

# ASSEMBLY, No. 5529

## STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED MARCH 25, 2021

**Sponsored by:**

**Assemblyman RAJ MUKHERJI**

**District 33 (Hudson)**

**SYNOPSIS**

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

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT concerning the assessment of real property and amending  
2 P.L.2017, c.306 and P.L.1945, c.260.

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 county  
14 operating under the "Property Tax Assessment Reform Act,"  
15 P.L.2009, c.118 (C.54:1-86 et seq.), the assessor or the assessor's  
16 lawful representative shall make three good-faith attempts to  
17 physically inspect the interior of all buildings or other structures on  
18 each of the [properties] parcels of real property in the municipality  
19 not later than December 31 of the eighth year immediately  
20 preceding the year of the implementation of the proposed district-  
21 wide reassessment. The three good-faith attempts to physically  
22 inspect shall be made within the same tax year, and shall be made  
23 not less than seven calendar days of each other.

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

42 The county board of taxation shall not hear an appeal of the  
43 assessment of a parcel of real property conducted pursuant to this  
44 subsection if the three good-faith attempts to physically inspect  
45 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.

1 14 calendar days prior to the first hearing date of the appeal,  
2 provide written notice to every taxpayer who has filed an appeal of  
3 an assessment conducted pursuant to this subsection, and whose  
4 property has not been internally inspected after three good-faith  
5 attempts to physically inspect, stating that the taxpayer is required  
6 to permit the inspection of the interior of all buildings or other  
7 structures on the parcel of real property for which the appeal has  
8 been filed not less than seven calendar days prior to the first hearing  
9 date of the appeal. The notice shall contain information to arrange  
10 for an internal inspection.

11 b. In the case of a municipality located in a county wherein the  
12 county board of taxation is participating in the demonstration  
13 program established in section 4 of P.L.2013, c.15 (C.54:1-104)  
14 where real property assessments are annually revised to reflect their  
15 true value and supported by an internal inspection program pursuant  
16 to this section, in addition to the inspections described in subsection  
17 a. of this section, after a deed is filed with the county clerk, the  
18 assessor or the assessor's representative may physically inspect the  
19 interior of all buildings or other structures on that parcel of real  
20 property. If the assessor or the assessor's representative determines  
21 that an inspection is necessary, the assessor or the assessor's  
22 representative shall make three good-faith attempts to physically  
23 inspect. The three good-faith attempts shall be made not less than  
24 seven calendar days of each other.

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

41 The county board of taxation shall not hear an appeal of the  
42 assessment of a parcel of real property conducted pursuant to this  
43 subsection if the three good-faith attempts to physically inspect  
44 were unsuccessful. The county board of taxation shall, not less than  
45 14 calendar days prior to the first hearing date of the appeal,  
46 provide written notice to every taxpayer who has filed an appeal of

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

9 c. As used in this section:

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

23 (cf: P.L.2017, c.306, s.10)

24  
25 2. Section 1 of P.L.1945, c.260 (C.54:4-35.1) is amended to  
26 read as follows:

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

38 b. (1) In the case of a county participating in the demonstration  
39 program established by section 4 of the “Real Property Assessment  
40 Demonstration Program,” P.L.2013, c.15 (C.54:1-104) or a county  
41 operating under the “Property Tax Assessment Reform Act,” P.L.  
42 2009, c.118 (C.54:1-86 et al.), and in the case of a county that has  
43 adopted the alternative real property assessment dates established in  
44 the “Real Property Assessment Demonstration Program” in  
45 accordance with P.L.2018, c.94, when any parcel of real property  
46 contains any building or other structure which has been destroyed,

1 consumed by fire, demolished, or altered in such a way that its  
2 value has materially depreciated, either intentionally or by the  
3 action of storm, fire, cyclone, tornado, or earthquake, or other  
4 casualty, which depreciation of value occurred after October 1 in  
5 any year and before May 1 of the following year, the assessor shall,  
6 upon notice thereof being given to him by the property owner prior  
7 to May 3 of that year, and after examination and inquiry, determine  
8 the value of the parcel of real property as of that May 1, and assess  
9 the same according to such value within the final tax list delivered  
10 to the county board of taxation on or before May 5 of that year.

