duplicate in either of
23 the two years following the year for which the judgment of the Tax
24 Court was rendered and if said judgment is a final judgment not
25 subject to further appeal, the burden of proof is on the taxing
26 district to establish that the assessor acted reasonably in increasing
27 the assessment. If the Tax Court finds that the assessor did not act
28 reasonably in increasing the assessment or failed to reflect said
29 judgment on the tax duplicate, the Tax Court shall award to the
30 taxpayer reasonable counsel fees, appraisal costs and other costs
31 which shall be paid by the taxing district.

32 c. In the event that a taxpayer is successful in an appeal from
33 an assessment on nonresidential real property, the respective taxing
34 district shall refund any excess taxes paid, less any amount of taxes,
35 interest, and penalties, which may be applied against delinquencies
36 pursuant to section 2 of P.L.1983, c.137 (C.54:4-134), in
37 substantially equal payment periods and substantially equal
38 payment amounts within three years of the date of final judgment.

39 In the event that a taxpayer is successful in an appeal from an
40 assessment on residential real property, the respective taxing district
41 shall refund any excess taxes paid, less any amount of taxes,
42 interest, and penalties, which may be applied against delinquencies
43 pursuant to section 2 of P.L.1983, c.137 (C.54:4-134) within 60
44 days of the date of final judgment.

45 d. With respect to real property located in a county
46 participating in the real property assessment program established in
47 section 4 of the “Real Property Assessment Demonstration
48 Program,” P.L.2013, c.15 (C.54:1-104), in a municipality that has

1 performed municipal-wide reassessment that were approved by the
2 county board of taxation, and required the review and revision of all
3 parcels to current market value, if the assessor changes an
4 assessment judged by appeal in the previous year by any amount,
5 the assessor shall send an additional notice to the owner of the
6 property disclosing the change in assessment. This assessment
7 change notification shall be sent by regular mail at least 45 days
8 immediately prior to the deadline for filing an appeal with the
9 county board of taxation.

10 (cf: P.L.2019, c.230, s.2)]¹

11
12 ¹[7.] 5.¹ R.S.54:4-38 is amended to read as follows:

13 54:4-38. a. Except as provided in subsection b. of this section,
14 every assessor, at least ten days before filing the complete
15 assessment list and duplicate with the county board of taxation, and
16 before annexing thereto his affidavit as required in section 54:4-36
17 of this title, shall notify each taxpayer of the current assessment and
18 preceding year's taxes and give public notice by advertisement in at
19 least one newspaper circulating within his taxing district of a time
20 and place when and where the assessment list may be inspected by
21 any taxpayer for the purpose of enabling the taxpayer to ascertain
22 what assessments have been made against him or his property and
23 to confer informally with the assessor as to the correctness of the
24 assessments, so that any errors may be corrected before the filing of
25 the assessment list and duplicate. Thereafter, the assessor shall
26 notify each taxpayer by mail within 30 days of any change to the
27 assessment. This notification of change of assessment shall contain
28 the prior assessment and the current assessment. Any notice issued
29 by the assessor shall contain information instructing taxpayers on
30 how to appeal their assessment along with the deadline to file an
31 appeal, printed in boldface type.

32 b. In the case of a municipality located in a county where the
33 county board of taxation is participating in the demonstration
34 program established in section 4 of P.L.2013, c.15 (C.54:1-104), in
35 the case of a county operating under the "Property Tax Assessment
36 Reform Act," P.L.2009, c.118 (C.54:1-86 et seq.), and in the case of
37 a municipality located in a county that has adopted, by resolution,
38 the provisions of section 1 of P.L.2018, c.94 (C.54:1-105), every
39 assessor, before filing the preliminary assessment list with the
40 county board of taxation pursuant to subsection b. of R.S.54:4-35,
41 shall notify each taxpayer of the preliminary assessment and
42 preceding year's taxes and give public notice by advertisement in at
43 least one newspaper circulating within his taxing district of a time
44 and place when and where the assessment list may be inspected by
45 any taxpayer for the purpose of enabling the taxpayer to ascertain
46 what assessments have been made against the taxpayer or the
47 taxpayer's property. Thereafter, the assessor shall notify each
48 taxpayer by mail within 30 days of any change to the assessment.

1 This notification of change of assessment shall contain the prior
2 assessment and the current assessment. Any notice issued by the
3 assessor shall contain information instructing taxpayers on how to
4 appeal their assessment along with the deadline to file an appeal,
5 printed in boldface type.

6 ¹ [With the exception of any judgment change notification notice
7 required by R.S.54:3-26 or R.S.54:51A-8, the] The¹ notification
8 required by this section shall satisfy any notice requirement to a
9 property owner in a municipality located in a county wherein the
10 county board of taxation is participating in the "Real Property
11 Assessment Demonstration Program" established in section 4 of
12 P.L.2013, c.15 (C.54:1-104) concerning the assessment of that
13 property owner's preliminary assessment value for the tax year.
14 (cf: P.L.2018, c.94, s.8)
15

16 ¹ **[8.] 6.**¹ Section 32 of P.L.1991, c.75 (C.54:4-38.1) is amended
17 to read as follows:

18 32. a. Except as provided in subsection b. of this section, every
19 assessor, prior to February 1, shall notify by mail each taxpayer of
20 the current assessment and preceding year's taxes. Thereafter, the
21 assessor or county board of taxation shall notify each taxpayer by
22 mail within 30 days of any change to the assessment. This
23 notification of change of assessment shall contain the prior
24 assessment and the current assessment. The director shall establish
25 the form of notice of assessment and change of assessment. Any
26 notice issued by the assessor or county board of taxation shall
27 contain information instructing taxpayers on how to appeal their
28 assessment along with the deadline to file an appeal, printed in
29 boldface type.

30 b. In the case of a municipality located in a county where the
31 county board of taxation is participating in the demonstration
32 program established in section 4 of P.L.2013, c.15 (C.54:1-104), in
33 the case of a county operating under the "Property Tax Assessment
34 Reform Act," P.L.2009, c.118 (C.54:1-86 et seq.) and in the case of
35 a municipality located in a county that has adopted, by resolution,
36 the provisions of section 1 of P.L.2018, c.94 (C.54:1-105), every
37 assessor, on or before November 15 of the pretax year, shall notify
38 by mail each taxpayer of the preliminary assessment and preceding
39 year's taxes. Thereafter, the assessor or county board of taxation
40 shall notify each taxpayer by mail within 30 days of any change to
41 the assessment which has occurred as the result of a municipal-wide
42 revaluation or reassessment of real property within the
43 municipality. This notification of change of assessment shall
44 contain the prior assessment and the current assessment. The
45 director shall establish the form of notice of assessment and change
46 of assessment. Any notice issued by the assessor or county board of
47 taxation shall contain information instructing taxpayers on how to
48 appeal their assessment along with the deadline to file an appeal,

1 printed in boldface type. ¹**With the exception of any judgment**
2 **change notification notice required by R.S.54:3-26 or R.S.54:51A-**
3 **8, the** ¹**The** notification required by this section shall satisfy any
4 notice requirement to a property owner in a municipality located in
5 a county wherein the county board of taxation is participating in the
6 “Real Property Assessment Demonstration Program” established in
7 section 4 of P.L.2013, c.15 (C.54:1-104) concerning the assessment
8 of that property owner’s preliminary assessment value for the tax
9 year.

10 c. The county board of taxation of the **[demonstration]** county
11 participating in the real property assessment program established in
12 section 4 of the “Real Property Assessment Demonstration
13 Program,” P.L.2013, c.15 (C.54:1-104) shall make the preliminary
14 data electronically accessible to the public by posting the data in
15 searchable form on the county's website not later than 15 business
16 days after the submission of the preliminary data.
17 (cf: P.L.2018, c.94, s.9)

18
19 ¹**[9.] 7.**¹ Section 1 of P.L.1945, c.260 (C.54:4-35.1) is
20 amended to read as follows:

21 1. a. When any parcel of real property contains any building or
22 other structure which has been destroyed, consumed by fire,
23 demolished, or altered in such a way that its value has materially
24 depreciated, either intentionally or by the action of storm, fire,
25 cyclone, tornado, or earthquake, or other casualty, which
26 depreciation of value occurred after October 1 in any year and
27 before January 1 of the following year, the assessor shall, upon
28 notice thereof being given to him by the property owner prior to
29 January 10 of that year, and after examination and inquiry,
30 determine the value of such parcel of real property as of that
31 January 1, and assess the same according to such value.

32 b. (1) In the case of a county participating in the
33 demonstration program established by section 4 of P.L.2013, c.15
34 (C.54:1-104), a county operating under the “Property Tax
35 Assessment Reform Act,” P.L.2009, c.118 (C.54:1-86 et seq.), and
36 a county that has adopted, by resolution, the provisions of section 1
37 of P.L.2018, c.94 (C.54:1-105, when any parcel of real property
38 contains any building or other structure which has been destroyed,
39 consumed by fire, demolished, or altered in such a way that its
40 value has materially depreciated, either intentionally or by the
41 action of storm, fire, cyclone, tornado, or earthquake, or other
42 casualty, which depreciation of value occurred after October 1 in
43 any year and before May 1 of the following year, the assessor shall,
44 upon notice thereof being given to him by the property owner prior
45 to May 3 of that year, and after examination and inquiry, determine
46 the value of the parcel of real property as of that May 1, and assess
47 the same according to such value within the final tax list delivered
48 to the county board of taxation on or before May 5 of that year.

1 (2) To properly capture the value of the building or structure
2 from January 1 to the date of the depreciation of the building or
3 structure, the assessor's **【final tax】** added assessment list shall
4 include an improvement value that reflects the prorated value of the
5 building or structure as of January 1 for the number of days prior to
6 the date of the depreciation of the building or structure.
7 (cf: P.L.2017, c.228, s.1)

8

9 ¹**【10.】** 8.¹ This act shall take effect immediately.

10

11

12

13

14 _____
15 Concerns assessment of real property in counties operating under
“Real Property Assessment Demonstration Program.”

SENATE, No. 2725

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED JULY 28, 2020

Sponsored by:
Senator VIN GOPAL
District 11 (Monmouth)

SYNOPSIS

Concerns assessment of real property in counties operating under “Real Property Assessment Demonstration Program.”

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning the assessment of real property in certain
2 counties and amending various parts of the statutory law.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. Section 10 of P.L.2017, c.306 (C.54:4-23b) is amended to
8 read as follows:

9 10. a. Regarding inspections of real property for purposes of a
10 municipal-wide reassessment pursuant to R.S.54:4-23, in the case of
11 a municipality located in a county wherein the county board of
12 taxation is participating in the demonstration program established in
13 section 4 of P.L.2013, c.15 (C.54:1-104) **[and]** , in the case of a
14 county operating under the "Property Tax Assessment Reform Act,"
15 P.L.2009, c.118 (C.54:1-86 et seq.), and in the case of a county that
16 has adopted, by resolution, the provisions of section 1 of P.L.2018,
17 c.94 (C.54:1-105), the assessor shall make three good-faith attempts
18 to physically inspect the interior of each of the properties in the
19 municipality not later than December 31 of the eighth year
20 immediately preceding the year of the implementation of the
21 proposed district-wide reassessment. Such inspections may be
22 performed in an ongoing eight-year assessment cycle. If, after the
23 third attempt to inspect the interior of the premises, access to the
24 interior of the premises has not been granted by the property owner,
25 the assessor shall assess the property using other observations and
26 sources, including information on the property record card
27 maintained by the assessor.

28 As used in this section, "good-faith attempt to physically
29 inspect" shall mean that the assessor, an employee of the
30 municipality acting on behalf of the assessor, or a representative of
31 a revaluation company or other company hired by the municipality
32 to provide internal inspection services, shall physically arrive at the
33 parcel of real property and request entry to the interior of the
34 property. If that person is unable to gain entry to the property to
35 perform an interior inspection, the person shall complete the
36 exterior inspection and shall leave a notice affixed to the front door
37 of the property stating that an attempt was made to inspect the
38 interior of the property, with the appropriate contact information
39 prominently displayed on the notice.

40 In the case of a municipality located in a county wherein the
41 county board of taxation is participating in the demonstration
42 program established in section 4 of the "Real Property Assessment
43 Demonstration Program," P.L.2013, c.15 (C.54:1-104), the notice
44 shall state in boldface type that an appeal of the property's

EXPLANATION – Matter enclosed in bold-faced brackets **[thus] in the above bill is not enacted and is intended to be omitted in the law.**

Matter underlined thus is new matter.

1 assessment shall not be heard by the county board of taxation unless
2 the interior of the parcel of real property has been inspected.

3 b. In the case of a municipality located in a county wherein the
4 county board of taxation is participating in the demonstration
5 program established in section 4 of the “Real Property Assessment
6 Demonstration Program,” P.L.2013, c.15 (C.54:1-104), at the
7 taxpayer’s discretion, the assessor may perform the internal
8 inspections described in subsection a. of this section in a virtual
9 manner, utilizing smartphone technology and protocols adopted by
10 the county board of taxation. No such video recordings may be
11 retained by the assessor. This virtual internal inspection alternative
12 shall be available to all assessment function inspections with the
13 county, including, but not limited to, revaluations, reassessments,
14 the annual reassessment, and inspections related to added or omitted
15 assessments.

16 (cf: P.L.2017, c.306, s.10)

17
18 2. R.S.54:3-21 is amended to read as follows:

19 54:3-21. a. (1) Except as provided in subsection b. of this
20 section a taxpayer feeling aggrieved by the assessed valuation of the
21 taxpayer's property, or feeling discriminated against by the assessed
22 valuation of other property in the county, or a taxing district which
23 may feel discriminated against by the assessed valuation of property
24 in the taxing district, or by the assessed valuation of property in
25 another taxing district in the county, may on or before April 1, or 45
26 days from the date the bulk mailing of notification of assessment is
27 completed in the taxing district, whichever is later, appeal to the
28 county board of taxation by filing with it a petition of appeal;
29 provided, however, that any such taxpayer or taxing district may on
30 or before April 1, or 45 days from the date the bulk mailing of
31 notification of assessment is completed in the taxing district,
32 whichever is later, file a complaint directly with the Tax Court, if
33 the assessed valuation of the property subject to the appeal exceeds
34 \$1,000,000. In a taxing district where a municipal-wide revaluation
35 or municipal-wide reassessment has been implemented, a taxpayer
36 or a taxing district may appeal before or on May 1 to the county
37 board of taxation by filing with it a petition of appeal or, if the
38 assessed valuation of the property subject to the appeal exceeds
39 \$1,000,000, by filing a complaint directly with the State Tax Court.
40 Within ten days of the completion of the bulk mailing of
41 notification of assessment, the assessor of the taxing district shall
42 file with the county board of taxation a certification setting forth the
43 date on which the bulk mailing was completed. If a county board of
44 taxation completes the bulk mailing of notification of assessment,
45 the tax administrator of the county board of taxation shall within ten
46 days of the completion of the bulk mailing prepare and keep on file
47 a certification setting forth the date on which the bulk mailing was
48 completed. A taxpayer shall have 45 days to file an appeal upon the

1 issuance of a notification of a change in assessment. An appeal to
2 the Tax Court by one party in a case in which the Tax Court has
3 jurisdiction shall establish jurisdiction over the entire matter in the
4 Tax Court. All appeals to the Tax Court hereunder shall be in
5 accordance with the provisions of the State Uniform Tax Procedure
6 Law, R.S.54:48-1 et seq.

