

# SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

## STATEMENT TO

### **SENATE, No. 2711**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: NOVEMBER 23, 2009

The Senate Community and Urban Affairs Committee reports favorably and with committee amendments Senate Bill No. 2711.

This bill, as amended by the committee, would eliminate parts of the notice and approval requirements that a tax assessor must satisfy before the assessor may perform reassessments for a portion or portions of a taxing district. The bill, as amended, also increases the monetary threshold for the appeal of a property assessment directly to the Tax Court.

Under current law, reassessments of property values in a portion of a taxing district are not permitted unless the tax assessor notifies the mayor, the municipal governing body, the Division of Taxation in the Department of the Treasury as well as the county board of taxation and the county tax administrator of the assessor's reasons for wanting to reassess a portion of a taxing district. Current law also affords both the county board of taxation as well as the Division of Taxation the power to approve or deny an assessor's compliance plan for the proposed partial reassessment.

The amended bill would increase the threshold for bringing a property tax appeal directly to Tax Court from an assessed value of \$750,000 to an assessed value of at least \$1,000,000 dollars. Notwithstanding the current economic crisis, many homes in New Jersey have an assessed value well in excess of \$1,000,000. Increasing the assessed value requirement will decrease the overburdened tax court's caseload and allow these cases to be heard by county boards of taxation, which are better equipped to handle a large volume of tax appeals.

The bill, as amended, also would eliminate the assessor's requirement to notify the mayor, the municipal governing body and the Division of Taxation, and retain the requirement that the assessor notify the county board of taxation and the county tax administrator of the assessor's reasons for wanting to conduct a partial reassessment of the taxing district. Additionally, the bill, as amended, would remove the Division of Taxation's power of approval over the assessor's compliance plan, allowing the assessor to proceed to conduct a partial reassessment upon the county board of taxation's approval of the

assessor's compliance plan. Finally, as amended by the committee, the bill would remove the current provision that, if the assessor does not receive an approval decision or a decision disapproving the plan from either the county board of taxation or the Division of Taxation within 45 days of their receipt of the compliance plan, then the entity that did not respond would be deemed to have approved the plan.

The committee amended the bill to require that a property have an assessed value of at least \$1,000,000 dollars in order for an appeal of the property tax assessment to be heard directly by the Tax Court. This represents an increase from the prior threshold of \$750,000.