11 (2) To properly capture the value of the building or structure  
12 from January 1 to the date of the depreciation of the building or  
13 structure, the assessor's **【final tax list】** Added Assessment List shall  
14 include an improvement value that reflects the prorated value of the  
15 building or structure as of January 1 for the number of days prior to  
16 the date of the depreciation of the building or structure.  
17 (cf: P.L.2017, c.228, s.1).

18

19 3. This act shall take effect immediately.

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#### STATEMENT

23

24 This bill would revise current law pertaining to the assessment of  
25 real property in a county wherein the county board of taxation is  
26 participating in the demonstration program established in section 4  
27 of P.L.2013, c.15 (C.54:1-104) (currently, only Monmouth County),  
28 and in a county operating under the "Property Tax Assessment  
29 Reform Act," P.L.2009, c.118 (C.54:1-86 et seq.) (currently, only  
30 Gloucester County).

31 P.L.2017, c.306 required the assessors operating under those  
32 laws to make three good-faith attempts to physically inspect the  
33 interior of each parcel of real property not later than December 31  
34 of the eighth year immediately preceding the year of the  
35 implementation of a proposed district-wide reassessment. These  
36 inspections are critical to ensure that an assessor is taxing each  
37 parcel of real property correctly. This bill requires that the three  
38 good-faith attempts are to be made within the same tax year, and  
39 not less than seven calendar days of each other. If, after the third  
40 unsuccessful attempt to inspect the interior of all buildings or other  
41 structures on that parcel of property, access has not been obtained,  
42 for whatever reason, the assessor must assess the property using  
43 other observations and sources, including information on the  
44 property record card maintained by the assessor. The bill also  
45 would prohibit the county board of taxation in the respective  
46 counties from hearing an appeal of the assessment of a parcel of

1 real property *unless* an inspection of the interior of all buildings or  
2 other structures on that parcel of property has been performed by  
3 the assessor, or the assessor's representative. These provisions are  
4 intended to ensure that the county board of taxation has complete  
5 and up-to-date information about all of the characteristics of a  
6 property when hearing a taxpayer's appeal of the property's  
7 assessment.

8 With respect to a county wherein the county board of taxation is  
9 participating in the demonstration program established in section 4  
10 of P.L.2013, c.15 (C.54:1-104), the bill would provide an *additional*  
11 opportunity for the inspection of real property. The bill would  
12 permit the municipal assessor, and staff, or their lawful agents, to  
13 inspect the interior of all buildings and other structures on a parcel  
14 of property after a deed is filed with the county clerk. If, after the  
15 third unsuccessful attempt to inspect such a property, access has not  
16 been obtained, for whatever reason, the assessor would be required  
17 to assess the property using other observations and sources,  
18 including, but not limited to, information on the property record  
19 card maintained by the assessor. The county board of taxation in  
20 such a county would also be prohibited from hearing an appeal of  
21 the assessment of such a property unless an inspection of the  
22 interior of all buildings or other structures on the parcel of real  
23 property has been performed by the assessor or the assessor's  
24 representative. Taxpayers who file an appeal shall be given written  
25 notice of the need to permit internal inspection of the property and  
26 giving them a window of time to allow an internal inspection prior  
27 to the hearing date.

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

35 Current law provides that assessed values are set as of October 1  
36 of the pre-tax year. This statute historically permitted the  
37 municipality to reflect changes in the assessment that occurred  
38 between October 1 and January 1. In the event there was material  
39 depreciation during the tax year, the taxpayer would be required to  
40 continue to pay property taxes that reflected the full value of the  
41 property, regardless of its depreciated state. Due to the modified  
42 assessment calendar enacted under P.L.2013, c.15, and in the case  
43 of a county operating under the "Property Tax Assessment Reform  
44 Act" or a county that has adopted the revised assessment calendar in  
45 accordance with P.L.2018, c.94, the Final Tax List is not set until  
46 May 5. This calendar permits the municipality to properly reflect

1 the value of properties that have experienced material depreciation  
2 during the first four months of the year without creating an undue  
3 burden on other taxpayers or an under-collection of revenue for the  
4 municipality. The reduced assessment value is used to create the  
5 general tax rate which ensures sufficient billing. Under this bill, in  
6 order to secure complete taxation of a depreciated property, and to  
7 properly reflect and tax the time in which the structure was not  
8 depreciated, the difference between the value of the improvement as  
9 it existed from January 1, and the depreciated value, are to be  
10 placed in the Added Assessment List filed in October, reflecting the  
11 number of days between January 1 and the date of material  
12 depreciation.