7 If a petition of appeal or a complaint is filed on April 1 or during
8 the 19 days next preceding April 1, a taxpayer or a taxing district
9 shall have 20 days from the date of service of the petition or
10 complaint to file a cross-petition of appeal with a county board of
11 taxation or a counterclaim with the Tax Court, as appropriate.

12 (2) With respect to property located in a county participating in
13 the demonstration program established in section 4 of P.L.2013,
14 c.15 (C.54:1-104), a property located in a county operating under
15 the "Property Tax Assessment Reform Act," P.L.2009, c.118
16 (C.54:1-86 et seq.), or a property located in a county that has
17 adopted, by resolution, the provisions of section 1 of P.L.2018, c.94
18 (C.54:1-105), and except as provided in subsection b. of this
19 section, a taxpayer feeling aggrieved by the assessed valuation of
20 the taxpayer's property, or feeling discriminated against by the
21 assessed valuation of other property in the county, or a taxing
22 district which may feel discriminated against by the assessed
23 valuation of property in the taxing district, or by the assessed
24 valuation of property in another taxing district in the county, may
25 on or before January 15, or 45 days from the date the bulk mailing
26 of notification of assessment is completed in the taxing district,
27 whichever date is later, appeal to the county board of taxation by
28 filing with it a petition of appeal; provided, however, that any such
29 taxpayer, or taxing district, may on or before April 1, or 45 days
30 from the date the bulk mailing of notification of assessment is
31 completed in the taxing district, whichever date is later, file a
32 complaint directly with the Tax Court, if the assessed valuation of
33 the property subject to the appeal exceeds \$1,000,000.

34 If a petition of appeal is filed on January 15 or during the 19
35 days next preceding January 15, or a complaint is filed with the Tax
36 Court on April 1 or during the 19 days next preceding April 1, a
37 taxpayer or a taxing district shall have 20 days from the date of
38 service of the petition or complaint to file a cross-petition of appeal
39 with a county board of taxation or a counterclaim with the Tax
40 Court, as appropriate.

41 Within 10 days of the completion of the bulk mailing of
42 notification of assessment, the assessor of the taxing district shall
43 file with the county board of taxation a certification setting forth the
44 date on which the bulk mailing was completed. If a county board of
45 taxation completes the bulk mailing of notification of assessment,
46 the tax administrator of the county board of taxation shall within 10
47 days of the completion of the bulk mailing prepare and keep on file
48 a certification setting forth the date on which the bulk mailing was

1 completed. A taxpayer shall have 45 days to file an appeal upon the
2 issuance of a notification of a change in assessment. An appeal to
3 the Tax Court by one party in a case in which the Tax Court has
4 jurisdiction shall establish jurisdiction over the entire matter in the
5 Tax Court. All appeals to the Tax Court hereunder shall be in
6 accordance with the provisions of the State Uniform Tax Procedure
7 Law, R.S.54:48-1 et seq.

8 b. No taxpayer or taxing district shall be entitled to appeal either
9 an assessment or an exemption or both that is based on a financial
10 agreement subject to the provisions of the "Long Term Tax
11 Exemption Law" under the appeals process set forth in subsection a.
12 of this section.

13 c. In the case of a municipality located in a county wherein the
14 county board of taxation is participating in the demonstration
15 program established in section 4 of the "Real Property Assessment
16 Demonstration Program," P.L.2013, c.15 (C.54:1-104) a property
17 owner shall not be entitled to appeal an assessment on a parcel of
18 real property if the assessor's request to internally inspect the
19 property has been refused by the property owner.

20 (cf: P.L.2018, c.94, s.5)

21

22 3. R.S.54:3-22 is amended to read as follows:

23 54:3-22. a. The board shall thereupon make such order
24 respecting the time and manner for hearing the appeal as it may
25 deem just, and shall summarily hear and determine the appeal, and
26 revise and correct the assessment in accordance with the value
27 prescribed by law. All appeals filed pursuant to the provisions of
28 chapter 3 of Title 54 of the Revised Statutes shall be heard and
29 determined by the board. It may compel the attendance of
30 witnesses, the production of books and papers before it, examine
31 witnesses or cause witnesses to be examined under oath before it,
32 which oath may be administered by a member of the board.

33 b. In any proceedings before the board where deeds or other
34 instruments of conveyance do not state the true consideration or
35 sale price of the property, which is the subject of appeal, the realty
36 transfer fee paid upon the recording of such deeds or instruments as
37 well as an affidavit of consideration attached to and filed with any
38 such deed or instrument shall be admitted as prima facie evidence
39 of the actual amount of money and the monetary value of any other
40 thing of value constituting the entire compensation paid for such
41 transfer of realty.

42 c. Whenever the county board of taxation is satisfied by the
43 proofs that the ratio of the assessed valuation of the subject property
44 to its true value exceeds the upper limit or falls below the lower
45 limit of the common level range, it shall revise the taxable value of
46 the property by applying the average ratio to the true value of the
47 property except as hereinafter provided.

1 d. If the average ratio is below the county percentage level and
2 the ratio of the assessed value of the subject property to its true
3 value exceeds the county percentage level, the county board of
4 taxation shall reduce the taxable value of the property by applying
5 the average ratio to the true value of the property.

6 e. If both the average ratio and the ratio of the assessed value
7 of the subject property to its true value exceed the county
8 percentage level, the county board of taxation shall revise the
9 taxable value of the property by applying the county percentage
10 level to the true value of the property.

11 f. The provisions of this section shall not apply to any appeal
12 from an assessment of real property taken with respect to the tax
13 year in which the taxing district shall have completed and put into
14 operation a district-wide revaluation program approved by the
15 Director of the Division of Taxation pursuant to [chapter 424, laws
16 of 1971] P.L.1971, c.424 (C. 54:1-35.35 et seq.).

17 g. (1) With respect to real property located in a county
18 participating in the real property assessment demonstration program
19 established in section 4 of the "Real Property Assessment
20 Demonstration Program," P.L.2013, c.15 (C.54:1-104), the
21 provisions of this section shall not apply to any appeal from an
22 assessment of real property taken with respect to the tax year in
23 which the assessor implements either a municipal-wide
24 reassessment, or other form of municipal-wide assessment review
25 that requires the revision of all property assessments to current
26 market value, that is approved by the county board of taxation.

27 (2) With respect to real property located in a county
28 participating in the real property assessment demonstration program
29 established in section 4 of the "Real Property Assessment
30 Demonstration Program," P.L.2013, c.15 (C.54:1-104), at the
31 property owner's written request submitted at the time of filing, the
32 county board of taxation may proceed with a full evidentiary
33 hearing based on the evidence submitted at least seven full days
34 prior to the original appeal hearing date, without the attendance of
35 the property owner. The ability to proceed based on the evidence
36 timely submitted is at the sole discretion of the property owner.
37 The attendance of the author of any expert appraisal or report
38 submitted as evidence in the appeal, if otherwise required, shall not
39 be waived by the taxpayer's decision not to attend the appeal
40 hearing.

41 (3) With respect to real property located in a county
42 participating in the real property assessment demonstration program
43 established in section 4 of the "Real Property Assessment
44 Demonstration Program," P.L.2013, c.15 (C.54:1-104), at the
45 property owner's written request submitted at the time of filing,
46 assessment appeal hearings conducted by the county board of
47 taxation may be conducted virtually, using the county's online

1 appeal system, and conference call technology and protocols
2 adopted by the county board of taxation.

3 (cf: P.L.1973, c.123, s.3)

4

5 4. R.S.54:51A-6 is amended to read as follows:

6 54:51A-6. a. Whenever the tax court is satisfied by the proofs
7 that the ratio of the assessed valuation of the subject property to its
8 true value exceeds the upper limit or falls below the lower limit of
9 the common level range, it shall enter judgment revising the
10 taxable value of the property by applying the average ratio to the
11 true value of the property except as hereinafter provided.

12 b. If the average ratio is below the county percentage level and
13 the ratio of the assessed value of the subject property to its true
14 value exceeds the county percentage level, the tax court shall enter
15 judgment revising the taxable value of the property by applying the
16 average ratio to the true value of the property.

17 c. If both the average ratio and the ratio of the assessed value
18 of the subject property to its true value exceed the county
19 percentage level, the tax court shall enter judgment revising the
20 taxable value of the property by applying the county percentage
21 level to the true value of the property.

22 d. The provisions of this section shall not apply to any
23 proceeding to review an assessment of real property taken with
24 respect to the tax year in which the taxing district shall have
25 completed and put into operation a district-wide revaluation
26 program approved by the Director of the Division of Taxation
27 pursuant to P.L.1971, c. 424 (C. 54:1-35.35 et seq.), or a
28 reassessment program approved by the county board of taxation.

29 e. With respect to real property located in a county
30 participating in the real property assessment program established in
31 section 4 of the "Real Property Assessment Demonstration
32 Program," P.L.2013, c.15 (C.54:1-104), the provisions of this
33 section shall not apply to any appeal from an assessment of real
34 property taken with respect to the tax year in which the assessor
35 implements either a municipal-wide reassessment or other form of
36 municipal-wide assessment review that requires the revision of all
37 property assessments to current market value, that is approved by
38 the county board of taxation.

39 (cf: R.S.54:51A-6)

40

41 5. R.S.54:3-26 is amended to read as follows:

42 54:3-26. The county board of taxation shall hear and
43 determine all such appeals within three months after the last day
44 for filing such appeals, and shall keep a record of its judgments
45 thereon in permanent form, and shall transmit a written
46 memorandum of its judgments to the assessor of the taxing district
47 and to the taxpayer, setting forth the reasons on which such
48 judgment was based, and in all cases where the amount of tax to be

1 paid shall be changed as the result of an appeal, to the collector of
2 the taxing district. The Director of the Division of Taxation shall
3 prescribe such procedures and forms for the setting forth of such
4 written memorandums of judgments as may be necessary.

5 Whenever any review is sought of the determination of the
6 county board of taxation, the complaint shall contain a copy of the
7 memorandum of judgment of the county board.

8 Where no request for review is taken to the Tax Court to review
9 the action or determination of the county board involving real
10 property the judgment of the county board shall be conclusive and
11 binding upon the municipal assessor and the taxing district for the
12 assessment year, and for the two assessment years succeeding the
13 assessment year, covered by the judgment, except as to changes in
14 value of the property occurring after the assessment date. The
15 conclusive and binding effect of such judgment shall terminate with
16 the tax year immediately preceding the year in which a program for
17 a complete revaluation or complete reassessment of all real property
18 within the district has been put into effect, or, in the case of a
19 municipality located in a county wherein the county board of
20 taxation is participating in the real property assessment program
21 established in section 4 of the "Real Property Assessment
22 Demonstration Program," P.L.2013, c.15 (C.54:1-104), when the
23 assessor implements either a municipal-wide reassessment or other
24 form of district-wide assessment review that requires the revision of
25 all property assessments to current market value, that is approved
26 by the county board of taxation. If as of October 1 of the pretax
27 year, the property in question has been the subject of an addition
28 qualifying as an added assessment, a condominium or cooperative
29 conversion, a subdivision or a zoning change, the conclusive and
30 binding effect of such judgment shall terminate with said pretax
31 year.

32 If the assessor increases the assessment or fails to reflect on the
33 tax duplicate a county board of taxation or Tax Court judgment
34 issued prior to the final preparation of the tax duplicate in either of
35 the two years following the year for which the judgment of the
36 county board was rendered, and if said judgment is a final judgment
37 not further appealed, the burden of proof shall be on the taxing
38 district to establish that the assessor acted reasonably in increasing
39 the assessment. If the county board finds that the assessor did not
40 act reasonably in increasing the assessment or failed to reflect said
41 judgment on the tax duplicate, the county board shall award to the
42 taxpayer reasonable counsel fees, appraisal costs and other costs
43 which shall be paid by the taxing district.

44 With respect to real property located in a county participating in
45 the real property assessment program established in section 4 of the
46 "Real Property Assessment Demonstration Program," P.L.2013,
47 c.15 (C.54:1-104), in a municipality that has performed municipal-
48 wide reassessments that were approved by the county board of

1 taxation, and required the review and revision of all parcels to
2 current market value, if the assessor changes an assessment judged
3 by appeal in the previous year by any amount, the assessor shall
4 send an additional notice to the owner of the property disclosing the
5 change in assessment. This assessment change notification shall be
6 sent by regular mail at least 45 days immediately prior to the
7 deadline for filing an appeal with the county board of taxation.
8 (cf: P.L.1999, c.208, s.3)

9

10 6. R.S.54:51A-8 is amended to read as follows:

11 54:51A-8. a. Conclusiveness of judgment; changes in value;
12 effect of revaluation program. Where a judgment not subject to
13 further appeal has been rendered by the Tax Court involving real
14 property, the judgment shall be conclusive and binding upon the
15 municipal assessor and the taxing district, parties to the proceeding,
16 for the assessment year and for the two assessment years succeeding
17 the assessment year covered by the final judgment, except as to
18 changes in the value of the property occurring after the assessment
19 date. The conclusive and binding effect of the judgment shall
20 terminate with the tax year immediately preceding the year in which
21 a program for a complete revaluation or complete reassessment of
22 all real property within the district has been put into effect, or in the
23 case of a municipality located in a county wherein the county board
24 of taxation is participating in the demonstration program established
25 in section 4 of “the Real Property Assessment Demonstration
26 Program,” P.L.2013, c.15 (C.54:1-104), when the assessor
27 implements either a reassessment or other form of district-wide
28 assessment review that requires the revision of all property
29 assessments to current market value, that is approved by the county
30 board of taxation. If as of October 1 of the pretax year, the property
31 in question has been the subject of an addition qualifying as an
32 added assessment, a condominium or cooperative conversion, a
33 subdivision or a zoning change, the conclusive and binding effect of
34 such judgment shall terminate with said pretax year.

35 b. If the assessor increases the assessment or fails to reflect on
36 the tax duplicate a county board of taxation or Tax Court judgment
37 issued prior to the final preparation of the tax duplicate in either of
38 the two years following the year for which the judgment of the Tax
39 Court was rendered and if said judgment is a final judgment not
40 subject to further appeal, the burden of proof is on the taxing
41 district to establish that the assessor acted reasonably in increasing
42 the assessment. If the Tax Court finds that the assessor did not act
43 reasonably in increasing the assessment or failed to reflect said
44 judgment on the tax duplicate, the Tax Court shall award to the
45 taxpayer reasonable counsel fees, appraisal costs and other costs
46 which shall be paid by the taxing district.

47 c. In the event that a taxpayer is successful in an appeal from
48 an assessment on nonresidential real property, the respective taxing

1 district shall refund any excess taxes paid, less any amount of taxes,
2 interest, and penalties, which may be applied against delinquencies
3 pursuant to section 2 of P.L.1983, c.137 (C.54:4-134), in
4 substantially equal payment periods and substantially equal
5 payment amounts within three years of the date of final judgment.

6 In the event that a taxpayer is successful in an appeal from an
7 assessment on residential real property, the respective taxing district
8 shall refund any excess taxes paid, less any amount of taxes,
9 interest, and penalties, which may be applied against delinquencies
10 pursuant to section 2 of P.L.1983, c.137 (C.54:4-134) within 60
11 days of the date of final judgment.

