

SENATE, No. 3762

STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED MAY 16, 2019

Sponsored by:

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District 3 (Cumberland, Gloucester and Salem)

Senator DECLAN J. O'SCANLON, JR.

District 13 (Monmouth)

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SYNOPSIS

Concerns assessment of real property.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/11/2019)

1 AN ACT concerning the assessment of real property and amending
2 P.L.2009, c.118.

3
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6
7 1. Section 2 of P.L.2009, c.118 (C.54:1-87) is amended to read
8 as follows:

9 2. The Legislature finds and declares:

10 **[**a. Under the current real property assessment system, each
11 municipality within a county assesses its property at a different
12 percentage of market value, requiring that property be equalized to
13 apportion county taxes among the constituent municipalities in
14 order to meet the requirements of the Uniformity Clause, Article
15 VIII, Section I, paragraph 1 of the New Jersey Constitution.

16 b. Under the current real property assessment system each
17 municipality has its own assessor. The decision to revalue is often
18 postponed beyond what is prudent, causing some property taxpayers
19 in a municipality to subsidize other property taxpayers for many
20 years.

21 c. A county tax assessment system will help address the
22 shortcomings of the municipal assessment system by removing
23 local responsibility for local revaluation costs.]

24 a. The “Property Tax Assessment Reform Act,” P.L.2009,
25 c.118 (C.54:1-86 et al.) was originally enacted as a pilot program to
26 assess the effectiveness of a county-based real property assessment
27 system. At the time of the law’s enactment, real property
28 assessment was performed strictly by municipal assessors. The real
29 property in each municipality within a county was assessed at a
30 different percentage of market value, which necessitated the
31 equalization of property values in order to apportion county taxes
32 equally among all property taxpayers as required by Article VIII,
33 Section I, paragraph 1 of the New Jersey Constitution.
34 Municipalities often delayed the revaluation of real property, a
35 process to update property values to reflect their “true value,” due
36 to the expense of the process. These delays often resulted in
37 taxpayers paying property taxes that were unrelated to the true
38 value of their property.

39 b. The “Property Tax Assessment Reform Act” was originally
40 intended to demonstrate that a centralized, county-based real
41 property assessment process would allow for the determination of
42 the true value of every parcel of real property in a county, and the
43 maintenance of those true values going forward, benefitting
44 property taxpayers as well as all of the local government units that
45 depend on property taxes as their greatest share of revenue, because

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 assessments would consistently be maintained at true value. The
2 Legislature was also interested in determining whether a
3 centralized, county-based real property assessment process would
4 be more cost efficient than having an assessor and support staff
5 employed in each municipality in the State.

6 c. Upon the enactment of the "Property Tax Assessment
7 Reform Act," Gloucester County became the pilot county of a
8 county-based real property assessment pilot program, and the
9 financial benefits of such a system quickly became evident. In-
10 house reassessments eliminated the need for costly revaluations; the
11 county assessor's office cost per tax line item is substantially lower
12 than the municipal cost per tax line item prior to the pilot program;
13 and the number of tax appeals has fallen substantially, because
14 assessments are maintained at a true value. Most importantly, the
15 county-based pilot program produced fair and uniform assessments
16 in Gloucester County, so that property taxpayers would pay
17 property taxes based on the true value of their property.

18 d. Given the success of the pilot program in Gloucester County,
19 other counties in the State should be permitted to adopt the
20 provisions of the "Property Tax Assessment Reform Act."

21 (cf: P.L.2009, c.118, s.2)

22
23 2. Section 3 of P.L.2009, c.118 (C.54:1-88) is amended to read
24 as follows:

25 3. As used in this act:

26 "County governing body" means the county board of chosen
27 freeholders **【of the pilot county】**, or in the case of those counties
28 that have adopted the provisions of P.L.1972, c.154 (C.40:41A-1 et
29 seq.), the county board of chosen freeholders and the county
30 executive, the county supervisor, or the county manager, as
31 appropriate.

32 "County assessor" means the person appointed by the county
33 governing body pursuant to section 4 of P.L.2009, c.118 (C.54:1-
34 89) to assess property within the county for the purposes of taxation
35 and exemption from taxation.

