SENATE, No. 3530

STATE OF NEW JERSEY
218th LEGISLATURE

INTRODUCED MARCH 4, 2019

Sponsored by:
Senator VIN GOPAL
District 11 (Monmouth)

SYNOPSIS
Concerns assessment of real property in municipalities located in certain counties.

CURRENT VERSION OF TEXT
As introduced.

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

1. Section 10 of P.L.2017, c.306 (C.54:4-23b) is amended to read as follows:
   10. a. Regarding inspections of real property for purposes of a municipal-wide reassessment pursuant to R.S.54:4-23, 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 P.L.2013, c.15 (C.54:1-104) and in the case of a county operating under the "Property Tax Assessment Reform Act."

P.L.2009, c.118 (C.54:1-86 et seq.), the assessor or the assessor’s lawful representative shall make three good-faith attempts to physically inspect the interior of all buildings or other structures on each of the parcels of real property in the municipality not later than December 31 of the eighth year immediately preceding the year of the implementation of the proposed district-wide reassessment. The three good-faith attempts to physically inspect shall be made within the same tax year, and shall be made not less than seven calendar days of each other.

   The assessor shall annually provide to the county board of taxation, on or before January 31 of the subsequent tax year, an electronic file, in CSV format, containing the dates and times of each good-faith attempt to physically inspect the property pursuant to this subsection, and whether the attempt was granted or refused, or whether there was no response to the attempt. Such inspections may be performed in an ongoing eight-year assessment cycle. When available, a computer tablet or similar data collection device shall record the latitude and longitude of the parcel of real property to demonstrate the time and date of each inspection, and that data shall be included in the electronic file annually provided to the county board of taxation. If, after the third unsuccessful good-faith attempt to physically inspect the interior of the premises all buildings or other structures on that parcel of real property, access to the interior of the premises has not been granted by the property owner obtained, for whatever reason, the assessor shall assess the property using other observations and sources, including information on the property record card maintained by the assessor.

   The county board of taxation shall not hear an appeal of the assessment of a parcel of real property conducted pursuant to this subsection if the three good-faith attempts to physically inspect were unsuccessful. The county board of taxation shall, not less than

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.
14 calendar days prior to the first hearing date of the appeal, provide written notice to every taxpayer who has filed an appeal of an assessment conducted pursuant to this subsection, and whose property has not been internally inspected after three good-faith attempts to physically inspect, stating that the taxpayer is required to permit the inspection of the interior of all buildings or other structures on the parcel of real property for which the appeal has been filed not less than seven calendar days prior to the first hearing date of the appeal. The notice shall contain information to arrange for an internal inspection.

b. 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 P.L.2013, c.15 (C.54:1-104) where real property assessments are annually revised to reflect their true value and supported by an internal inspection program pursuant to this section, in addition to the inspections described in subsection a. of this section, after a deed is filed with the county clerk, the assessor or the assessor’s representative may physically inspect the interior of all buildings or other structures on that parcel of real property. If the assessor or the assessor’s representative determines that an inspection is necessary, the assessor or the assessor’s representative shall make three good-faith attempts to physically inspect. The three good-faith attempts shall be made not less than seven calendar days of each other.

The assessor shall annually provide to the county board of taxation, on or before January 31 of the subsequent tax year, an electronic file, in CSV format, containing the dates and times of each good-faith attempt to physically inspect the property pursuant to this subsection, and whether the attempt was granted or refused, or whether there was no response to the attempt. When available, a computer tablet or similar data collection device shall record the latitude and longitude of the parcel of real property to demonstrate the time and date of each inspection, and that data shall be included in the electronic file annually provided to the county board of taxation. If, after the third unsuccessful good-faith attempt to physically inspect the interior of all buildings and other structures on that parcel of real property, access has not been obtained, for whatever reason, the assessor shall assess the property using other observations and sources, including, but not limited to, information on the property record card maintained by the assessor.

The county board of taxation shall not hear an appeal of the assessment of a parcel of real property conducted pursuant to this subsection if the three good-faith attempts to physically inspect were unsuccessful. The county board of taxation shall, not less than 14 calendar days prior to the first hearing date of the appeal, provide written notice to every taxpayer who has filed an appeal of an assessment conducted pursuant to this subsection, and whose property has not been internally inspected after three good-faith
attempts to physically inspect, stating that the taxpayer is required
to permit the inspection of the interior of all buildings or other
structures on the parcel of real property for which the appeal has
been filed not less than seven calendar days prior to the first hearing
date of the appeal. The notice shall contain contact information to
arrange for an internal inspection.