12 d. With respect to real property located in a county
13 participating in the real property assessment program established in
14 section 4 of the "Real Property Assessment Demonstration
15 Program," P.L.2013, c.15 (C.54:1-104), in a municipality that has
16 performed municipal-wide reassessment that were approved by the
17 county board of taxation, and required the review and revision of all
18 parcels to current market value, if the assessor changes an
19 assessment judged by appeal in the previous year by any amount,
20 the assessor shall send an additional notice to the owner of the
21 property disclosing the change in assessment. This assessment
22 change notification shall be sent by regular mail at least 45 days
23 immediately prior to the deadline for filing an appeal with the
24 county board of taxation.

25 (cf: P.L.2019, c.230, s.2)

26

27 7. R.S.54:4-38 is amended to read as follows:

28 54:4-38. a. Except as provided in subsection b. of this section,
29 every assessor, at least ten days before filing the complete
30 assessment list and duplicate with the county board of taxation, and
31 before annexing thereto his affidavit as required in section 54:4-36
32 of this title, shall notify each taxpayer of the current assessment and
33 preceding year's taxes and give public notice by advertisement in at
34 least one newspaper circulating within his taxing district of a time
35 and place when and where the assessment list may be inspected by
36 any taxpayer for the purpose of enabling the taxpayer to ascertain
37 what assessments have been made against him or his property and
38 to confer informally with the assessor as to the correctness of the
39 assessments, so that any errors may be corrected before the filing of
40 the assessment list and duplicate. Thereafter, the assessor shall
41 notify each taxpayer by mail within 30 days of any change to the
42 assessment. This notification of change of assessment shall contain
43 the prior assessment and the current assessment. Any notice issued
44 by the assessor shall contain information instructing taxpayers on
45 how to appeal their assessment along with the deadline to file an
46 appeal, printed in boldface type.

47 b. In the case of a municipality located in a county where the
48 county board of taxation is participating in the demonstration

1 program established in section 4 of P.L.2013, c.15 (C.54:1-104), in
2 the case of a county operating under the "Property Tax Assessment
3 Reform Act," P.L.2009, c.118 (C.54:1-86 et seq.), and in the case of
4 a municipality located in a county that has adopted, by resolution,
5 the provisions of section 1 of P.L.2018, c.94 (C.54:1-105), every
6 assessor, before filing the preliminary assessment list with the
7 county board of taxation pursuant to subsection b. of R.S.54:4-35,
8 shall notify each taxpayer of the preliminary assessment and
9 preceding year's taxes and give public notice by advertisement in at
10 least one newspaper circulating within his taxing district of a time
11 and place when and where the assessment list may be inspected by
12 any taxpayer for the purpose of enabling the taxpayer to ascertain
13 what assessments have been made against the taxpayer or the
14 taxpayer's property. Thereafter, the assessor shall notify each
15 taxpayer by mail within 30 days of any change to the assessment.
16 This notification of change of assessment shall contain the prior
17 assessment and the current assessment. Any notice issued by the
18 assessor shall contain information instructing taxpayers on how to
19 appeal their assessment along with the deadline to file an appeal,
20 printed in boldface type.

21 With the exception of any judgment change notification notice
22 required by R.S.54:3-26 or R.S.54:51A-8, the notification required
23 by this section shall satisfy any notice requirement to a property
24 owner in a municipality located in a county wherein the county
25 board of taxation is participating in the "Real Property Assessment
26 Demonstration Program" established in section 4 of P.L.2013, c.15
27 (C.54:1-104) concerning the assessment of that property owner's
28 preliminary assessment value for the tax year.

29 (cf: P.L.2018, c.94, s.8)

30

31 8. Section 32 of P.L.1991, c.75 (C.54:4-38.1) is amended to
32 read as follows:

33 32. a. Except as provided in subsection b. of this section, every
34 assessor, prior to February 1, shall notify by mail each taxpayer of
35 the current assessment and preceding year's taxes. Thereafter, the
36 assessor or county board of taxation shall notify each taxpayer by
37 mail within 30 days of any change to the assessment. This
38 notification of change of assessment shall contain the prior
39 assessment and the current assessment. The director shall establish
40 the form of notice of assessment and change of assessment. Any
41 notice issued by the assessor or county board of taxation shall
42 contain information instructing taxpayers on how to appeal their
43 assessment along with the deadline to file an appeal, printed in
44 boldface type.

45 b. In the case of a municipality located in a county where the
46 county board of taxation is participating in the demonstration
47 program established in section 4 of P.L.2013, c.15 (C.54:1-104), in
48 the case of a county operating under the "Property Tax Assessment

1 Reform Act," P.L.2009, c.118 (C.54:1-86 et seq.) and in the case of
2 a municipality located in a county that has adopted, by resolution,
3 the provisions of section 1 of P.L.2018, c.94 (C.54:1-105), every
4 assessor, on or before November 15 of the pretax year, shall notify
5 by mail each taxpayer of the preliminary assessment and preceding
6 year's taxes. Thereafter, the assessor or county board of taxation
7 shall notify each taxpayer by mail within 30 days of any change to
8 the assessment which has occurred as the result of a municipal-wide
9 revaluation or reassessment of real property within the
10 municipality. This notification of change of assessment shall
11 contain the prior assessment and the current assessment. The
12 director shall establish the form of notice of assessment and change
13 of assessment. Any notice issued by the assessor or county board of
14 taxation shall contain information instructing taxpayers on how to
15 appeal their assessment along with the deadline to file an appeal,
16 printed in boldface type. With the exception of any judgment
17 change notification notice required by R.S.54:3-26 or R.S.54:51A-
18 8, the notification required by this section shall satisfy any notice
19 requirement to a property owner in a municipality located in a
20 county wherein the county board of taxation is participating in the
21 "Real Property Assessment Demonstration Program" established in
22 section 4 of P.L.2013, c.15 (C.54:1-104) concerning the assessment
23 of that property owner's preliminary assessment value for the tax
24 year.

25 c. The county board of taxation of the **[demonstration]** county
26 participating in the real property assessment program established in
27 section 4 of the "Real Property Assessment Demonstration
28 Program," P.L.2013, c.15 (C.54:1-104) shall make the preliminary
29 data electronically accessible to the public by posting the data in
30 searchable form on the county's website not later than 15 business
31 days after the submission of the preliminary data.

32 (cf: P.L.2018, c.94, s.9)

33

34 9. Section 1 of P.L.1945, c.260 (C.54:4-35.1) is amended to
35 read as follows:

36 1. a. When any parcel of real property contains any building or
37 other structure which has been destroyed, consumed by fire,
38 demolished, or altered in such a way that its value has materially
39 depreciated, either intentionally or by the action of storm, fire,
40 cyclone, tornado, or earthquake, or other casualty, which
41 depreciation of value occurred after October 1 in any year and
42 before January 1 of the following year, the assessor shall, upon
43 notice thereof being given to him by the property owner prior to
44 January 10 of that year, and after examination and inquiry,
45 determine the value of such parcel of real property as of that
46 January 1, and assess the same according to such value.

47 b. (1) In the case of a county participating in the
48 demonstration program established by section 4 of P.L.2013, c.15

1 (C.54:1-104), a county operating under the "Property Tax
2 Assessment Reform Act," P.L.2009, c.118 (C.54:1-86 et seq.), and
3 a county that has adopted, by resolution, the provisions of section 1
4 of P.L.2018, c.94 (C.54:1-105, when any parcel of real property
5 contains any building or other structure which has been destroyed,
6 consumed by fire, demolished, or altered in such a way that its
7 value has materially depreciated, either intentionally or by the
8 action of storm, fire, cyclone, tornado, or earthquake, or other
9 casualty, which depreciation of value occurred after October 1 in
10 any year and before May 1 of the following year, the assessor shall,
11 upon notice thereof being given to him by the property owner prior
12 to May 3 of that year, and after examination and inquiry, determine
13 the value of the parcel of real property as of that May 1, and assess
14 the same according to such value within the final tax list delivered
15 to the county board of taxation on or before May 5 of that year.

16 (2) To properly capture the value of the building or structure
17 from January 1 to the date of the depreciation of the building or
18 structure, the assessor's **【final tax】** added assessment list shall
19 include an improvement value that reflects the prorated value of the
20 building or structure as of January 1 for the number of days prior to
21 the date of the depreciation of the building or structure.

22 (cf: P.L.2017, c.228, s.1)

23

24 10. This act shall take effect immediately.

25

26

27

STATEMENT

28

29 This bill would revise and clarify several processes related to the
30 assessment of real property in counties that operate under the "Real
31 Property Assessment Demonstration Program," P.L.2013, c.15
32 (C.54:1-101 et al., currently only Monmouth County), where
33 municipal-wide reassessments are performed annually by assessors
34 in order to maintain assessments of all parcels of real property at
35 their true value, which is current market value, and an alternative
36 property assessment calendar was created in order for the county
37 board of taxation to hear and decide property tax appeals prior to
38 the adoption of municipal budgets, which provides greater certainty
39 to the municipal budget process.

40 Section 1 of the bill would amend N.J.S.A.54:4-23b pertaining to
41 the internal inspection of all buildings and other structures located
42 on parcels of real property in municipalities located in a county
43 wherein the county board of taxation is participating in the
44 demonstration program established in section 4 of P.L.2013, c.15
45 (C.54:1-104, currently only Monmouth County). As enacted in
46 P.L.2017, c.306, N.J.S.A.54:4-23b also applies to a county
47 operating under the "Property Tax Assessment Reform Act,"
48 P.L.2009, c.118 (C.54:1-86 et seq.; currently, only Gloucester

1 County), which operates under the property assessment calendar
2 established in the “Real Property Assessment Demonstration
3 Program.” This bill would amend the statute to also apply to a
4 county that has adopted the assessment calendar established in the
5 “Real Property Assessment Demonstration Program” by resolution
6 as permitted in P.L.2018, c.94 (C.54:1-105; currently only
7 Burlington County as of October 1, 2020). Therefore, some of the
8 amendments to this section shall also apply to Gloucester and
9 Burlington counties. If a municipality elects to perform district-
10 wide assessment changes, P.L.2017, c.306 required the assessors
11 operating under those laws to make three good-faith attempts to
12 physically inspect the interior of each parcel of real property not
13 later than December 31 of the eighth year immediately preceding
14 the year of the implementation of a proposed district-wide
15 reassessment. These inspections are critical to ensure that an
16 assessor is taxing each parcel of real property correctly. This bill
17 defines “good-faith attempt to physically inspect” to mean that the
18 assessor, an employee of the municipality acting on behalf of the
19 assessor, or a representative of a revaluation company or other
20 company hired by the municipality to provide internal inspection
21 services, shall physically arrive at the property and request entry to
22 the interior of the property. If that person is unable to gain entry to
23 the property to perform the interior inspection, the person shall
24 leave a notice affixed to the front door of the property stating in
25 boldface type that an attempt was made to inspect the interior of the
26 property, with the person’s contact information prominently
27 displayed on the notice. In the case of a municipality located in a
28 county wherein the county board of taxation is participating in the
29 “Real Property Assessment Demonstration Program,” the notice
30 shall also state in boldface type that an appeal of the property’s
31 assessment shall not be heard by the county board of taxation unless
32 the interior of the property has been inspected.

33 Section 2 of the bill amends R.S.54:3-21, concerning appeals of
34 assessments, to require, in the case of a municipality located in a
35 county participating in the “Real Property Assessment
36 Demonstration Program,” that an appeal of the property’s
37 assessment shall not be heard by the county board of taxation unless
38 the interior of the property has been inspected.

39 Several sections of the bill address an assessment issue resulting
40 from a recent New Jersey Tax Court decision in the case of a parcel
41 of real property located in Union Beach, in Monmouth County,
42 concerning a property assessment law colloquially referred to in the
43 assessment community as the “freeze act.” R.S.54:3-26 (pertaining
44 to appeals heard at the county board of taxation) and R.S.54:51A-8
45 (pertaining to appeals heard at the New Jersey Tax Court) provide
46 that the adjudged valuation for a tax year reflected in a final
47 judgment of a county board of taxation or the New Jersey Tax Court
48 shall also be the assessed value for the next succeeding two tax

1 years, which essentially “freezes” the assessment for that period of
2 time. Under current law, the “freeze act” does not apply in any year
3 that a municipality undergoes a municipal-wide revaluation of all
4 real property. In Tartivita v. Borough of Union Beach, 31 N.J. Tax
5 335 (Tax 2019), the Tax Court ruled that municipal-wide annual
6 reassessments are not considered to be a complete reassessment of
7 real property, even though the purpose of an annual reassessment is
8 to maintain all properties in a municipality at current market value.
9 Sections 3, 4, 5, and 6 of the bill, concerning appeals, clarify that
10 in the case of a municipality located in a county operating under the
11 provisions of the “Real Property Assessment Demonstration
12 Program,” the “freeze act” and a related property tax assessment
13 law, P.L.1973, c.123, colloquially referred to in the assessment
14 community as “chapter 123,” which was adopted in 1973 as a tool
15 to test the fairness of an assessment and established a “30 percent
16 corridor of value” or “permissible error” shall not apply to any
17 appeal from an assessment of real property taken in the tax year in
18 which the assessor implements either a municipal-wide
19 reassessment or other form of district-wide assessment review that
20 requires the revision of all property assessments to current market
21 value and that is approved by a county board of taxation. Section 3
22 also permits a county tax board in a county operating under the
23 “Real Property Assessment Demonstration Program” to proceed
24 with a full evidentiary appeal proceeding based on evidence
25 submitted without the attendance of the property owner, at the
26 property owner’s sole discretion by written request submitted at the
27 time of the filing, and also allows county board of taxation appeal
28 hearings in those counties to be conducted virtually, using the
29 county’s online appeal system, and conference call technology and
30 protocols adopted by the county board of taxation if the property
31 owner makes such a request in writing at the time of filing.

32 Sections 5 and 6 of the bill require that with respect to real
33 property located in a county operating under the “Real Property
34 Assessment Demonstration Program,” in a municipality that has
35 performed municipal-wide reassessments that were approved by the
36 county board of taxation, and required the review and revision of all
37 parcels to current market value, if the assessor changes an
38 assessment judged by appeal in the previous year by any amount,
39 the assessor would be required to send an additional notice to the
40 owner of the property disclosing the change in assessment. This
41 assessment change notification shall be sent by regular mail at least
42 45 days immediately prior to the deadline for filing an appeal with
43 the county board of taxation.

44 Sections 7 and 8 concern the annual notice of current year’s
45 assessment and prior year’s property taxes required to be provided
46 to all municipal property owners by the assessor. These sections of
47 the bill require that with the exception of any judgment change
48 notification notice required by R.S.54:3-26 or R.S.54:51A-8, this

1 annual notice will satisfy any notice requirement to a property
2 owner concerning the assessment of that property owner's
3 preliminary assessment value for the tax year in a municipality
4 located in a county wherein the county board of taxation is
5 participating in the "Real Property Assessment Demonstration
6 Program."

7 Section 9 of the bill concerns parcels of real property on which
8 are located a building or other structure destroyed, consumed by
9 fire, damaged or altered in such a way that the value has depreciated
10 after the assessment was set on October 1 of the pre-tax year, as
11 required by law. In the case of a municipality located in a county
12 operating under the "Real Property Assessment Demonstration
13 Program," the "Property Tax Assessment Reform Act," and a
14 county that has adopted, by resolution, the provisions of section 1
15 of P.L.2018, c.94, if that depreciation occurred before May 1 of the
16 tax year and the assessor has been notified prior to May 3 of the tax
17 year, the assessor shall determine the value of the parcel as of May
18 1, and assess the property for taxation at that value. The section
19 also requires that the assessor's added assessment list for the tax
20 year shall include a value for the improvements that reflect the
21 prorated value of the building or structure as of January 1 of the tax
22 year for the number of days prior to the date of the depreciation of
23 the building or structure.