36 "Department" means the Department of the Treasury.

37 "Director" means the Director of the Division of Property
38 Assessment in the Department of the Treasury.

39 "Deputy county assessor" means the holder of a certified
40 property assessor certificate who is employed by the office of the
41 county assessor **【within the pilot county】** and assigned to perform
42 duties and responsibilities for the assessment of property for
43 purposes of taxation under the supervision of the county assessor.

44 "Division" means the Division of Taxation in the Department of
45 the Treasury.

46 **【"Pilot county" means the County of Gloucester.】**

47 (cf: P.L.2009, c.118, s.3)

1 3. Section 4 of P.L.2009, c.118 (C.54:1-89) is amended to read
2 as follows:

3 4. a. **【On】** (1) Any county governing body, except the
4 county governing body of a county that has adopted the provisions
5 of P.L.2013, c.15 (C.54:1-101 et al.), may, by ordinance or
6 resolution, as appropriate, adopt the provisions of P.L.2009, c.118
7 (C.54:1-86 et al.). Not later than the third calendar day next
8 following its adoption of the provisions of that law, the county
9 governing body shall notify the State Treasurer, in writing, of the
10 county governing body's action. Not later than ten business days
11 next following its adoption of the provisions of that law, the county
12 governing body shall notify the taxpayers of the county by placing a
13 notice in the official newspaper of the county. The assessor of each
14 municipality shall advise each taxpayer in writing of the county's
15 action not later than ten business days after the notice has been
16 published in the official newspaper of the county.

17 (2) A county governing body adopting the provisions of
18 P.L.2009, c.118 (C.54:1-86 et al.) shall appoint a county assessor on
19 the first day of January of the first full calendar year next following:
20 the effective date of P.L.2009, c.118 (C.54:1-86 et al.)**【.】**; or the
21 date of adoption by a county of the provisions of P.L.2009, c.118
22 (C.54:1-86 et al.) pursuant to paragraph (1) of this subsection**【**;
23 or as soon thereafter as may be practicable, the county governing body
24 shall appoint a county assessor**】**.

25 b. (1) The county assessor shall be an employee of the
26 **【pilot】** county and shall serve on a full-time basis for an initial five-
27 year term.

28 (2) No person shall be appointed as county assessor unless that
29 person holds a certified property assessor's certificate and has at
30 least five years of experience as a municipal tax assessor or deputy
31 county assessor, or held the position of county tax administrator
32 prior to the appointment of the first county assessor pursuant to this
33 section.

34 (3) The county assessor shall acquire tenure in office upon
35 reappointment to a second five-year term and thereafter shall hold
36 office during good behavior and efficiency, and shall not be
37 removed for political reasons or for any cause other than incapacity,
38 misconduct, disobedience of rules or regulations established by the
39 director or by the county governing body, failure to meet the
40 standards of performance established by the director, or schedules
41 or standards adopted pursuant to P.L.2009, c.118 (C.54:1-86 et al.).

42 c. The **【pilot】** county shall constitute a taxing district for the
43 purpose of the assessment of property in the State.
44 (cf: P.L.2009, c.118, s.4)

45

46 4. Section 5 of P.L.2009, c.118 (C.54:1-90) is amended to read
47 as follows:

1 5. a. **【On】** Every municipality within a county adopting the
2 provisions of P.L.2009, c.118 (C.54:1-86 et al.) shall implement a
3 real property revaluation on or before December 31 of the third full
4 calendar year next following; the effective date of P.L.2009, c.118
5 (C.54:1-86 et al.)**【,】**; or the date of adoption by a county of the
6 provisions of P.L.2009, c.118 (C.54:1-86 et al.), pursuant to
7 paragraph (1) of subsection a. of section 4 of P.L.2009, c.118
8 (C.54:1-89) **【,** every municipality within the pilot county shall
9 implement a real property revaluation**【,**

10 b. (1) The county assessor appointed pursuant to subsection
11 a. of section 4 of P.L.2009, c.118 (C.54:1-89) shall assist the
12 municipalities in meeting the requirements of subsection a. of this
13 section through the promulgation of a phase-in plan for the orderly
14 completion and implementation of the municipal revaluations, or by
15 any other means **【he deems】** deemed appropriate.

