

ASSEMBLY, No. 3690

STATE OF NEW JERSEY 217th LEGISLATURE

INTRODUCED MAY 19, 2016

Sponsored by:

Assemblyman DECLAN J. O'SCANLON, JR.
District 13 (Monmouth)

Co-Sponsored by:

Assemblyman Peterson

SYNOPSIS

Concerns assessment of real property; requires cessation of all State aid to municipality under certain circumstances when assessments not kept current.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 9/9/2016)

1 AN ACT concerning the assessment of real property and
2 supplementing P.L.1973, c.123 (C.54:1-35a et al.).
3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:
6

7 1. Each county board of taxation, in consultation with the
8 county tax administrator, or the county assessor in a municipality
9 operating under the "Property Tax Assessment Reform Act,"
10 P.L.2009, c.118 (C.54:1-86 et seq.), shall annually review the real
11 property values in each municipality in the county in accordance
12 with criteria set forth in chapter 12A of Title 18 of the New Jersey
13 Administrative Code to determine whether the real property values
14 in any municipality in the county indicate a need for that
15 municipality to undergo a revaluation or reassessment of real
16 property located in the municipality. Not later than December 1 of
17 each year, the county tax administrator, or the county assessor in
18 the case of a municipality operating under the "Property Tax
19 Assessment Reform Act," P.L.2009, c.118 (C.54:1-86 et seq.), shall
20 provide a list of the municipalities located in the county that the
21 county tax board has determined require the revaluation or
22 reassessment of real property to the State Treasurer and the Director
23 of the Division of Taxation in the Department of the Treasury.
24

25 2. In accordance with the provisions of statutory law and with
26 any regulations promulgated thereunder, following the annual
27 review of real property by a county board of taxation as required in
28 section 1 of P.L. , c. (C.) (pending before the Legislature as
29 this bill) and upon approval by the Director of the Division of
30 Taxation in the Department of the Treasury, the board shall compel
31 the implementation of a revaluation or reassessment of real property
32 in any municipality in the county in which the property values
33 indicate a need for a revaluation or reassessment of real property
34 therein.

35 If a municipality fails to comply with a revaluation or
36 reassessment, as appropriate, ordered by the county board of
37 taxation in a timely manner, the county board of taxation shall
38 cause the revaluation or reassessment, as appropriate, to be
39 performed at the municipality's cost. The cost of a revaluation or
40 reassessment, as appropriate, shall be directly billed to such a
41 municipality, in addition to the apportionment valuation, through
42 the adjustment of the county levy for that municipality pursuant to
43 R.S.54:4-48 and R.S.54:4-49.

44 A municipality feeling aggrieved by a decision of the county
45 board of taxation to cause the revaluation or reassessment, as
46 appropriate, to be performed at the municipality's cost may file an
47 appeal of that decision of the county board of taxation to the Tax
48 Court within 45 days of the approval by the Director of the Division

1 of Taxation of the county tax board's order requiring the revaluation
2 or reassessment, as appropriate.

3
4 3. The Director of the Division of Taxation in the Department
5 of the Treasury shall investigate the failure of a county board of
6 taxation to perform the annual revaluation review required in
7 section 1 of P.L. , c. (C.) (pending before the
8 Legislature as this bill), or to compel a revaluation or reassessment
9 as required in section 2 of P.L. , c. (C.) (pending
10 before the Legislature as this bill). Following that investigation, if
11 the director determines that any, or all, of the members of the
12 county board of taxation willfully or intentionally failed, neglected,
13 or refused to comply with the requirements of sections 1 and 2 of
14 P.L. , c. (C.) (pending before the Legislature as this bill), the
15 director shall advise the State Treasurer and the Governor of his
16 determination, and any, or all of those members, shall be subject to
17 removal from office pursuant to R.S.54:3-28.

18
19 4. The State Treasurer shall withhold the payment of all State
20 aid awarded, or to be awarded, to a municipality when the average
21 ratio of assessed to true value of real property in the municipality,
22 as determined by the Director of the Division of Taxation in the
23 Department of Treasury pursuant to section 5 of P.L.1973,
24 c.123 (C.54:1-35b), falls below 85percent for five consecutive
25 years, or the general coefficient of deviation for the municipality
26 exceeds 15 percent for five consecutive years. The State Treasurer
27 shall authorize the resumption of the awarding of new State aid to
28 such a municipality only after a revaluation of real property has
29 been implemented in the municipality.

