

SENATE, No. 2725

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED JULY 28, 2020

Sponsored by:
Senator VIN GOPAL
District 11 (Monmouth)

SYNOPSIS

Concerns assessment of real property in counties operating under “Real Property Assessment Demonstration Program.”

CURRENT VERSION OF TEXT

As introduced.



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

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 assessment shall not be heard by the county board of taxation unless
2 the interior of the parcel of real property has been inspected.

3 b. In the case of a municipality located in a county wherein the
4 county board of taxation is participating in the demonstration
5 program established in section 4 of the “Real Property Assessment
6 Demonstration Program,” P.L.2013, c.15 (C.54:1-104), at the
7 taxpayer’s discretion, the assessor may perform the internal
8 inspections described in subsection a. of this section in a virtual
9 manner, utilizing smartphone technology and protocols adopted by
10 the county board of taxation. No such video recordings may be
11 retained by the assessor. This virtual internal inspection alternative
12 shall be available to all assessment function inspections with the
13 county, including, but not limited to, revaluations, reassessments,
14 the annual reassessment, and inspections related to added or omitted
15 assessments.

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

17
18 2. R.S.54:3-21 is amended to read as follows:

19 54:3-21. a. (1) Except as provided in subsection b. of this
20 section a taxpayer feeling aggrieved by the assessed valuation of the
21 taxpayer's property, or feeling discriminated against by the assessed
22 valuation of other property in the county, or a taxing district which
23 may feel discriminated against by the assessed valuation of property
24 in the taxing district, or by the assessed valuation of property in
25 another taxing district in the county, may on or before April 1, or 45
26 days from the date the bulk mailing of notification of assessment is
27 completed in the taxing district, whichever is later, appeal to the
28 county board of taxation by filing with it a petition of appeal;
29 provided, however, that any such taxpayer or taxing district may on
30 or before April 1, or 45 days from the date the bulk mailing of
31 notification of assessment is completed in the taxing district,
32 whichever is later, file a complaint directly with the Tax Court, if
33 the assessed valuation of the property subject to the appeal exceeds
34 \$1,000,000. In a taxing district where a municipal-wide revaluation
35 or municipal-wide reassessment has been implemented, a taxpayer
36 or a taxing district may appeal before or on May 1 to the county
37 board of taxation by filing with it a petition of appeal or, if the
38 assessed valuation of the property subject to the appeal exceeds
39 \$1,000,000, by filing a complaint directly with the State Tax Court.
40 Within ten 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 ten
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 If a petition of appeal or a complaint is filed on April 1 or during
8 the 19 days next preceding April 1, a taxpayer or a taxing district
9 shall have 20 days from the date of service of the petition or
10 complaint to file a cross-petition of appeal with a county board of
11 taxation or a counterclaim with the Tax Court, as appropriate.

12 (2) With respect to property located in a county participating in
13 the demonstration program established in section 4 of P.L.2013,
14 c.15 (C.54:1-104), a property located in a county operating under
15 the "Property Tax Assessment Reform Act," P.L.2009, c.118
16 (C.54:1-86 et seq.), or a property located in a county that has
17 adopted, by resolution, the provisions of section 1 of P.L.2018, c.94
18 (C.54:1-105), and except as provided in subsection b. of this
19 section, a taxpayer feeling aggrieved by the assessed valuation of
20 the taxpayer's property, or feeling discriminated against by the
21 assessed valuation of other property in the county, or a taxing
22 district which may feel discriminated against by the assessed
23 valuation of property in the taxing district, or by the assessed
24 valuation of property in another taxing district in the county, may
25 on or before January 15, or 45 days from the date the bulk mailing
26 of notification of assessment is completed in the taxing district,
27 whichever date is later, appeal to the county board of taxation by
28 filing with it a petition of appeal; provided, however, that any such
29 taxpayer, or taxing district, may on or before April 1, or 45 days
30 from the date the bulk mailing of notification of assessment is
31 completed in the taxing district, whichever date is later, file a
32 complaint directly with the Tax Court, if the assessed valuation of
33 the property subject to the appeal exceeds \$1,000,000.