ASSEMBLY STATE AND LOCAL GOVERNMENT
COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 2725

STATE OF NEW JERSEY

DATED: FEBRUARY 22, 2021

The Assembly State and Local Government Committee reports favorably Senate Bill No. 2725 (1R).

This bill would revise and clarify several processes related to the assessment of real property in counties that operate under the “Real Property Assessment Demonstration Program,” P.L.2013, c.15 (C.54:1-101 et al.) (currently only Monmouth County), where municipal-wide reassessments are performed annually by assessors in order to maintain assessments of all parcels of real property at their true value, which is current market value, and an alternative property assessment calendar was created in order for the county board of taxation to hear and decide property tax appeals prior to the adoption of municipal budgets, which provides greater certainty to the municipal budget process.

Section 1 of the bill would amend section 10 of P.L.2017, c.306 (C.4:4-23b) pertaining to the internal inspection of all buildings and other structures located on parcels of real property in municipalities located in a county wherein the county board of taxation is participating in the demonstration program established in section 4 of P.L.2013, c.15 (C.54:1-104) (currently only Monmouth County). As enacted in P.L.2017, c.306, section 10 of P.L.2017, c.3065 (C.4:4-23b) also applies to a county operating under the "Property Tax Assessment Reform Act," P.L.2009, c.118 (C.54:1-86 et seq.) (currently only Gloucester County), which operates under the property assessment calendar established in the “Real Property Assessment Demonstration Program.” This bill would amend the statute to also apply to a county that has adopted the assessment calendar established in the “Real Property Assessment Demonstration Program” by resolution as permitted in P.L.2018, c.94 (C.54:1-105) (currently only Burlington County as of October 1, 2020). Therefore, some of the amendments to this section also would apply to Gloucester and Burlington counties. If a municipality elects to perform district-wide assessment changes, P.L.2017, c.306 required the assessors operating under those laws to make three good-faith attempts to physically inspect the interior of each parcel of real property not later than December 31 of the eighth year immediately preceding the year of the implementation of a

proposed district-wide reassessment. These inspections are critical to ensure that an assessor is taxing each parcel of real property correctly.

The bill defines “good-faith attempt to physically inspect” to mean that the assessor, an employee of the municipality acting on behalf of the assessor, or a representative of a revaluation company or other company hired by the municipality to provide internal inspection services, would have to physically arrive at the property and request entry to the interior of the property. If that person is unable to gain entry to the property to perform the interior inspection, the person would be required to leave a notice affixed to the front door of the property stating in boldface type that an attempt was made to inspect the interior of the property, with the person’s contact information prominently displayed on the notice. In the case of a municipality located in a county wherein the county board of taxation is participating in the “Real Property Assessment Demonstration Program,” the notice would also state in boldface type that an appeal of the property’s assessment would not be heard by the county board of taxation unless the interior of the property has been inspected.

In the case of a municipality located in a county wherein the county board of taxation is participating in the demonstration program established in section 4 of the “Real Property Assessment Demonstration Program,” P.L.2013, c.15 (C.54:1-104), the internal inspection may, at the taxpayer’s discretion, be performed virtually, pursuant to provisions set forth in the bill.

Section 2 of the bill amends R.S.54:3-21 concerns appeals of real property assessments (colloquially referred to as “tax appeals”). The bill would require, in the case of a municipality located in a county participating in the “Real Property Assessment Demonstration Program,” that, absent good cause, a property owner would not be entitled to appeal an assessment on a parcel of real property if the assessor’s or county board of taxation’s request to internally inspect the property, made after the filing of the appeal, has been refused by the property owner.

Sections 3 and 4 of the bill, concerning tax appeals, clarify that in the case of a municipality located in a county operating under the provisions of the “Real Property Assessment Demonstration Program,” the property tax assessment law, P.L.1973, c.123, colloquially referred to in the assessment community as “chapter 123,” which was adopted in 1973 as a tool to test the fairness of an assessment and established a “30 percent corridor of value” or “permissible error” would not apply to any appeal from an assessment of real property taken in the tax year in which the assessor implements either a municipal-wide reassessment or other form of district-wide assessment review that requires the revision of all property assessments to current market value and that is approved by a county board of taxation. Section 3 also permits a county tax board in a county operating under the “Real Property Assessment Demonstration Program” to proceed with a full

evidentiary appeal proceeding based on evidence submitted without the attendance of the property owner, at the property owner's sole discretion by written request submitted at the time of the filing, and also allows county board of taxation appeal hearings in those counties to be conducted virtually, using the county's online appeal system, and conference call technology and protocols adopted by the county board of taxation if the property owner makes such a request in writing at the time of filing.

Sections 5 and 6 concern the annual notice of the current year's assessment and prior year's property taxes required to be provided to all municipal property owners by the assessor. These sections of the bill require that this annual notice will satisfy any notice requirement to a property owner concerning the assessment of that property owner's preliminary assessment value for the tax year in a municipality located in a county wherein the county board of taxation is participating in the "Real Property Assessment Demonstration Program."

Section 7 of the bill concerns parcels of real property on which are located a building or other structure destroyed, consumed by fire, damaged, or altered in such a way that the value has depreciated after the assessment was set on October 1 of the pre-tax year, as required by law. In the case of a municipality located in a county operating under the "Real Property Assessment Demonstration Program," the "Property Tax Assessment Reform Act," and a county that has adopted, by resolution, the provisions of section 1 of P.L.2018, c.94, if that depreciation occurred before May 1 of the tax year and the assessor has been notified prior to May 3 of the tax year, the assessor would be required to determine the value of the parcel as of May 1, and assess the property for taxation at that value. The section also requires that the assessor's added assessment list for the tax year include a value for the improvements that reflect the prorated value of the building or structure as of January 1 of the tax year for the number of days prior to the date of the depreciation of the building or structure.

As reported by the committee, this bill is identical to Assembly Bill No. 4473, which the committee also reported on this date with amendments.

SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

STATEMENT TO

SENATE, No. 2725

STATE OF NEW JERSEY

DATED: SEPTEMBER 21, 2020

The Senate Community and Urban Affairs Committee reports favorably Senate Bill No. 2725.

This bill would revise and clarify several processes related to the assessment of real property in counties that operate under the “Real Property Assessment Demonstration Program,” P.L.2013, c.15 (C.54:1-101 et al.) (currently only Monmouth County), where municipal-wide reassessments are performed annually by assessors in order to maintain assessments of all parcels of real property at their true value, which is current market value, and an alternative property assessment calendar was created in order for the county board of taxation to hear and decide property tax appeals prior to the adoption of municipal budgets, which provides greater certainty to the municipal budget process.

Section 1 of the bill would amend section 10 of P.L.2017, c.306 (C.4:4-23b) pertaining to the internal inspection of all buildings and other structures located on parcels of real property in municipalities located in a county wherein the county board of taxation is participating in the demonstration program established in section 4 of P.L.2013, c.15 (C.54:1-104) (currently only Monmouth County). As enacted in P.L.2017, c.306, section 10 of P.L.2017, c.306 (C.4:4-23b) also applies to a county operating under the "Property Tax Assessment Reform Act," P.L.2009, c.118 (C.54:1-86 et seq.) (currently only Gloucester County), which operates under the property assessment calendar established in the “Real Property Assessment Demonstration Program.” This bill would amend the statute to also apply to a county that has adopted the assessment calendar established in the “Real Property Assessment Demonstration Program” by resolution as permitted in P.L.2018, c.94 (C.54:1-105) (currently only Burlington County as of October 1, 2020). Therefore, some of the amendments to this section also would apply to Gloucester and Burlington counties. If a municipality elects to perform district-wide assessment changes, P.L.2017, c.306 required the assessors operating under those laws to make three good-faith attempts to physically inspect the interior of each parcel of real property not later than December 31 of the eighth year immediately preceding the year of the implementation of a proposed district-wide reassessment. These inspections are critical to ensure that an assessor is taxing each parcel of real

property correctly. This bill defines “good-faith attempt to physically inspect” to mean that the assessor, an employee of the municipality acting on behalf of the assessor, or a representative of a revaluation company or other company hired by the municipality to provide internal inspection services, would have to physically arrive at the property and request entry to the interior of the property. If that person is unable to gain entry to the property to perform the interior inspection, the person would be required to leave a notice affixed to the front door of the property stating in boldface type that an attempt was made to inspect the interior of the property, with the person’s contact information prominently displayed on the notice. In the case of a municipality located in a county wherein the county board of taxation is participating in the “Real Property Assessment Demonstration Program,” the notice would also state in boldface type that an appeal of the property’s assessment would not be heard by the county board of taxation unless the interior of the property has been inspected.

Section 2 of the bill amends R.S.54:3-21, concerning appeals of assessments, to require, in the case of a municipality located in a county participating in the “Real Property Assessment Demonstration Program,” that an appeal of the property’s assessment would not be heard by the county board of taxation unless the interior of the property has been inspected.

Several sections of the bill address an assessment issue resulting from a recent New Jersey Tax Court decision in the case of a parcel of real property located in Union Beach, in Monmouth County, concerning a property assessment law colloquially referred to in the assessment community as the “freeze act.” R.S.54:3-26 (pertaining to appeals heard at the county board of taxation) and R.S.54:51A-8 (pertaining to appeals heard at the New Jersey Tax Court) provide that the adjudged valuation for a tax year reflected in a final judgment of a county board of taxation or the New Jersey Tax Court shall also be the assessed value for the next succeeding two tax years, which essentially “freezes” the assessment for that period of time. Under current law, the “freeze act” does not apply in any year that a municipality undergoes a municipal-wide revaluation of all real property. In Tartivita v. Borough of Union Beach, 31 N.J. Tax 335 (Tax 2019), the Tax Court ruled that municipal-wide annual reassessments are not considered to be a complete reassessment of real property, even though the purpose of an annual reassessment is to maintain all properties in a municipality at current market value. Sections 3, 4, 5, and 6 of the bill, concerning appeals, clarify that in the case of a municipality located in a county operating under the provisions of the “Real Property Assessment Demonstration Program,” the “freeze act” and a related property tax assessment law, P.L.1973, c.123, colloquially referred to in the assessment community as “chapter 123,” which was adopted in 1973 as a tool

to test the fairness of an assessment and established a “30 percent corridor of value” or “permissible error” would not apply to any appeal from an assessment of real property taken in the tax year in which the assessor implements either a municipal-wide reassessment or other form of district-wide assessment review that requires the revision of all property assessments to current market value and that is approved by a county board of taxation. Section 3 also permits a county tax board in a county operating under the “Real Property Assessment Demonstration Program” to proceed with a full evidentiary appeal proceeding based on evidence submitted without the attendance of the property owner, at the property owner’s sole discretion by written request submitted at the time of the filing, and also allows county board of taxation appeal hearings in those counties to be conducted virtually, using the county’s online appeal system, and conference call technology and protocols adopted by the county board of taxation if the property owner makes such a request in writing at the time of filing.

Sections 5 and 6 of the bill require that with respect to real property located in a county operating under the “Real Property Assessment Demonstration Program,” in a municipality that has performed municipal-wide reassessments that were approved by the county board of taxation, and required the review and revision of all parcels to current market value, if the assessor changes an assessment judged by appeal in the previous year by any amount, the assessor would be required to send an additional notice to the owner of the property disclosing the change in assessment. This assessment change notification would be sent by regular mail at least 45 days immediately prior to the deadline for filing an appeal with the county board of taxation.

Sections 7 and 8 concern the annual notice of the current year’s assessment and prior year’s property taxes required to be provided to all municipal property owners by the assessor. These sections of the bill require that, with the exception of any judgment change notification notice required by R.S.54:3-26 or R.S.54:51A-8, this annual notice will satisfy any notice requirement to a property owner concerning the assessment of that property owner’s preliminary assessment value for the tax year in a municipality located in a county wherein the county board of taxation is participating in the “Real Property Assessment Demonstration Program.”

Section 9 of the bill concerns parcels of real property on which are located a building or other structure destroyed, consumed by fire, damaged, or altered in such a way that the value has depreciated after the assessment was set on October 1 of the pre-tax year, as required by law. In the case of a municipality located in a county operating under the “Real Property Assessment Demonstration Program,” the “Property Tax Assessment Reform

Act,” and a county that has adopted, by resolution, the provisions of section 1 of P.L.2018, c.94, if that depreciation occurred before May 1 of the tax year and the assessor has been notified prior to May 3 of the tax year, the assessor would be required to determine the value of the parcel as of May 1, and assess the property for taxation at that value. The section also requires that the assessor’s added assessment list for the tax year include a value for the improvements that reflect the prorated value of the building or structure as of January 1 of the tax year for the number of days prior to the date of the depreciation of the building or structure.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 2725

with committee amendments

STATE OF NEW JERSEY

DATED: OCTOBER 22, 2020

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 2725, with committee amendments.

As amended by the committee, this bill would revise and clarify several processes related to the assessment of real property in counties that operate under the “Real Property Assessment Demonstration Program,” P.L.2013, c.15 (C.54:1-101 et al.) (currently only Monmouth County), where municipal-wide reassessments are performed annually by assessors in order to maintain assessments of all parcels of real property at their true value, which is current market value, and an alternative property assessment calendar was created in order for the county board of taxation to hear and decide property tax appeals prior to the adoption of municipal budgets, which provides greater certainty to the municipal budget process.

Section 1 of the bill would amend section 10 of P.L.2017, c.306 (C.4:4-23b) pertaining to the internal inspection of all buildings and other structures located on parcels of real property in municipalities located in a county wherein the county board of taxation is participating in the demonstration program established in section 4 of P.L.2013, c.15 (C.54:1-104) (currently only Monmouth County). As enacted in P.L.2017, c.306, section 10 of P.L.2017, c.3065 (C.4:4-23b) also applies to a county operating under the "Property Tax Assessment Reform Act," P.L.2009, c.118 (C.54:1-86 et seq.) (currently only Gloucester County), which operates under the property assessment calendar established in the “Real Property Assessment Demonstration Program.” This bill would amend the statute to also apply to a county that has adopted the assessment calendar established in the “Real Property Assessment Demonstration Program” by resolution as permitted in P.L.2018, c.94 (C.54:1-105) (currently only Burlington County as of October 1, 2020). Therefore, some of the amendments to this section also would apply to Gloucester and Burlington counties. If a municipality elects to perform district-wide assessment changes, P.L.2017, c.306 required the assessors operating under those laws to make three good-faith attempts to physically inspect the interior of each parcel of real property not later than December 31 of the eighth year immediately preceding the year of the implementation of a

proposed district-wide reassessment. These inspections are critical to ensure that an assessor is taxing each parcel of real property correctly.

The bill defines “good-faith attempt to physically inspect” to mean that the assessor, an employee of the municipality acting on behalf of the assessor, or a representative of a revaluation company or other company hired by the municipality to provide internal inspection services, would have to physically arrive at the property and request entry to the interior of the property. If that person is unable to gain entry to the property to perform the interior inspection, the person would be required to leave a notice affixed to the front door of the property stating in boldface type that an attempt was made to inspect the interior of the property, with the person’s contact information prominently displayed on the notice. In the case of a municipality located in a county wherein the county board of taxation is participating in the “Real Property Assessment Demonstration Program,” the notice would also state in boldface type that an appeal of the property’s assessment would not be heard by the county board of taxation unless the interior of the property has been inspected.

