

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.