16 (2) The county assessor may waive the revaluation requirement
17 for a particular municipality under subsection a. of this section
18 **【upon his finding】** if the county assessor determines that the
19 municipality implemented a revaluation within 24 months of the
20 effective date of: P.L.2009, c.118 (C.54:1-86 et al.)**【,】**; or the
21 adoption by a county of the provisions of P.L.2009, c.118 (C.54:1-
22 86 et al.), pursuant to paragraph (1) of subsection a. of section 4 of
23 P.L.2009, c.118 (C.54:1-89).

24 c. The cost of the revaluations required under subsection a. of
25 this section shall be paid by the **【pilot】** county. The costs of a
26 previous revaluation for a municipality that has been granted a
27 waiver under paragraph (2) of subsection b. of this section shall be
28 reimbursed by the **【pilot】** county. Following the completion of the
29 three year period established pursuant to subsection a. of this
30 section, the State shall reimburse the **【pilot】** county for those
31 amounts using funds made available to the **【pilot】** county from
32 either the SHARE program pursuant to section 30 of P.L.2007, c.63
33 (C.40A:65-30) or from the Consolidation Fund established by
34 P.L.2008, c.35, or both in equal installments, over three years.

35 d. The monies required to be paid for municipal revaluations
36 by a **【pilot】** county pursuant to subsection c. of this section and
37 **【the pilot】** a county's administrative start-up costs shall not be
38 included or considered a part of the county tax levy under section 4
39 of P.L.1976, c.68 (C.40A:4-45.4) or a part of the county's adjusted
40 tax levy under sections 9 and 10 of P.L.2007, c.62 (C.40A:4-45.44
41 and 40A:4-45.45).

42 (cf: P.L.2009, c.118, s.5)

43
44 5. Section 6 of P.L.2009, c.118 (C.54:1-91) is amended to read
45 as follows:

46 6. a. The county governing body shall appoint deputy county
47 assessors and assistant deputy county assessors as needed, subject

1 to the requirements of section 13 of P.L.2009, c.118 (C.54:1-98).
2 Deputy county assessors and assistant deputy county assessors may
3 be appointed at any time after the appointment of **the** a county
4 assessor **in a pilot county**.

5 A candidate for the position of deputy county assessor or
6 assistant deputy county assessor shall hold a certified tax assessor
7 certificate. Such a candidate may substitute, for any requirement of
8 years of experience for appointment to those positions, on a year for
9 year basis, membership in the Appraisal Institute or years of
10 experience as a Principal Assistant Assessor.

11 b. **The** A county assessor shall direct the work of all deputy
12 county assessors.

13 c. (1) The county assessor shall be responsible to the county
14 governing body for the efficient operation of **his** the county
15 assessor's office and of the deputy county assessors within the
16 **pilot** county.

17 (2) The county assessor shall determine employment
18 jurisdictions for deputy county assessors under **his** the county
19 assessor's supervision, however, the county governing body shall
20 establish their hours of employment, the terms and conditions of
21 their employment, and fix their compensation.

22 d. The county assessor shall establish a permanent central
23 office within the **pilot** county, and may authorize additional
24 permanent or temporary district offices within the **pilot** county,
25 within the limits of funds made available for those purposes by the
26 county governing body.

27 e. (1) The county assessor may request that the county
28 governing body employ such additional professional and clerical
29 assistants as are necessary for the performance of **his** the county
30 assessor's duties.

31 (2) Any professional or clerical assistants supervised by the
32 county assessor shall be employees of the **pilot** county.

33 f. After December 31st of the third full year next following the
34 first appointment of a county assessor pursuant to subsection a. of
35 section 4 of P.L.2009, c.118 (C.54:1-89), the position of county tax
36 administrator is abolished in that **pilot** county.