In the case of a municipality located in a county wherein the county board of taxation is participating in the demonstration program established in section 4 of the “Real Property Assessment Demonstration Program,” P.L.2013, c.15 (C.54:1-104), the internal inspection may, at the taxpayer’s discretion, be performed virtually, pursuant to provisions set forth in the bill.

Section 2 of the bill amends R.S.54:3-21 concerns appeals of real property assessments (colloquially referred to as “tax appeals”). The bill would require, in the case of a municipality located in a county participating in the “Real Property Assessment Demonstration Program,” that, absent good cause, a property owner would not be entitled to appeal an assessment on a parcel of real property if the assessor’s or county board of taxation’s request to internally inspect the property, made after the filing of the appeal, has been refused by the property owner.

Sections 3 and 4 of the bill, concerning tax appeals, clarify that in the case of a municipality located in a county operating under the provisions of the “Real Property Assessment Demonstration Program,” the property tax assessment law, P.L.1973, c.123, colloquially referred to in the assessment community as “chapter 123,” which was adopted in 1973 as a tool to test the fairness of an assessment and established a “30 percent corridor of value” or “permissible error” would not apply to any appeal from an assessment of real property taken in the tax year in which the assessor implements either a municipal-wide reassessment or other form of district-wide assessment review that requires the revision of all property assessments to current market value and that is approved by a county board of taxation. Section 3

also permits a county tax board in a county operating under the “Real Property Assessment Demonstration Program” to proceed with a full evidentiary appeal proceeding based on evidence submitted without the attendance of the property owner, at the property owner’s sole discretion by written request submitted at the time of the filing, and also allows county board of taxation appeal hearings in those counties to be conducted virtually, using the county’s online appeal system, and conference call technology and protocols adopted by the county board of taxation if the property owner makes such a request in writing at the time of filing.

Sections 5 and 6 concern the annual notice of the current year’s assessment and prior year’s property taxes required to be provided to all municipal property owners by the assessor. These sections of the bill require that this annual notice will satisfy any notice requirement to a property owner concerning the assessment of that property owner’s preliminary assessment value for the tax year in a municipality located in a county wherein the county board of taxation is participating in the “Real Property Assessment Demonstration Program.”

Section 7 of the bill concerns parcels of real property on which are located a building or other structure destroyed, consumed by fire, damaged, or altered in such a way that the value has depreciated after the assessment was set on October 1 of the pre-tax year, as required by law. In the case of a municipality located in a county operating under the “Real Property Assessment Demonstration Program,” the “Property Tax Assessment Reform Act,” and a county that has adopted, by resolution, the provisions of section 1 of P.L.2018, c.94, if that depreciation occurred before May 1 of the tax year and the assessor has been notified prior to May 3 of the tax year, the assessor would be required to determine the value of the parcel as of May 1, and assess the property for taxation at that value. The section also requires that the assessor’s added assessment list for the tax year include a value for the improvements that reflect the prorated value of the building or structure as of January 1 of the tax year for the number of days prior to the date of the depreciation of the building or structure.

COMMITTEE AMENDMENTS

The committee made the following amendments to the bill:

- to clarify that the owner of real property located in a municipality in a county participating in the “Real Property Assessment Demonstration Program,” absent good cause, would not be entitled to appeal the assessment of their property if the property owner refuses the assessor’s or county board of taxation’s request, made after the appeal is filed, to internally inspect the property, and clarify that the internal inspection, at the taxpayer’s discretion, may be performed virtually pursuant to provisions set forth in the bill.

- To omit sections 5 and 6 in their entirety; and
- to make technical amendments required in the bill.

FISCAL IMPACT:

This bill is not certified as requiring a fiscal note.

ASSEMBLY, No. 4473

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED JULY 30, 2020

Sponsored by:

Assemblyman ERIC HOUGHTALING

District 11 (Monmouth)

Assemblywoman JOANN DOWNEY

District 11 (Monmouth)

SYNOPSIS

Concerns assessment of real property in counties operating under “Real Property Assessment Demonstration Program.”

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 7/30/2020)

1 AN ACT concerning the assessment of real property in certain
2 counties and amending various parts of the statutory law.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. Section 10 of P.L.2017, c.306 (C.54:4-23b) is amended to
8 read as follows:

9 10. a. Regarding inspections of real property for purposes of a
10 municipal-wide reassessment pursuant to R.S.54:4-23, in the case of
11 a municipality located in a county wherein the county board of
12 taxation is participating in the demonstration program established in
13 section 4 of P.L.2013, c.15 (C.54:1-104) **[and]** , in the case of a
14 county operating under the "Property Tax Assessment Reform Act,"
15 P.L.2009, c.118 (C.54:1-86 et seq.), and in the case of a county that
16 has adopted, by resolution, the provisions of section 1 of P.L.2018,
17 c.94 (C.54:1-105), the assessor shall make three good-faith attempts
18 to physically inspect the interior of each of the properties in the
19 municipality not later than December 31 of the eighth year
20 immediately preceding the year of the implementation of the
21 proposed district-wide reassessment. Such inspections may be
22 performed in an ongoing eight-year assessment cycle. If, after the
23 third attempt to inspect the interior of the premises, access to the
24 interior of the premises has not been granted by the property owner,
25 the assessor shall assess the property using other observations and
26 sources, including information on the property record card
27 maintained by the assessor.

28 As used in this section, "good-faith attempt to physically
29 inspect" shall mean that the assessor, an employee of the
30 municipality acting on behalf of the assessor, or a representative of
31 a revaluation company or other company hired by the municipality
32 to provide internal inspection services, shall physically arrive at the
33 parcel of real property and request entry to the interior of the
34 property. If that person is unable to gain entry to the property to
35 perform an interior inspection, the person shall complete the
36 exterior inspection and shall leave a notice affixed to the front door
37 of the property stating that an attempt was made to inspect the
38 interior of the property, with the appropriate contact information
39 prominently displayed on the notice.

40 In the case of a municipality located in a county wherein the
41 county board of taxation is participating in the demonstration
42 program established in section 4 of the "Real Property Assessment
43 Demonstration Program," P.L.2013, c.15 (C.54:1-104), the notice
44 shall state in boldface type that an appeal of the property's
45 assessment shall not be heard by the county board of taxation unless

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 the interior of the parcel of real property has been inspected.
2 b. In the case of a municipality located in a county wherein the
3 county board of taxation is participating in the demonstration
4 program established in section 4 of the “Real Property Assessment
5 Demonstration Program,” P.L.2013, c.15 (C.54:1-104), at the
6 taxpayer’s discretion, the assessor may perform the internal
7 inspections described in subsection a. of this section in a virtual
8 manner, utilizing smartphone technology and protocols adopted by
9 the county board of taxation. No such video recordings may be
10 retained by the assessor. This virtual internal inspection alternative
11 shall be available to all assessment function inspections with the
12 county, including, but not limited to, revaluations, reassessments,
13 the annual reassessment, and inspections related to added or omitted
14 assessments.
15 (cf: P.L.2017, c.306, s.10)

16
17 2. R.S.54:3-21 is amended to read as follows:

18 54:3-21. a. (1) Except as provided in subsection b. of this
19 section a taxpayer feeling aggrieved by the assessed valuation of the
20 taxpayer's property, or feeling discriminated against by the assessed
21 valuation of other property in the county, or a taxing district which
22 may feel discriminated against by the assessed valuation of property
23 in the taxing district, or by the assessed valuation of property in
24 another taxing district in the county, may on or before April 1, or 45
25 days from the date the bulk mailing of notification of assessment is
26 completed in the taxing district, whichever is later, appeal to the
27 county board of taxation by filing with it a petition of appeal;
28 provided, however, that any such taxpayer or taxing district may on
29 or before April 1, or 45 days from the date the bulk mailing of
30 notification of assessment is completed in the taxing district,
31 whichever is later, file a complaint directly with the Tax Court, if
32 the assessed valuation of the property subject to the appeal exceeds
33 \$1,000,000. In a taxing district where a municipal-wide revaluation
34 or municipal-wide reassessment has been implemented, a taxpayer
35 or a taxing district may appeal before or on May 1 to the county
36 board of taxation by filing with it a petition of appeal or, if the
37 assessed valuation of the property subject to the appeal exceeds
38 \$1,000,000, by filing a complaint directly with the State Tax Court.
39 Within ten days of the completion of the bulk mailing of
40 notification of assessment, the assessor of the taxing district shall
41 file with the county board of taxation a certification setting forth the
42 date on which the bulk mailing was completed. If a county board of
43 taxation completes the bulk mailing of notification of assessment,
44 the tax administrator of the county board of taxation shall within ten
45 days of the completion of the bulk mailing prepare and keep on file
46 a certification setting forth the date on which the bulk mailing was
47 completed. A taxpayer shall have 45 days to file an appeal upon the
48 issuance of a notification of a change in assessment. An appeal to

1 the Tax Court by one party in a case in which the Tax Court has
2 jurisdiction shall establish jurisdiction over the entire matter in the
3 Tax Court. All appeals to the Tax Court hereunder shall be in
4 accordance with the provisions of the State Uniform Tax Procedure
5 Law, R.S.54:48-1 et seq.

6 If a petition of appeal or a complaint is filed on April 1 or during
7 the 19 days next preceding April 1, a taxpayer or a taxing district
8 shall have 20 days from the date of service of the petition or
9 complaint to file a cross-petition of appeal with a county board of
10 taxation or a counterclaim with the Tax Court, as appropriate.

11 (2) With respect to property located in a county participating in
12 the demonstration program established in section 4 of P.L.2013,
13 c.15 (C.54:1-104), a property located in a county operating under
14 the "Property Tax Assessment Reform Act," P.L.2009, c.118
15 (C.54:1-86 et seq.), or a property located in a county that has
16 adopted, by resolution, the provisions of section 1 of P.L.2018, c.94
17 (C.54:1-105), and except as provided in subsection b. of this
18 section, a taxpayer feeling aggrieved by the assessed valuation of
19 the taxpayer's property, or feeling discriminated against by the
20 assessed valuation of other property in the county, or a taxing
21 district which may feel discriminated against by the assessed
22 valuation of property in the taxing district, or by the assessed
23 valuation of property in another taxing district in the county, may
24 on or before January 15, or 45 days from the date the bulk mailing
25 of notification of assessment is completed in the taxing district,
26 whichever date is later, appeal to the county board of taxation by
27 filing with it a petition of appeal; provided, however, that any such
28 taxpayer, or taxing district, may on or before April 1, or 45 days
29 from the date the bulk mailing of notification of assessment is
30 completed in the taxing district, whichever date is later, file a
31 complaint directly with the Tax Court, if the assessed valuation of
32 the property subject to the appeal exceeds \$1,000,000.

33 If a petition of appeal is filed on January 15 or during the 19
34 days next preceding January 15, or a complaint is filed with the Tax
35 Court on April 1 or during the 19 days next preceding April 1, a
36 taxpayer or a taxing district shall have 20 days from the date of
37 service of the petition or complaint to file a cross-petition of appeal
38 with a county board of taxation or a counterclaim with the Tax
39 Court, as appropriate.

40 Within 10 days of the completion of the bulk mailing of
41 notification of assessment, the assessor of the taxing district shall
42 file with the county board of taxation a certification setting forth the
43 date on which the bulk mailing was completed. If a county board of
44 taxation completes the bulk mailing of notification of assessment,
45 the tax administrator of the county board of taxation shall within 10
46 days of the completion of the bulk mailing prepare and keep on file
47 a certification setting forth the date on which the bulk mailing was
48 completed. A taxpayer shall have 45 days to file an appeal upon the

1 issuance of a notification of a change in assessment. An appeal to
2 the Tax Court by one party in a case in which the Tax Court has
3 jurisdiction shall establish jurisdiction over the entire matter in the
4 Tax Court. All appeals to the Tax Court hereunder shall be in
5 accordance with the provisions of the State Uniform Tax Procedure
6 Law, R.S.54:48-1 et seq.

7 b. No taxpayer or taxing district shall be entitled to appeal either
8 an assessment or an exemption or both that is based on a financial
9 agreement subject to the provisions of the "Long Term Tax
10 Exemption Law" under the appeals process set forth in subsection a.
11 of this section.

12 c. In the case of a municipality located in a county wherein the
13 county board of taxation is participating in the demonstration
14 program established in section 4 of the "Real Property Assessment
15 Demonstration Program," P.L.2013, c.15 (C.54:1-104) a property
16 owner shall not be entitled to appeal an assessment on a parcel of
17 real property if the assessor's request to internally inspect the
18 property has been refused by the property owner.

19 (cf: P.L.2018, c.94, s.5)

20

21 3. R.S.54:3-22 is amended to read as follows:

22 54:3-22. a. The board shall thereupon make such order
23 respecting the time and manner for hearing the appeal as it may
24 deem just, and shall summarily hear and determine the appeal, and
25 revise and correct the assessment in accordance with the value
26 prescribed by law. All appeals filed pursuant to the provisions of
27 chapter 3 of Title 54 of the Revised Statutes shall be heard and
28 determined by the board. It may compel the attendance of
29 witnesses, the production of books and papers before it, examine
30 witnesses or cause witnesses to be examined under oath before it,
31 which oath may be administered by a member of the board.

32 b. In any proceedings before the board where deeds or other
33 instruments of conveyance do not state the true consideration or
34 sale price of the property, which is the subject of appeal, the realty
35 transfer fee paid upon the recording of such deeds or instruments as
36 well as an affidavit of consideration attached to and filed with any
37 such deed or instrument shall be admitted as prima facie evidence
38 of the actual amount of money and the monetary value of any other
39 thing of value constituting the entire compensation paid for such
40 transfer of realty.

41 c. Whenever the county board of taxation is satisfied by the
42 proofs that the ratio of the assessed valuation of the subject property
43 to its true value exceeds the upper limit or falls below the lower
44 limit of the common level range, it shall revise the taxable value of
45 the property by applying the average ratio to the true value of the
46 property except as hereinafter provided.

47 d. If the average ratio is below the county percentage level and
48 the ratio of the assessed value of the subject property to its true

1 value exceeds the county percentage level, the county board of
2 taxation shall reduce the taxable value of the property by applying
3 the average ratio to the true value of the property.

4 e. If both the average ratio and the ratio of the assessed value of
5 the subject property to its true value exceed the county percentage
6 level, the county board of taxation shall revise the taxable value of
7 the property by applying the county percentage level to the true
8 value of the property.

9 f. The provisions of this section shall not apply to any appeal
10 from an assessment of real property taken with respect to the tax
11 year in which the taxing district shall have completed and put into
12 operation a district-wide revaluation program approved by the
13 Director of the Division of Taxation pursuant to [chapter 424, laws
14 of 1971] P.L.1971, c.424 (C. 54:1-35.35 et seq.).

15 g. (1) With respect to real property located in a county
16 participating in the real property assessment demonstration program
17 established in section 4 of the “Real Property Assessment
18 Demonstration Program,” P.L.2013, c.15 (C.54:1-104), the
19 provisions of this section shall not apply to any appeal from an
20 assessment of real property taken with respect to the tax year in
21 which the assessor implements either a municipal-wide
22 reassessment, or other form of municipal-wide assessment review
23 that requires the revision of all property assessments to current
24 market value, that is approved by the county board of taxation.