34 If a petition of appeal is filed on January 15 or during the 19
35 days next preceding January 15, or a complaint is filed with the Tax
36 Court on April 1 or during the 19 days next preceding April 1, a
37 taxpayer or a taxing district shall have 20 days from the date of
38 service of the petition or complaint to file a cross-petition of appeal
39 with a county board of taxation or a counterclaim with the Tax
40 Court, as appropriate.

41 Within 10 days of the completion of the bulk mailing of
42 notification of assessment, the assessor of the taxing district shall
43 file with the county board of taxation a certification setting forth the
44 date on which the bulk mailing was completed. If a county board of
45 taxation completes the bulk mailing of notification of assessment,
46 the tax administrator of the county board of taxation shall within 10
47 days of the completion of the bulk mailing prepare and keep on file
48 a certification setting forth the date on which the bulk mailing was

1 completed. A taxpayer shall have 45 days to file an appeal upon the
2 issuance of a notification of a change in assessment. An appeal to
3 the Tax Court by one party in a case in which the Tax Court has
4 jurisdiction shall establish jurisdiction over the entire matter in the
5 Tax Court. All appeals to the Tax Court hereunder shall be in
6 accordance with the provisions of the State Uniform Tax Procedure
7 Law, R.S.54:48-1 et seq.

8 b. No taxpayer or taxing district shall be entitled to appeal either
9 an assessment or an exemption or both that is based on a financial
10 agreement subject to the provisions of the "Long Term Tax
11 Exemption Law" under the appeals process set forth in subsection a.
12 of this section.

13 c. In the case of a municipality located in a county wherein the
14 county board of taxation is participating in the demonstration
15 program established in section 4 of the "Real Property Assessment
16 Demonstration Program," P.L.2013, c.15 (C.54:1-104) a property
17 owner shall not be entitled to appeal an assessment on a parcel of
18 real property if the assessor's request to internally inspect the
19 property has been refused by the property owner.

20 (cf: P.L.2018, c.94, s.5)

21
22 3. R.S.54:3-22 is amended to read as follows:

23 54:3-22. a. The board shall thereupon make such order
24 respecting the time and manner for hearing the appeal as it may
25 deem just, and shall summarily hear and determine the appeal, and
26 revise and correct the assessment in accordance with the value
27 prescribed by law. All appeals filed pursuant to the provisions of
28 chapter 3 of Title 54 of the Revised Statutes shall be heard and
29 determined by the board. It may compel the attendance of
30 witnesses, the production of books and papers before it, examine
31 witnesses or cause witnesses to be examined under oath before it,
32 which oath may be administered by a member of the board.

33 b. In any proceedings before the board where deeds or other
34 instruments of conveyance do not state the true consideration or
35 sale price of the property, which is the subject of appeal, the realty
36 transfer fee paid upon the recording of such deeds or instruments as
37 well as an affidavit of consideration attached to and filed with any
38 such deed or instrument shall be admitted as prima facie evidence
39 of the actual amount of money and the monetary value of any other
40 thing of value constituting the entire compensation paid for such
41 transfer of realty.

42 c. Whenever the county board of taxation is satisfied by the
43 proofs that the ratio of the assessed valuation of the subject property
44 to its true value exceeds the upper limit or falls below the lower
45 limit of the common level range, it shall revise the taxable value of
46 the property by applying the average ratio to the true value of the
47 property except as hereinafter provided.