37 (cf: P.L.2017, c.306, s.11)

38

39 6. Section 7 of P.L.2009, c.118 (C.54:1-92) is amended to read
40 as follows:

41 7. The county assessor shall:

42 a. supervise the deputy county assessors and, when
43 appropriate, recommend the removal of a deputy county assessor
44 for failure to adhere to standards of performance adopted by the
45 director or schedules or standards adopted pursuant to P.L.2009,
46 c.118 (C.54:1-86 et al.);

1 b. assure compliance with standards adopted by the director for
2 staff of the deputy county assessors, office space, equipment, and
3 other resources;

4 c. notify the county tax board of any revaluation, or complete
5 or partial reassessment, which may be necessary and appropriate for
6 a taxing district, and monitor the progress and review, revise or
7 correct the results of any revaluation or reassessment which may be
8 ordered by the county **【tax】** board of taxation;

9 d. monitor the progress, and review, revise, or correct the
10 results of any other revaluation or reassessment conducted within
11 **【his】** the county assessor's jurisdiction;

12 e. review, revise, and correct all property assessment lists
13 prepared by the deputy county assessors within the **【pilot】** county;

14 f. provide such technical and professional assistance as may be
15 requested by deputy county assessors, and as may be practicable
16 within the support provided for the county assessor by the county
17 governing body; and

18 g. perform any other tasks which the director deems necessary to
19 ensure the valuation of property within the **【pilot】** county pursuant
20 to law.

21 (cf: P.L.2009, c.118, s.7)

22
23 7. Section 8 of P.L.2009, c.118 (C.54:1-93) is amended to read
24 as follows:

25 8. a. The county assessor, through a staff of deputy county
26 assessors, shall locate, identify, and determine the taxable status of
27 property within every municipality within the **【pilot】** county,
28 determine the taxable value of the property, and prepare tax lists
29 and tables of aggregates and equalization in the same form and
30 manner as is provided under chapter 4 of Title 54 of the Revised
31 Statutes, pursuant to a schedule established by the county assessor.

32 b. The county assessor shall be responsible for reviewing,
33 revising, and correcting all work done by the staff of deputy county
34 assessors within the **【pilot】** county.

35 (cf: P.L.2009, c.118, s.8)

36
37 8. Section 9 of P.L.2009, c.118 (C.54:1-94) is amended to read
38 as follows:

39 9. a. Whenever any law, rule or regulation provides for the
40 review, revision or correction of an assessor's list or duplicate, or a
41 list of added or omitted properties, that review, revision or
42 correction shall be performed by the county assessor **【in the pilot**
43 **county】**, except any correction performed as the result of an
44 assessment appeal, which correction shall be made by the county
45 board of taxation after notice to the county assessor.

46 b. Any reference in any law, rule, or regulation to a revised and
47 corrected assessor's list or duplicate in the **【pilot】** county, except in

1 the case of a revision or correction made pursuant to an assessment
2 appeal, shall mean the list or duplicate reviewed, revised or
3 corrected by the county assessor.

4 (cf: P.L.2009, c.118, s.9)

5
6 9. Section 10 of P.L.2009, c.118 (C.54:1-95) is amended to
7 read as follows:

8 10. Notwithstanding any law to the contrary, the county assessor
9 shall make the annual tax list and property values for each
10 municipality available for public inspection within that
11 municipality. Following the completion of the three-year phase-in
12 schedule pursuant to section 12 of P.L.2009, c.118 (C.54:1-97),
13 sufficient staff shall be present in each district office authorized
14 within the **【pilot】** county pursuant to subsection d. of section 6 of
15 P.L.2009, c.118 (C.54:1-91) to assist the county assessor and to
16 answer questions and address concerns that taxpayers have in
17 reference to the assessment values and other property assessment
18 and tax-related matters.