25 (2) With respect to real property located in a county
26 participating in the real property assessment demonstration program
27 established in section 4 of the “Real Property Assessment
28 Demonstration Program,” P.L.2013, c.15 (C.54:1-104), at the
29 property owner’s written request submitted at the time of filing, the
30 county board of taxation may proceed with a full evidentiary
31 hearing based on the evidence submitted at least seven full days
32 prior to the original appeal hearing date, without the attendance of
33 the property owner. The ability to proceed based on the evidence
34 timely submitted is at the sole discretion of the property owner.
35 The attendance of the author of any expert appraisal or report
36 submitted as evidence in the appeal, if otherwise required, shall not
37 be waived by the taxpayer’s decision not to attend the appeal
38 hearing.

39 (3) With respect to real property located in a county
40 participating in the real property assessment demonstration program
41 established in section 4 of the “Real Property Assessment
42 Demonstration Program,” P.L.2013, c.15 (C.54:1-104), at the
43 property owner’s written request submitted at the time of filing,
44 assessment appeal hearings conducted by the county board of
45 taxation may be conducted virtually, using the county’s online
46 appeal system, and conference call technology and protocols
47 adopted by the county board of taxation.

48 (cf: P.L.1973, c.123, s.3)

1 4. R.S.54:51A-6 is amended to read as follows:

2 54:51A-6. a. Whenever the tax court is satisfied by the proofs
3 that the ratio of the assessed valuation of the subject property to its
4 true value exceeds the upper limit or falls below the lower limit of
5 the common level range, it shall enter judgment revising the
6 taxable value of the property by applying the average ratio to the
7 true value of the property except as hereinafter provided.

8 b. If the average ratio is below the county percentage level and
9 the ratio of the assessed value of the subject property to its true
10 value exceeds the county percentage level, the tax court shall enter
11 judgment revising the taxable value of the property by applying the
12 average ratio to the true value of the property.

13 c. If both the average ratio and the ratio of the assessed value of
14 the subject property to its true value exceed the county percentage
15 level, the tax court shall enter judgment revising the taxable value
16 of the property by applying the county percentage level to the true
17 value of the property.

18 d. The provisions of this section shall not apply to any
19 proceeding to review an assessment of real property taken with
20 respect to the tax year in which the taxing district shall have
21 completed and put into operation a district-wide revaluation
22 program approved by the Director of the Division of Taxation
23 pursuant to P.L.1971, c. 424 (C. 54:1-35.35 et seq.), or a
24 reassessment program approved by the county board of taxation.

25 e. With respect to real property located in a county participating
26 in the real property assessment program established in section 4 of
27 the "Real Property Assessment Demonstration Program," P.L.2013,
28 c.15 (C.54:1-104), the provisions of this section shall not apply to
29 any appeal from an assessment of real property taken with respect
30 to the tax year in which the assessor implements either a municipal-
31 wide reassessment or other form of municipal-wide assessment
32 review that requires the revision of all property assessments to
33 current market value, that is approved by the county board of
34 taxation.

35 (cf: R.S.54:51A-6)

36

37 5. R.S.54:3-26 is amended to read as follows:

38 54:3-26. The county board of taxation shall hear and determine
39 all such appeals within three months after the last day for filing
40 such appeals, and shall keep a record of its judgments thereon in
41 permanent form, and shall transmit a written memorandum of its
42 judgments to the assessor of the taxing district and to the taxpayer,
43 setting forth the reasons on which such judgment was based, and in
44 all cases where the amount of tax to be paid shall be changed as the
45 result of an appeal, to the collector of the taxing district. The
46 Director of the Division of Taxation shall prescribe such procedures
47 and forms for the setting forth of such written memorandums of
48 judgments as may be necessary.

1 Whenever any review is sought of the determination of the
2 county board of taxation, the complaint shall contain a copy of the
3 memorandum of judgment of the county board.

4 Where no request for review is taken to the Tax Court to review
5 the action or determination of the county board involving real
6 property the judgment of the county board shall be conclusive and
7 binding upon the municipal assessor and the taxing district for the
8 assessment year, and for the two assessment years succeeding the
9 assessment year, covered by the judgment, except as to changes in
10 value of the property occurring after the assessment date. The
11 conclusive and binding effect of such judgment shall terminate with
12 the tax year immediately preceding the year in which a program for
13 a complete revaluation or complete reassessment of all real property
14 within the district has been put into effect, or, in the case of a
15 municipality located in a county wherein the county board of
16 taxation is participating in the real property assessment program
17 established in section 4 of the "Real Property Assessment
18 Demonstration Program," P.L.2013, c.15 (C.54:1-104), when the
19 assessor implements either a municipal-wide reassessment or other
20 form of district-wide assessment review that requires the revision of
21 all property assessments to current market value, that is approved
22 by the county board of taxation. If as of October 1 of the pretax
23 year, the property in question has been the subject of an addition
24 qualifying as an added assessment, a condominium or cooperative
25 conversion, a subdivision or a zoning change, the conclusive and
26 binding effect of such judgment shall terminate with said pretax
27 year.

28 If the assessor increases the assessment or fails to reflect on the
29 tax duplicate a county board of taxation or Tax Court judgment
30 issued prior to the final preparation of the tax duplicate in either of
31 the two years following the year for which the judgment of the
32 county board was rendered, and if said judgment is a final judgment
33 not further appealed, the burden of proof shall be on the taxing
34 district to establish that the assessor acted reasonably in increasing
35 the assessment. If the county board finds that the assessor did not
36 act reasonably in increasing the assessment or failed to reflect said
37 judgment on the tax duplicate, the county board shall award to the
38 taxpayer reasonable counsel fees, appraisal costs and other costs
39 which shall be paid by the taxing district.

40 With respect to real property located in a county participating in
41 the real property assessment program established in section 4 of the
42 "Real Property Assessment Demonstration Program," P.L.2013,
43 c.15 (C.54:1-104), in a municipality that has performed municipal-
44 wide reassessments that were approved by the county board of
45 taxation, and required the review and revision of all parcels to
46 current market value, if the assessor changes an assessment judged
47 by appeal in the previous year by any amount, the assessor shall
48 send an additional notice to the owner of the property disclosing the

1 change in assessment. This assessment change notification shall be
2 sent by regular mail at least 45 days immediately prior to the
3 deadline for filing an appeal with the county board of taxation.
4 (cf: P.L.1999, c.208, s.3)

5
6 6. R.S.54:51A-8 is amended to read as follows:

7 54:51A-8. a. Conclusiveness of judgment; changes in value;
8 effect of revaluation program. Where a judgment not subject to
9 further appeal has been rendered by the Tax Court involving real
10 property, the judgment shall be conclusive and binding upon the
11 municipal assessor and the taxing district, parties to the proceeding,
12 for the assessment year and for the two assessment years succeeding
13 the assessment year covered by the final judgment, except as to
14 changes in the value of the property occurring after the assessment
15 date. The conclusive and binding effect of the judgment shall
16 terminate with the tax year immediately preceding the year in which
17 a program for a complete revaluation or complete reassessment of
18 all real property within the district has been put into effect, or in the
19 case of a municipality located in a county wherein the county board
20 of taxation is participating in the demonstration program established
21 in section 4 of “the Real Property Assessment Demonstration
22 Program,” P.L.2013, c.15 (C.54:1-104), when the assessor
23 implements either a reassessment or other form of district-wide
24 assessment review that requires the revision of all property
25 assessments to current market value, that is approved by the county
26 board of taxation. If as of October 1 of the pretax year, the property
27 in question has been the subject of an addition qualifying as an
28 added assessment, a condominium or cooperative conversion, a
29 subdivision or a zoning change, the conclusive and binding effect of
30 such judgment shall terminate with said pretax year.

31 b. If the assessor increases the assessment or fails to reflect on
32 the tax duplicate a county board of taxation or Tax Court judgment
33 issued prior to the final preparation of the tax duplicate in either of
34 the two years following the year for which the judgment of the Tax
35 Court was rendered and if said judgment is a final judgment not
36 subject to further appeal, the burden of proof is on the taxing
37 district to establish that the assessor acted reasonably in increasing
38 the assessment. If the Tax Court finds that the assessor did not act
39 reasonably in increasing the assessment or failed to reflect said
40 judgment on the tax duplicate, the Tax Court shall award to the
41 taxpayer reasonable counsel fees, appraisal costs and other costs
42 which shall be paid by the taxing district.

43 c. In the event that a taxpayer is successful in an appeal from an
44 assessment on nonresidential real property, the respective taxing
45 district shall refund any excess taxes paid, less any amount of taxes,
46 interest, and penalties, which may be applied against delinquencies
47 pursuant to section 2 of P.L.1983, c.137 (C.54:4-134), in

1 substantially equal payment periods and substantially equal
2 payment amounts within three years of the date of final judgment.

3 In the event that a taxpayer is successful in an appeal from an
4 assessment on residential real property, the respective taxing district
5 shall refund any excess taxes paid, less any amount of taxes,
6 interest, and penalties, which may be applied against delinquencies
7 pursuant to section 2 of P.L.1983, c.137 (C.54:4-134) within 60
8 days of the date of final judgment.

9 d. With respect to real property located in a county participating
10 in the real property assessment program established in section 4 of
11 the "Real Property Assessment Demonstration Program," P.L.2013,
12 c.15 (C.54:1-104), in a municipality that has performed municipal-
13 wide reassessment that were approved by the county board of
14 taxation, and required the review and revision of all parcels to
15 current market value, if the assessor changes an assessment judged
16 by appeal in the previous year by any amount, the assessor shall
17 send an additional notice to the owner of the property disclosing the
18 change in assessment. This assessment change notification shall be
19 sent by regular mail at least 45 days immediately prior to the
20 deadline for filing an appeal with the county board of taxation.
21 (cf: P.L.2019, c.230, s.2)

22

23 7. R.S.54:4-38 is amended to read as follows:

24 54:4-38. a. Except as provided in subsection b. of this section,
25 every assessor, at least ten days before filing the complete
26 assessment list and duplicate with the county board of taxation, and
27 before annexing thereto his affidavit as required in section 54:4-36
28 of this title, shall notify each taxpayer of the current assessment and
29 preceding year's taxes and give public notice by advertisement in at
30 least one newspaper circulating within his taxing district of a time
31 and place when and where the assessment list may be inspected by
32 any taxpayer for the purpose of enabling the taxpayer to ascertain
33 what assessments have been made against him or his property and
34 to confer informally with the assessor as to the correctness of the
35 assessments, so that any errors may be corrected before the filing of
36 the assessment list and duplicate. Thereafter, the assessor shall
37 notify each taxpayer by mail within 30 days of any change to the
38 assessment. This notification of change of assessment shall contain
39 the prior assessment and the current assessment. Any notice issued
40 by the assessor shall contain information instructing taxpayers on
41 how to appeal their assessment along with the deadline to file an
42 appeal, printed in boldface type.

43 b. In the case of a municipality located in a county where the
44 county board of taxation is participating in the demonstration
45 program established in section 4 of P.L.2013, c.15 (C.54:1-104), in
46 the case of a county operating under the "Property Tax Assessment
47 Reform Act," P.L.2009, c.118 (C.54:1-86 et seq.), and in the case of
48 a municipality located in a county that has adopted, by resolution,

1 the provisions of section 1 of P.L.2018, c.94 (C.54:1-105), every
2 assessor, before filing the preliminary assessment list with the
3 county board of taxation pursuant to subsection b. of R.S.54:4-35,
4 shall notify each taxpayer of the preliminary assessment and
5 preceding year's taxes and give public notice by advertisement in at
6 least one newspaper circulating within his taxing district of a time
7 and place when and where the assessment list may be inspected by
8 any taxpayer for the purpose of enabling the taxpayer to ascertain
9 what assessments have been made against the taxpayer or the
10 taxpayer's property. Thereafter, the assessor shall notify each
11 taxpayer by mail within 30 days of any change to the assessment.
12 This notification of change of assessment shall contain the prior
13 assessment and the current assessment. Any notice issued by the
14 assessor shall contain information instructing taxpayers on how to
15 appeal their assessment along with the deadline to file an appeal,
16 printed in boldface type.

17 With the exception of any judgment change notification notice
18 required by R.S.54:3-26 or R.S.54:51A-8, the notification required
19 by this section shall satisfy any notice requirement to a property
20 owner in a municipality located in a county wherein the county
21 board of taxation is participating in the "Real Property Assessment
22 Demonstration Program" established in section 4 of P.L.2013, c.15
23 (C.54:1-104) concerning the assessment of that property owner's
24 preliminary assessment value for the tax year.

25 (cf: P.L.2018, c.94, s.8)

26

27 8. Section 32 of P.L.1991, c.75 (C.54:4-38.1) is amended to read
28 as follows:

29 32. a. Except as provided in subsection b. of this section, every
30 assessor, prior to February 1, shall notify by mail each taxpayer of
31 the current assessment and preceding year's taxes. Thereafter, the
32 assessor or county board of taxation shall notify each taxpayer by
33 mail within 30 days of any change to the assessment. This
34 notification of change of assessment shall contain the prior
35 assessment and the current assessment. The director shall establish
36 the form of notice of assessment and change of assessment. Any
37 notice issued by the assessor or county board of taxation shall
38 contain information instructing taxpayers on how to appeal their
39 assessment along with the deadline to file an appeal, printed in
40 boldface type.

41 b. In the case of a municipality located in a county where the
42 county board of taxation is participating in the demonstration
43 program established in section 4 of P.L.2013, c.15 (C.54:1-104), in
44 the case of a county operating under the "Property Tax Assessment
45 Reform Act," P.L.2009, c.118 (C.54:1-86 et seq.) and in the case of
46 a municipality located in a county that has adopted, by resolution,
47 the provisions of section 1 of P.L.2018, c.94 (C.54:1-105), every
48 assessor, on or before November 15 of the pretax year, shall notify

1 by mail each taxpayer of the preliminary assessment and preceding
2 year's taxes. Thereafter, the assessor or county board of taxation
3 shall notify each taxpayer by mail within 30 days of any change to
4 the assessment which has occurred as the result of a municipal-wide
5 revaluation or reassessment of real property within the
6 municipality. This notification of change of assessment shall
7 contain the prior assessment and the current assessment. The
8 director shall establish the form of notice of assessment and change
9 of assessment. Any notice issued by the assessor or county board of
10 taxation shall contain information instructing taxpayers on how to
11 appeal their assessment along with the deadline to file an appeal,
12 printed in boldface type. With the exception of any judgment
13 change notification notice required by R.S.54:3-26 or R.S.54:51A-
14 8, the notification required by this section shall satisfy any notice
15 requirement to a property owner in a municipality located in a
16 county wherein the county board of taxation is participating in the
17 “Real Property Assessment Demonstration Program” established in
18 section 4 of P.L.2013, c.15 (C.54:1-104) concerning the assessment
19 of that property owner’s preliminary assessment value for the tax
20 year.

21 c. The county board of taxation of the **[demonstration]** county
22 participating in the real property assessment program established in
23 section 4 of the “Real Property Assessment Demonstration
24 Program,” P.L.2013, c.15 (C.54:1-104) shall make the preliminary
25 data electronically accessible to the public by posting the data in
26 searchable form on the county's website not later than 15 business
27 days after the submission of the preliminary data.
28 (cf: P.L.2018, c.94, s.9)
29

30 9. Section 1 of P.L.1945, c.260 (C.54:4-35.1) is amended to read
31 as follows:

32 1. a. When any parcel of real property contains any building or
33 other structure which has been destroyed, consumed by fire,
34 demolished, or altered in such a way that its value has materially
35 depreciated, either intentionally or by the action of storm, fire,
36 cyclone, tornado, or earthquake, or other casualty, which
37 depreciation of value occurred after October 1 in any year and
38 before January 1 of the following year, the assessor shall, upon
39 notice thereof being given to him by the property owner prior to
40 January 10 of that year, and after examination and inquiry,
41 determine the value of such parcel of real property as of that
42 January 1, and assess the same according to such value.