As used in this section:

“Good-faith attempt to physically inspect” shall mean that the
assessor, an employee of the municipality working on behalf of the
assessor, or a representative of a revaluation company, or other
company hired by the municipality to provide internal inspection
services, shall physically arrive at the parcel of real property and
request entry to the interior of the property. If that person is unable
to gain entry to the property or to perform an interior inspection, the
person shall leave a notice affixed to the front door of the property
with the appropriate contact information. The notice shall state in
boldface type that an attempt was made to inspect the interior of the
property, and that an appeal of the property’s assessment shall not
be heard by the county board of taxation until the interior of the
parcel of real property has been inspected.

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

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

b. (1) In the case of a county participating in the demonstration
program established by section 4 of the “Real Property Assessment
Demonstration Program,” P.L.2013, c.15 (C.54:1-104) or a county
operating under the “Property Tax Assessment Reform Act,” P.L.
2009, c.118 (C.54:1-86 et al.), and in the case of a county that has
adopted the alternative real property assessment dates established in
the “Real Property Assessment Demonstration Program” in
accordance with P.L.2018, c.94, when any parcel of real property
contains any building or other structure which has been destroyed, 
consumed by fire, demolished, or altered in such a way that its
value has materially depreciated, either intentionally or by the
action of storm, fire, cyclone, tornado, or earthquake, or other
casualty, which depreciation of value occurred after October 1 in
any year and before May 1 of the following year, the assessor shall, upon notice thereof being given to him by the property owner prior to May 3 of that year, and after examination and inquiry, determine the value of the parcel of real property as of that May 1, and assess the same according to such value within the final tax list delivered to the county board of taxation on or before May 5 of that year.

(2) To properly capture the value of the building or structure from January 1 to the date of the depreciation of the building or structure, the assessor’s [final tax list] Added Assessment List shall include an improvement value that reflects the prorated value of the building or structure as of January 1 for the number of days prior to the date of the depreciation of the building or structure.

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

3. This act shall take effect immediately.

STATEMENT

This bill would revise current law pertaining to the assessment of real property 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), and in 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).

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 requires that the three good-faith attempts are to be made within the same tax year, and not less than seven calendar days of each other. If, after the third unsuccessful attempt to inspect the interior of all buildings or other structures on that parcel of property, access has not been obtained, for whatever reason, the assessor must assess the property using other observations and sources, including information on the property record card maintained by the assessor. The bill also would prohibit the county board of taxation in the respective counties from hearing an appeal of the assessment of a parcel of real property unless an inspection of the interior of all buildings or other structures on that parcel of property has been performed by the assessor, or the assessor’s representative. These provisions are intended to ensure that the county board of taxation has complete and up-to-date information about all of the characteristics of a
property when hearing a taxpayer’s appeal of the property’s assessment.

With respect to 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), the bill would provide an additional opportunity for the inspection of real property. The bill would permit the municipal assessor, and staff, or their lawful agents, to inspect the interior of all buildings and other structures on a parcel of property after a deed is filed with the county clerk. If, after the third unsuccessful attempt to inspect such a property, access has not been obtained, for whatever reason, the assessor would be required to assess the property using other observations and sources, including, but not limited to, information on the property record card maintained by the assessor. The county board of taxation in such a county would also be prohibited from hearing an appeal of the assessment of such a property unless an inspection of the interior of all buildings or other structures on the parcel of real property has been performed by the assessor or the assessor’s representative. Taxpayers who file an appeal shall be given written notice of the need to permit internal inspection of the property and giving them a window of time to allow an internal inspection prior to the hearing date.

The bill would also extend the window in which a municipality may reflect a reduction in the value of an improvement while ensuring proper taxation for the time prior to the reduction, if that municipality is in a county subject to the provisions of either the “Property Tax Assessment Reform Act” or the “Real Property Assessment Demonstration Program,” or if the county has adopted the revised assessment calendar in accordance with P.L.2018, c.94.

Current law provides that assessed values are set as of October 1 of the pre-tax year. This statute historically permitted the municipality to reflect changes in the assessment that occurred between October 1 and January 1. In the event there was material depreciation during the tax year, the taxpayer would be required to continue to pay property taxes that reflected the full value of the property, regardless of its depreciated state. Due to the modified assessment calendar enacted under P.L.2013, c.15, and in the case of a county operating under the “Property Tax Assessment Reform Act” or a county that has adopted the revised assessment calendar in accordance with P.L.2018, c.94, the Final Tax List is not set until May 5. This calendar permits the municipality to properly reflect the value of properties that have experienced material depreciation during the first four months of the year without creating an undue burden on other taxpayers or an under-collection of revenue for the municipality. The reduced assessment value is used to create the general tax rate which ensures sufficient billing. Under this bill, in order to secure complete taxation of a depreciated property, and to properly reflect and tax the time in which the structure was not
depreciated, the difference between the value of the improvement as it existed from January 1, and the depreciated value, are to be placed in the Added Assessment List filed in October, reflecting the number of days between January 1 and the date of material depreciation.