30 The State Treasurer shall withhold the payment of State aid to a
31 municipality as of July 1 of the fifth tax year in which the average
32 ratio of assessed to true value in the municipality has fallen below
33 85 percent or the general coefficient of deviation for the
34 municipality exceeds 15 percent, and State aid shall not resume
35 until July 1 of the tax year in which the revaluation of property in
36 the municipality is implemented. After the resumption of the
37 payment of State aid to the municipality, the municipality shall not
38 receive any portion of the withheld State aid.

39 As used in this section:

40 "General coefficient of deviation" means the average deviation
41 from the average assessment sales ratio expressed as a percentage
42 of average assessment ratio for each taxing district, for all
43 properties included in "usable sales" without regard to property
44 class, property size, or any other property characteristic.

45 "State aid" means Consolidated Municipal Property Tax Relief
46 Aid; Energy Tax Receipts Property Tax Relief Aid distributed
47 pursuant to the "Energy Tax Receipts Property Tax Relief Act,"
48 P.L.1997, c.167 (C.52:27D-438 et seq.); Transitional Aid to

1 Localities or any successor discretionary aid program for
2 municipalities in fiscal distress; payments in lieu of taxation
3 distributed pursuant to the "Garden State Preservation Trust Act,"
4 P.L.1999, c.152 (C.13:8C-1 et seq.); and watershed moratorium
5 offset aid distributed pursuant to section 1 of P.L.1999,
6 c.225 (C.58:29-8).

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8 5. This act shall take effect immediately.

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STATEMENT

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13 This bill would require each county board of taxation, in
14 consultation with the county tax administrator, or the county
15 assessor in a municipality operating under the "Property Tax
16 Assessment Reform Act," P.L.2009, c.118 (C.54:1-86 et seq.), to
17 annually review the real property values in each municipality in the
18 county in accordance with criteria set forth in chapter 12A of Title
19 18 of the New Jersey Administrative Code to determine whether the
20 real property values in any municipality in the county indicate a
21 need for that municipality to undergo a revaluation or reassessment
22 of real property located in the municipality. Not later than
23 December 1 of each year, the county tax administrator, or the
24 county assessor, as appropriate, must provide a list of the
25 municipalities located in the county that the county tax board has
26 determined require the revaluation or reassessment of real property
27 to the State Treasurer and the Director of the Division of Taxation.

28 After the county board of taxation conducts the required annual
29 review, it shall compel the implementation of a revaluation or
30 reassessment of real property in any municipality in the county in
31 which the property values indicate a need for a revaluation or
32 reassessment of real property.

33 If a municipality fails to comply with a revaluation or
34 reassessment, as appropriate, ordered by the county board of
35 taxation in a timely manner, the county board of taxation shall
36 cause the revaluation or reassessment, as appropriate, to be
37 performed at the municipality's cost.

38 The bill requires the director to investigate the failure of a county
39 board of taxation to perform the annual revaluation review required
40 in section 1 of the bill, or to compel a revaluation or reassessment
41 as required in section 2 of the bill. Following that investigation, if
42 the director determines that any, or all, of the members of the
43 county board of taxation willfully or intentionally failed, neglected,
44 or refused to comply with the requirements of sections 1 and 2 of
45 P.L. , c. (C.) (pending before the Legislature as this bill), the
46 director shall advise the State Treasurer and the Governor of his
47 determination, and any, or all of those members, shall be subject to
48 removal from office pursuant to R.S.54:3-28.

1 The bill would also require the State Treasurer to withhold all
2 State aid awarded, or to be awarded, to a municipality when the
3 ratio of assessed to true value of real property in the municipality,
4 as determined by the Director of the Division of Taxation in the
5 Department of Treasury pursuant to section 5 of P.L.1973,
6 c.123 (C.54:1-35b), falls below 85% for five consecutive years.
7 (The general coefficient of deviation is an average deviation from
8 the average assessment sales ratio expressed as a percentage of
9 average assessment ratio for each taxing district, for all properties
10 included in “usable sales”.) The State Treasurer shall authorize the
11 resumption of the awarding of State aid to such a municipality only
12 after only after a revaluation of real property has been implemented
13 in the municipality.

14 In the bill, “State aid” is defined as Consolidated Municipal
15 Property Tax Relief Aid; Energy Tax Receipts Property Tax Relief
16 Aid distributed pursuant to P.L.1997, c.167 (C.52:27D-438);
17 Transitional Aid to Localities or any successor discretionary aid
18 program for municipalities in fiscal distress; payments in lieu of
19 taxation distributed pursuant to P.L.1999, c.152 (C.13:8C-1 et seq.);
20 and watershed moratorium offset aid distributed pursuant to section
21 1 of P.L.1999, c.225 (C.58:29-8).