43 b. (1) In the case of a county participating in the demonstration
44 program established by section 4 of P.L.2013, c.15 (C.54:1-104), a
45 county operating under the “Property Tax Assessment Reform Act,”
46 P.L.2009, c.118 (C.54:1-86 et seq.), and a county that has adopted,
47 by resolution, the provisions of section 1 of P.L.2018, c.94 (C.54:1-
48 105, when any parcel of real property contains any building or other

1 structure which has been destroyed, consumed by fire, demolished,
2 or altered in such a way that its value has materially depreciated,
3 either intentionally or by the action of storm, fire, cyclone, tornado,
4 or earthquake, or other casualty, which depreciation of value
5 occurred after October 1 in any year and before May 1 of the
6 following year, the assessor shall, upon notice thereof being given
7 to him by the property owner prior to May 3 of that year, and after
8 examination and inquiry, determine the value of the parcel of real
9 property as of that May 1, and assess the same according to such
10 value within the final tax list delivered to the county board of
11 taxation on or before May 5 of that year.

12 (2) To properly capture the value of the building or structure
13 from January 1 to the date of the depreciation of the building or
14 structure, the assessor's **【final tax】** added assessment list shall
15 include an improvement value that reflects the prorated value of the
16 building or structure as of January 1 for the number of days prior to
17 the date of the depreciation of the building or structure.

18 (cf: P.L.2017, c.228, s.1)

19

20 10. This act shall take effect immediately.

21

22

23

STATEMENT

24

25 This bill would revise and clarify several processes related to the
26 assessment of real property in counties that operate under the "Real
27 Property Assessment Demonstration Program," P.L.2013, c.15
28 (C.54:1-101 et al., currently only Monmouth County), where
29 municipal-wide reassessments are performed annually by assessors
30 in order to maintain assessments of all parcels of real property at
31 their true value, which is current market value, and an alternative
32 property assessment calendar was created in order for the county
33 board of taxation to hear and decide property tax appeals prior to
34 the adoption of municipal budgets, which provides greater certainty
35 to the municipal budget process.

36 Section 1 of the bill would amend N.J.S.A.54:4-23b pertaining to
37 the internal inspection of all buildings and other structures located
38 on parcels of real property in municipalities located in a county
39 wherein the county board of taxation is participating in the
40 demonstration program established in section 4 of P.L.2013, c.15
41 (C.54:1-104, currently only Monmouth County). As enacted in
42 P.L.2017, c.306, N.J.S.A.54:4-23b also applies to a county
43 operating under the "Property Tax Assessment Reform Act,"
44 P.L.2009, c.118 (C.54:1-86 et seq.; currently, only Gloucester
45 County), which operates under the property assessment calendar
46 established in the "Real Property Assessment Demonstration
47 Program." This bill would amend the statute to also apply to a
48 county that has adopted the assessment calendar established in the

1 “Real Property Assessment Demonstration Program” by resolution
2 as permitted in P.L.2018, c.94 (C.54:1-105; currently only
3 Burlington County as of October 1, 2020). Therefore, some of the
4 amendments to this section shall also apply to Gloucester and
5 Burlington counties. If a municipality elects to perform district-
6 wide assessment changes, P.L.2017, c.306 required the assessors
7 operating under those laws to make three good-faith attempts to
8 physically inspect the interior of each parcel of real property not
9 later than December 31 of the eighth year immediately preceding
10 the year of the implementation of a proposed district-wide
11 reassessment. These inspections are critical to ensure that an
12 assessor is taxing each parcel of real property correctly. This bill
13 defines “good-faith attempt to physically inspect” to mean that the
14 assessor, an employee of the municipality acting on behalf of the
15 assessor, or a representative of a revaluation company or other
16 company hired by the municipality to provide internal inspection
17 services, shall physically arrive at the property and request entry to
18 the interior of the property. If that person is unable to gain entry to
19 the property to perform the interior inspection, the person shall
20 leave a notice affixed to the front door of the property stating in
21 boldface type that an attempt was made to inspect the interior of the
22 property, with the person’s contact information prominently
23 displayed on the notice. In the case of a municipality located in a
24 county wherein the county board of taxation is participating in the
25 “Real Property Assessment Demonstration Program,” the notice
26 shall also state in boldface type that an appeal of the property’s
27 assessment shall not be heard by the county board of taxation unless
28 the interior of the property has been inspected.

29 Section 2 of the bill amends R.S.54:3-21, concerning appeals of
30 assessments, to require, in the case of a municipality located in a
31 county participating in the “Real Property Assessment
32 Demonstration Program,” that an appeal of the property’s
33 assessment shall not be heard by the county board of taxation unless
34 the interior of the property has been inspected.

35 Several sections of the bill address an assessment issue resulting
36 from a recent New Jersey Tax Court decision in the case of a parcel
37 of real property located in Union Beach, in Monmouth County,
38 concerning a property assessment law colloquially referred to in the
39 assessment community as the “freeze act.” R.S.54:3-26 (pertaining
40 to appeals heard at the county board of taxation) and R.S.54:51A-8
41 (pertaining to appeals heard at the New Jersey Tax Court) provide
42 that the adjudged valuation for a tax year reflected in a final
43 judgment of a county board of taxation or the New Jersey Tax Court
44 shall also be the assessed value for the next succeeding two tax
45 years, which essentially “freezes” the assessment for that period of
46 time. Under current law, the “freeze act” does not apply in any year
47 that a municipality undergoes a municipal-wide revaluation of all
48 real property. In Tartivita v. Borough of Union Beach, 31 N.J. Tax

1 335 (Tax 2019), the Tax Court ruled that municipal-wide annual
2 reassessments are not considered to be a complete reassessment of
3 real property, even though the purpose of an annual reassessment is
4 to maintain all properties in a municipality at current market value.
5 Sections 3, 4, 5, and 6 of the bill, concerning appeals, clarify that
6 in the case of a municipality located in a county operating under the
7 provisions of the “Real Property Assessment Demonstration
8 Program,” the “freeze act” and a related property tax assessment
9 law, P.L.1973, c.123, colloquially referred to in the assessment
10 community as “chapter 123,” which was adopted in 1973 as a tool
11 to test the fairness of an assessment and established a “30 percent
12 corridor of value” or “permissible error” shall not apply to any
13 appeal from an assessment of real property taken in the tax year in
14 which the assessor implements either a municipal-wide
15 reassessment or other form of district-wide assessment review that
16 requires the revision of all property assessments to current market
17 value and that is approved by a county board of taxation. Section 3
18 also permits a county tax board in a county operating under the
19 “Real Property Assessment Demonstration Program” to proceed
20 with a full evidentiary appeal proceeding based on evidence
21 submitted without the attendance of the property owner, at the
22 property owner’s sole discretion by written request submitted at the
23 time of the filing, and also allows county board of taxation appeal
24 hearings in those counties to be conducted virtually, using the
25 county’s online appeal system, and conference call technology and
26 protocols adopted by the county board of taxation if the property
27 owner makes such a request in writing at the time of filing.

28 Sections 5 and 6 of the bill require that with respect to real
29 property located in a county operating under the “Real Property
30 Assessment Demonstration Program,” in a municipality that has
31 performed municipal-wide reassessments that were approved by the
32 county board of taxation, and required the review and revision of all
33 parcels to current market value, if the assessor changes an
34 assessment judged by appeal in the previous year by any amount,
35 the assessor would be required to send an additional notice to the
36 owner of the property disclosing the change in assessment. This
37 assessment change notification shall be sent by regular mail at least
38 45 days immediately prior to the deadline for filing an appeal with
39 the county board of taxation.

40 Sections 7 and 8 concern the annual notice of current year’s
41 assessment and prior year’s property taxes required to be provided
42 to all municipal property owners by the assessor. These sections of
43 the bill require that with the exception of any judgment change
44 notification notice required by R.S.54:3-26 or R.S.54:51A-8, this
45 annual notice will satisfy any notice requirement to a property
46 owner concerning the assessment of that property owner’s
47 preliminary assessment value for the tax year in a municipality
48 located in a county wherein the county board of taxation is

1 participating in the “Real Property Assessment Demonstration
2 Program.”

3 Section 9 of the bill concerns parcels of real property on which
4 are located a building or other structure destroyed, consumed by
5 fire, damaged or altered in such a way that the value has depreciated
6 after the assessment was set on October 1 of the pre-tax year, as
7 required by law. In the case of a municipality located in a county
8 operating under the “Real Property Assessment Demonstration
9 Program,” the “Property Tax Assessment Reform Act,” and a
10 county that has adopted, by resolution, the provisions of section 1
11 of P.L.2018, c.94, if that depreciation occurred before May 1 of the
12 tax year and the assessor has been notified prior to May 3 of the tax
13 year, the assessor shall determine the value of the parcel as of May
14 1, and assess the property for taxation at that value. The section
15 also requires that the assessor’s added assessment list for the tax
16 year shall include a value for the improvements that reflect the
17 prorated value of the building or structure as of January 1 of the tax
18 year for the number of days prior to the date of the depreciation of
19 the building or structure.

ASSEMBLY STATE AND LOCAL GOVERNMENT
COMMITTEE

STATEMENT TO
ASSEMBLY, No. 4473

with committee amendments

STATE OF NEW JERSEY

DATED: FEBRUARY 22, 2021

The Assembly State and Local Government Committee reports favorably and with committee amendments Assembly Bill No. 4473.

As amended by the committee, this bill would revise and clarify several processes related to the assessment of real property in counties that operate under the “Real Property Assessment Demonstration Program,” P.L.2013, c.15 (C.54:1-101 et al.) (currently only Monmouth County), where municipal-wide reassessments are performed annually by assessors in order to maintain assessments of all parcels of real property at their true value, which is current market value, and an alternative property assessment calendar was created in order for the county board of taxation to hear and decide property tax appeals prior to the adoption of municipal budgets, which provides greater certainty to the municipal budget process.

Section 1 of the bill would amend section 10 of P.L.2017, c.306 (C.4:4-23b) pertaining to the internal inspection of all buildings and other structures located on parcels of real property in municipalities located in a county wherein the county board of taxation is participating in the demonstration program established in section 4 of P.L.2013, c.15 (C.54:1-104) (currently only Monmouth County). As enacted in P.L.2017, c.306, section 10 of P.L.2017, c.3065 (C.4:4-23b) also applies to a county operating under the "Property Tax Assessment Reform Act," P.L.2009, c.118 (C.54:1-86 et seq.) (currently only Gloucester County), which operates under the property assessment calendar established in the “Real Property Assessment Demonstration Program.” This bill would amend the statute to also apply to a county that has adopted the assessment calendar established in the “Real Property Assessment Demonstration Program” by resolution as permitted in P.L.2018, c.94 (C.54:1-105) (currently only Burlington County as of October 1, 2020). Therefore, some of the amendments to this section also would apply to Gloucester and Burlington counties. If a municipality elects to perform district-wide assessment changes, P.L.2017, c.306 required the assessors operating under those laws to make three good-faith attempts to physically inspect the interior of each parcel of real property not later than December 31 of the eighth

year immediately preceding the year of the implementation of a proposed district-wide reassessment. These inspections are critical to ensure that an assessor is taxing each parcel of real property correctly.

The bill defines “good-faith attempt to physically inspect” to mean that the assessor, an employee of the municipality acting on behalf of the assessor, or a representative of a revaluation company or other company hired by the municipality to provide internal inspection services, would have to physically arrive at the property and request entry to the interior of the property. If that person is unable to gain entry to the property to perform the interior inspection, the person would be required to leave a notice affixed to the front door of the property stating in boldface type that an attempt was made to inspect the interior of the property, with the person’s contact information prominently displayed on the notice. In the case of a municipality located in a county wherein the county board of taxation is participating in the “Real Property Assessment Demonstration Program,” the notice would also state in boldface type that an appeal of the property’s assessment would not be heard by the county board of taxation unless the interior of the property has been inspected.

In the case of a municipality located in a county wherein the county board of taxation is participating in the demonstration program established in section 4 of the “Real Property Assessment Demonstration Program,” P.L.2013, c.15 (C.54:1-104), the internal inspection may, at the taxpayer’s discretion, be performed virtually, pursuant to provisions set forth in the bill.

Section 2 of the bill amends R.S.54:3-21 concerns appeals of real property assessments (colloquially referred to as “tax appeals”). The bill would require, in the case of a municipality located in a county participating in the “Real Property Assessment Demonstration Program,” that, absent good cause, a property owner would not be entitled to appeal an assessment on a parcel of real property if the assessor’s or county board of taxation’s request to internally inspect the property, made after the filing of the appeal, has been refused by the property owner.

Sections 3 and 4 of the bill, concerning tax appeals, clarify that in the case of a municipality located in a county operating under the provisions of the “Real Property Assessment Demonstration Program,” the property tax assessment law, P.L.1973, c.123, colloquially referred to in the assessment community as “chapter 123,” which was adopted in 1973 as a tool to test the fairness of an assessment and established a “30 percent corridor of value” or “permissible error” would not apply to any appeal from an assessment of real property taken in the tax year in which the assessor implements either a municipal-wide reassessment or other form of district-wide assessment review that requires the revision of all property assessments to current market value and that is approved by a county board of taxation. Section 3 also permits a county tax board in a county operating under the “Real

Property Assessment Demonstration Program” to proceed with a full evidentiary appeal proceeding based on evidence submitted without the attendance of the property owner, at the property owner’s sole discretion by written request submitted at the time of the filing, and also allows county board of taxation appeal hearings in those counties to be conducted virtually, using the county’s online appeal system, and conference call technology and protocols adopted by the county board of taxation if the property owner makes such a request in writing at the time of filing.

Sections 5 and 6 concern the annual notice of the current year’s assessment and prior year’s property taxes required to be provided to all municipal property owners by the assessor. These sections of the bill require that this annual notice will satisfy any notice requirement to a property owner concerning the assessment of that property owner’s preliminary assessment value for the tax year in a municipality located in a county wherein the county board of taxation is participating in the “Real Property Assessment Demonstration Program.”

Section 7 of the bill concerns parcels of real property on which are located a building or other structure destroyed, consumed by fire, damaged, or altered in such a way that the value has depreciated after the assessment was set on October 1 of the pre-tax year, as required by law. In the case of a municipality located in a county operating under the “Real Property Assessment Demonstration Program,” the “Property Tax Assessment Reform Act,” and a county that has adopted, by resolution, the provisions of section 1 of P.L.2018, c.94, if that depreciation occurred before May 1 of the tax year and the assessor has been notified prior to May 3 of the tax year, the assessor would be required to determine the value of the parcel as of May 1, and assess the property for taxation at that value. The section also requires that the assessor’s added assessment list for the tax year include a value for the improvements that reflect the prorated value of the building or structure as of January 1 of the tax year for the number of days prior to the date of the depreciation of the building or structure.

As amended and reported by the committee, this bill is identical to Senate Bill No. 2725 (1R), which the committee also reported on this date.