19 (cf: P.L.2009, c.118, s.10)

20
21 10. Section 12 of P.L.2009, c.118 (C.54:1-97) is amended to
22 read as follows:

23 12. The county assessor, in consultation with every municipal
24 governing body and municipal tax assessor, shall promulgate a
25 three-year schedule for the abolishment of the office of municipal
26 tax assessor for every municipality within the **【pilot】** county.
27 Thereafter, with respect to those municipalities, any reference in
28 law to the duties and responsibilities of the office of municipal tax
29 assessor pertaining to the assessment and reassessment of property
30 shall be construed in the context of the statutory scheme of sections
31 1 through 15 of P.L.2009, c.118 (C.54:1-86 et seq.) to mean the
32 deputy county assessor under the supervision of the county
33 assessor. Any reference in law to the office of municipal tax
34 assessor which conflicts in whole or in part with sections 1 through
35 15 of P.L.2009, c.118 (C.54:1-86 et seq.), particularly with regard
36 to the appointment, employment, and removal of municipal tax
37 assessors, shall be construed to have been repealed in whole or in
38 conflicting part, with respect to municipalities located within the
39 **【pilot】** county, by the provisions of sections 1 through 15 of
40 P.L.2009, c.118 (C.54:1-86 et seq.).

41 (cf: P.L.2009, c.118, s.12)

42
43 11. Section 14 of P.L.2009, c.118 (C.54:1-99) is amended to
44 read as follows:

45 14. a. In accordance with the phase-in schedule promulgated
46 by the county assessor pursuant to section 12 of P.L.2009, c.118
47 (C.54:1-97), the county tax administrator **【for the pilot county】**, in
48 consultation with the county governing body and the county

1 assessor, shall effectuate the transfer of the property assessment
2 function in all of the municipalities within the **【pilot】** county to the
3 county assessor. All current or pending assessment and abatement
4 programs and agreements under the "Long Term Tax Exemption
5 Law," P.L.1991, c.431 (C.40A:20-1 et seq.), and the "Five-Year
6 Exemption and Abatement Law," P.L.1991, c.441 (C.40A:21-1 et
7 seq.), shall continue to be approved by the municipality.

8 b. If a county assessor seeks to settle a property tax appeal **【,】**
9 filed pursuant to R.S.54:3-21, the county assessor shall inform the
10 municipality in which the property that is the subject of the appeal
11 is located prior to entering into any final settlement agreement,
12 pursuant to procedures promulgated by the director.

13 (cf: P.L.2009, c.118, s.14)

14
15 12. Section 15 of P.L.2009, c.118 (C.54:1-100) is amended to
16 read as follows:

17 15. The Director of the Division of Taxation in the Department
18 of the Treasury shall adopt rules and regulations concerning the
19 valuation of property in **【the pilot】** a county that has adopted the
20 provisions of P.L.2009, c.118 (C.54:1-86 et al.) effectuate the
21 purposes of **【sections 1 through 14 of P.L.2009, c.118 (C.54:1-86**
22 **through C.54:1-99)】** that law. The rules and regulations shall
23 include provisions permitting segmental assessment.

24 (cf: P.L.2009, c.118, s.15)

25
26 13. Section 1 of P.L.1960, c.51 (C54:4-2.25) is amended to read
27 as follows:

28 1. All real property subject to assessment and taxation for local
29 use shall be assessed according to the same standard of value,
30 which shall be the true value of such real property and the
31 assessment shall be expressed in terms of the taxable value of such
32 property, which taxable value shall be that percentage of true value
33 as shall be established by each county board of taxation as the level
34 of taxable value to be applied uniformly throughout the county.

35 The true value of such real property shall be determined by the
36 municipal-wide reassessment of that real property performed by
37 municipal assessors when the ratio of assessed value to true value is
38 lower than 90 percent or greater than 110 percent.

39 (cf: P.L.1960, c.51, s.1)

40
41 14. Section 1 of P.L.1973, c.123 (C.54:1-35a) is amended to
42 read as follows:

43 a. The "average ratio" of assessed to true value of real
44 property for a taxing district for the purposes of this act shall mean
45 that ratio promulgated by the Director of the Division of Taxation
46 pursuant to P.L.1954, c. 86 (C. 54:1-35.1 et seq.), as of October 1 of
47 the year preceding the tax year, as revised by the tax court.

S3762 SWEENEY, O'SCANLON

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- 1 the assessor deems necessary to ensure that the ratio of assessed
- 2 value to true value of the real property is not less than 90 percent or
- 3 greater than 110 percent in any tax year.