COMMITTEE AMENDMENTS

The committee made the following amendments to the bill:

- to clarify that the owner of real property located in a municipality in a county participating in the “Real Property Assessment Demonstration Program,” absent good cause, would not be entitled to appeal the assessment of their property if the property owner refuses the assessor’s or county board of taxation’s request, made after the appeal is filed, to internally inspect the property, and clarify that the internal inspection, at

the taxpayer's discretion, may be performed virtually pursuant to provisions set forth in the bill.

- To omit sections 5 and 6 in their entirety; and
- to make technical amendments required in the bill.

SENATE BILL NO.2725
(First Reprint)

To the Senate:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Senate Bill No. 2725 (First Reprint) with my recommendations for reconsideration.

This bill would make various changes to the assessment and appeals process in 1) counties operating under the Real Property Assessment Demonstration Program ("Demonstration Program"), currently, only Monmouth County; 2) counties operating under the Property Tax Assessment Reform Act ("Reform Act"), limited in statute to Gloucester County; and 3) counties that have adopted the alternative real property assessment calendar establishment pursuant to the Demonstration Program, currently, only Burlington County.

Among other changes, the bill would amend P.L.2017, c.306 to add a definition of what constitutes a "good-faith attempt to physically inspect" the interior of properties located in counties participating in the Demonstration Program and the Reform Act and add any county who has adopted the alternative assessment calendar to the list of counties subject to the requirements of the law. Under the bill, a county participating in a Demonstration Program would be permitted to conduct an interior inspection virtually, using smartphone technology and protocols adopted by the county board of taxation, at the discretion of the taxpayer. This virtual inspection option would be available for all assessment-related functions conducted in a Demonstration Program county.

With respect to appeals of property tax assessments, the bill provides that taxpayers in a Demonstration Program county are not entitled to appeal an assessment if the taxpayer has refused an assessor's request to internally inspect the property. In addition, the bill specifies that the so-called "Chapter 123 ratio"

shall not apply to taxpayer appeals in a Demonstration Program county in any tax year in which a municipal-wide reassessment or other form of district-wide assessment review occurs. The Chapter 123 ratio eliminates the burden of demonstrating that property was assessed at greater than true value and of proving the common level of assessment for all properties in the municipality.

I applaud the bill's sponsors for attempting to further clarify and streamline the tax assessment functions in those counties that have chosen to participate in the Demonstration Program or the Reform Act. These laws were enacted with the intent of modeling more cost-effective and accurate real property assessment administration. As participating counties' experiences reveal additional opportunities for streamlining and standardizing the assessment function, it is important that statutes keep pace.

While I support the reform measures contemplated in this bill, I am concerned that the bill may inappropriately single out participating counties in a manner that could create unconstitutional disparities among taxpayers based on where they live. The uniformity clause of the New Jersey Constitution requires all property to be assessed for taxation under "general laws," by "uniform rules" and "according to the same standard of value." N.J. Const. Art. 8, Sec. 1, par. 1. By mandating the automatic dismissal of an appeal whenever a taxpayer refuses a virtual inspection only in the case of those taxpayers located in a Demonstration Program county, the bill denies these taxpayers a right to relief that is available to other taxpayers. The same is true for the bill's provision narrowing applicability of the Chapter 123 ratio to exclude certain appeals in a Demonstration Program county, while leaving it in place for appeals taking place in other counties under identical circumstances.

To avoid this outcome, I am recommending revisions to apply the important reform measures proposed in the bill to all counties,

or, where appropriate, to all municipalities implementing annual reassessments or compliance plans. This will ensure that the rules are uniform throughout the State while also enabling all counties and taxpayers to benefit from the bill's efficiencies.

Accordingly, I herewith return Senate Bill No. 2725 (First Reprint) and recommend that it be amended as follows:

- Page 2, Title, Lines 1-2: Delete "in certain counties"
- Page 2, Section 1, Line 20: Delete "eighth"
- Page 2, Section 1, Line 22: Delete "eight-year"
- Page 2, Section 1, Line 38: Delete "However,"
- Page 2, Section 1, Lines 39-43: Delete in their entirety
- Page 3, Section 1, Lines 1-9: Delete in their entirety
- Page 3, Section 1, Line 10: Delete "In the case of a municipality located in a county wherein the" and insert "Notwithstanding the provisions of this section, in any municipality implementing a revaluation program approved by the Director of the Division of Taxation pursuant to P.L.1971, c.424 (C. 54:1-35.35 et seq.), district-wide reassessment program, compliance plan, or other form of municipal-wide assessment review that requires the revision of all property assessments to current market value, that is approved by the county board of taxation"
- Page 3, Section 1, Lines 11-12: Delete in their entirety
- Page 3, Section 1, Line 13: Delete "Demonstration Program," P.L.2013, c.15 (C.54:1-104),"
- Page 6, Section 3, Line 26: After "seq.)" insert ", district-wide reassessment program, compliance plan, or other form of municipal-wide assessment review that requires the revision of all property assessments to current market value, that is approved by the county board of taxation pursuant to R.S.54:4-23"
- Page 6, Section 3, Lines 27-39: Delete in their entirety

Page 6, Section 3, Line 40:

Delete "Demonstration Program," P.L.2013, c.15 (C.54:1-104), at" and insert "g. At"

Page 7, Section 3, Lines 3-5:

Delete in their entirety

Page 7, Section 3, Line 6:

Delete "Demonstration Program," P.L.2013, c.15 (C.54:1-104), at" and insert "h. At"

Page 7, Section 3, Lines 9-10:

Delete "the county's online appeal system, and"

Page 7, Section 3, Line 11:

After "taxation." insert "The county board of taxation may relax the requirement of the time of the taxpayer's appeal as the needs of justice allow."

Page 7, Section 4, Line 36:

Delete "or a" and insert "district-wide reassessment program, compliance plan, or other form of municipal-wide assessment review that requires the revision of all property assessments to current market value, that is approved by the county board of taxation pursuant to R.S.54:4-23."

Page 7, Section 4, Lines 37-47:

Delete in their entirety

[seal]

Respectfully,
/s/ Philip D. Murphy
Governor

Attest:

/s/ Parimal Garg
Chief Counsel to the Governor

Governor Murphy Takes Action on Legislation

06/30/2021

TRENTON - Today, Governor Murphy signed the following bills into law.

S-2682/A-4016 w/GR (Gopal, Kean/Dancer, Benson, Verrelli) – Establishes the New Jersey Rare Disease Advisory Council.

S-2725/A-4473 w/GR (Gopal/Houghtaling, Downey) – Concerns assessment of real property in counties operating under "Real Property Assessment Demonstration Program."

S-3489/A-5465 (Sweeney, Pou/Benson, Vainieri Huttie, Speight) – Changes effective date of new law concerning certain State contracts for mental health, behavioral health, and addiction services.

S-3998/A-5938 (Sarlo/Chiaravalloti) – Authorizes State Treasurer to determine salary of Director of Division of Investment.

S-3999/A-5942 (Beach/Pintor Marin) – Authorizes Secretary of State and New Jersey Motor Vehicle Commission to share voter and motor vehicle information with state-based non-profit organization for maintaining accuracy of voter registration information.

Governor Murphy Takes Action on Legislation

04/19/2021

TRENTON - Today, Governor Phil Murphy signed the following bills and resolutions into law:

SJR-93/AJR-180 (Lagana, Cunningham, Pou/Wimberly, Reynolds-Jackson, Quijano) Designates February 14 of each year as Frederick Douglass Day in NJ.

S-275/A-2142 (Kean, Cruz-Perez/Tully, Swain, Dancer) Provides resident tuition rate to certain non-resident dependent children of United States military personnel attending public institutions of higher education.

S-551/A-1057 (Codey, Bucco/Jasey, McKeon, Dunn) Permits appointment of nonresident municipal emergency management coordinators in municipalities with populations under 5,000 persons in certain circumstances.

S-699/A-5245 (Ruiz, Singleton/Sumter, Reynolds-Jackson, Stanley) Requires training for DOE arbitrators to include issues related to cultural diversity and bias.

S-1017/A-2562 (Gopal, Lagana/DeAngelo, Dancer, Chaparro) Provides retirement allowance after 20 years of service regardless of age for current members of PFRS who retire within two years.

S-1851/A-4407 (Ruiz, Cryan/Jasey, Moriarty) Eliminates eligibility of postsecondary students and other individuals for State student assistance, training, and employment services if school or training provider requires student to consent to arbitration agreement or proceeding or to waive certain rights.

S-2323/A-3869 (Gopal, Bucco/Armato, Vainieri Huttle, Verrelli) Requires opioid antidote prescriptions for certain patients.

S-2476/A-3998 (Singleton, Addiego/Murphy, Giblin, Verrelli) Concerns certain workers' compensation supplemental benefits for surviving dependents of essential employees who die in course of employment.

[Copy of Statement](#)

S-2831/A-4783 (Ruiz, Beach/Quijano, Lampitt, Jasey) Requires DOE to establish Alternate Route Interstate Reciprocity Pilot Program

S-2973/A-4895 (Beach/Armato) Creates office of deputy superintendent of elections in counties of fifth class.

S-3004/A-4947 (Sarlo, Pou/Johnson, Wirths, Reynolds-Jackson) Establishes retroactive date for provisions of P.L.2018, c.165, which clarifies provisions of "Predatory Towing Prevention Act."

Governor Murphy vetoed the following bills:

S-347/A-1992 (Smith, Vitale/Stanley, Conaway, Houghtaling) - CONDITIONAL - Establishes "NJ One Health Task Force."

[Copy of Statement](#)

S-619/A-1635 (O'Scanlon/Lampitt, Downey) - CONDITIONAL - Permits use of telemedicine and telehealth to authorize patients for medical cannabis and to issue written instructions for dispensing medical cannabis.

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S-2725/A-4473 (Gopal/Houghtaling, Downey) - CONDITIONAL - Concerns assessment of real property in counties operating under "Real Property Assessment Demonstration Program."

Copy of Statement

April 19, 2021

SENATE BILL NO.2725
(First Reprint)

To the Senate:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Senate Bill No. 2725 (First Reprint) with my recommendations for reconsideration.

This bill would make various changes to the assessment and appeals process in 1) counties operating under the Real Property Assessment Demonstration Program ("Demonstration Program"), currently, only Monmouth County; 2) counties operating under the Property Tax Assessment Reform Act ("Reform Act"), limited in statute to Gloucester County; and 3) counties that have adopted the alternative real property assessment calendar establishment pursuant to the Demonstration Program, currently, only Burlington County.

Among other changes, the bill would amend P.L.2017, c.306 to add a definition of what constitutes a "good-faith attempt to physically inspect" the interior of properties located in counties participating in the Demonstration Program and the Reform Act and add any county who has adopted the alternative assessment calendar to the list of counties subject to the requirements of the law. Under the bill, a county participating in a Demonstration Program would be permitted to conduct an interior inspection virtually, using smartphone technology and protocols adopted by the county board of taxation, at the discretion of the taxpayer. This virtual inspection option would be available for all assessment-related functions conducted in a Demonstration Program county.

With respect to appeals of property tax assessments, the bill provides that taxpayers in a Demonstration Program county are not entitled to appeal an assessment if the taxpayer has refused an assessor's request to internally inspect the property. In addition, the bill specifies that the so-called "Chapter 123 ratio"

shall not apply to taxpayer appeals in a Demonstration Program county in any tax year in which a municipal-wide reassessment or other form of district-wide assessment review occurs. The Chapter 123 ratio eliminates the burden of demonstrating that property was assessed at greater than true value and of proving the common level of assessment for all properties in the municipality.

I applaud the bill's sponsors for attempting to further clarify and streamline the tax assessment functions in those counties that have chosen to participate in the Demonstration Program or the Reform Act. These laws were enacted with the intent of modeling more cost-effective and accurate real property assessment administration. As participating counties' experiences reveal additional opportunities for streamlining and standardizing the assessment function, it is important that statutes keep pace.

While I support the reform measures contemplated in this bill, I am concerned that the bill may inappropriately single out participating counties in a manner that could create unconstitutional disparities among taxpayers based on where they live. The uniformity clause of the New Jersey Constitution requires all property to be assessed for taxation under "general laws," by "uniform rules" and "according to the same standard of value." N.J. Const. Art. 8, Sec. 1, par. 1. By mandating the automatic dismissal of an appeal whenever a taxpayer refuses a virtual inspection only in the case of those taxpayers located in a Demonstration Program county, the bill denies these taxpayers a right to relief that is available to other taxpayers. The same is true for the bill's provision narrowing applicability of the Chapter 123 ratio to exclude certain appeals in a Demonstration Program county, while leaving it in place for appeals taking place in other counties under identical circumstances.

To avoid this outcome, I am recommending revisions to apply the important reform measures proposed in the bill to all counties, or, where appropriate, to all municipalities implementing annual reassessments or compliance plans. This will ensure that the rules are uniform throughout the State while also enabling all counties and taxpayers to benefit from the bill's efficiencies.

Accordingly, I herewith return Senate Bill No. 2725 (First Reprint) and recommend that it be amended as follows:

<u>Page 2, Title, Lines 1-2:</u>	Delete "in certain counties"
<u>Page 2, Section 1, Line 20:</u>	Delete "eighth"
<u>Page 2, Section 1, Line 22:</u>	Delete "eight-year"
<u>Page 2, Section 1, Line 38:</u>	Delete "However,"
<u>Page 2, Section 1, Lines 39-43:</u>	Delete in their entirety
<u>Page 3, Section 1, Lines 1-9:</u>	Delete in their entirety
<u>Page 3, Section 1, Line 10:</u>	Delete "In the case of a municipality located in a county wherein the" and insert "Notwithstanding the provisions of this section, in any municipality implementing a revaluation program approved by the Director of the Division of Taxation pursuant to P.L.1971, c.424 (C. 54:1-35.35 et seq.), district-wide reassessment program, compliance plan, or other form of municipal-wide assessment review that requires the revision of all property assessments to current market value, that is approved by the county board of taxation"
<u>Page 3, Section 1, Lines 11-12:</u>	Delete in their entirety
<u>Page 3, Section 1, Line 13:</u>	Delete "Demonstration Program," P.L.2013, c.15 (C.54:1-104),"
<u>Page 6, Section 3, Line 26:</u>	After "seq.)" insert ", district-wide reassessment program, compliance plan, or other form of municipal-wide assessment review that requires the revision of all

property assessments to current market value, that is approved by the county board of taxation pursuant to R.S.54:4-23"

- Page 6, Section 3, Lines 27-39: Delete in their entirety
- Page 6, Section 3, Line 40: Delete "Demonstration Program," P.L.2013, c.15 (C.54:1-104), at" and insert "g. At"
- Page 7, Section 3, Lines 3-5: Delete in their entirety
- Page 7, Section 3, Line 6: Delete "Demonstration Program," P.L.2013, c.15 (C.54:1-104), at" and insert "h. At"
- Page 7, Section 3, Lines 9-10: Delete "the county's online appeal system, and"
- Page 7, Section 3, Line 11: After "taxation." insert "The county board of taxation may relax the requirement of the time of the taxpayer's appeal as the needs of justice allow."
- Page 7, Section 4, Line 36: Delete "or a" and insert "district-wide reassessment program, compliance plan, or other form of municipal-wide assessment review that requires the revision of all property assessments to current market value, that is approved by the county board of taxation pursuant to R.S.54:4-23."
- Page 7, Section 4, Lines 37-47: Delete in their entirety

[seal]

Respectfully,

/s/ Philip D. Murphy

Governor

Attest:

/s/ Parimal Garg

Chief Counsel to the Governor