- 1 d. If the average ratio is below the county percentage level and
2 the ratio of the assessed value of the subject property to its true
3 value exceeds the county percentage level, the county board of
4 taxation shall reduce the taxable value of the property by applying
5 the average ratio to the true value of the property.
- 6 e. If both the average ratio and the ratio of the assessed value
7 of the subject property to its true value exceed the county
8 percentage level, the county board of taxation shall revise the
9 taxable value of the property by applying the county percentage
10 level to the true value of the property.
- 11 f. The provisions of this section shall not apply to any appeal
12 from an assessment of real property taken with respect to the tax
13 year in which the taxing district shall have completed and put into
14 operation a district-wide revaluation program approved by the
15 Director of the Division of Taxation pursuant to [chapter 424, laws
16 of 1971] P.L.1971, c.424 (C. 54:1-35.35 et seq.).
- 17 g. (1) With respect to real property located in a county
18 participating in the real property assessment demonstration program
19 established in section 4 of the “Real Property Assessment
20 Demonstration Program,” P.L.2013, c.15 (C.54:1-104), the
21 provisions of this section shall not apply to any appeal from an
22 assessment of real property taken with respect to the tax year in
23 which the assessor implements either a municipal-wide
24 reassessment, or other form of municipal-wide assessment review
25 that requires the revision of all property assessments to current
26 market value, that is approved by the county board of taxation.
- 27 (2) With respect to real property located in a county
28 participating in the real property assessment demonstration program
29 established in section 4 of the “Real Property Assessment
30 Demonstration Program,” P.L.2013, c.15 (C.54:1-104), at the
31 property owner’s written request submitted at the time of filing, the
32 county board of taxation may proceed with a full evidentiary
33 hearing based on the evidence submitted at least seven full days
34 prior to the original appeal hearing date, without the attendance of
35 the property owner. The ability to proceed based on the evidence
36 timely submitted is at the sole discretion of the property owner.
37 The attendance of the author of any expert appraisal or report
38 submitted as evidence in the appeal, if otherwise required, shall not
39 be waived by the taxpayer’s decision not to attend the appeal
40 hearing.
- 41 (3) With respect to real property located in a county
42 participating in the real property assessment demonstration program
43 established in section 4 of the “Real Property Assessment
44 Demonstration Program,” P.L.2013, c.15 (C.54:1-104), at the
45 property owner’s written request submitted at the time of filing,
46 assessment appeal hearings conducted by the county board of
47 taxation may be conducted virtually, using the county’s online

1 appeal system, and conference call technology and protocols
2 adopted by the county board of taxation.

3 (cf: P.L.1973, c.123, s.3)

4
5 4. R.S.54:51A-6 is amended to read as follows:

6 54:51A-6. a. Whenever the tax court is satisfied by the proofs
7 that the ratio of the assessed valuation of the subject property to its
8 true value exceeds the upper limit or falls below the lower limit of
9 the common level range, it shall enter judgment revising the
10 taxable value of the property by applying the average ratio to the
11 true value of the property except as hereinafter provided.

12 b. If the average ratio is below the county percentage level and
13 the ratio of the assessed value of the subject property to its true
14 value exceeds the county percentage level, the tax court shall enter
15 judgment revising the taxable value of the property by applying the
16 average ratio to the true value of the property.

17 c. If both the average ratio and the ratio of the assessed value
18 of the subject property to its true value exceed the county
19 percentage level, the tax court shall enter judgment revising the
20 taxable value of the property by applying the county percentage
21 level to the true value of the property.

22 d. The provisions of this section shall not apply to any
23 proceeding to review an assessment of real property taken with
24 respect to the tax year in which the taxing district shall have
25 completed and put into operation a district-wide revaluation
26 program approved by the Director of the Division of Taxation
27 pursuant to P.L.1971, c. 424 (C. 54:1-35.35 et seq.), or a
28 reassessment program approved by the county board of taxation.

29 e. With respect to real property located in a county
30 participating in the real property assessment program established in
31 section 4 of the "Real Property Assessment Demonstration
32 Program," P.L.2013, c.15 (C.54:1-104), the provisions of this
33 section shall not apply to any appeal from an assessment of real
34 property taken with respect to the tax year in which the assessor
35 implements either a municipal-wide reassessment or other form of
36 municipal-wide assessment review that requires the revision of all
37 property assessments to current market value, that is approved by
38 the county board of taxation.

39 (cf: R.S.54:51A-6)

40
41 5. R.S.54:3-26 is amended to read as follows:

42 54:3-26. The county board of taxation shall hear and
43 determine all such appeals within three months after the last day
44 for filing such appeals, and shall keep a record of its judgments
45 thereon in permanent form, and shall transmit a written
46 memorandum of its judgments to the assessor of the taxing district
47 and to the taxpayer, setting forth the reasons on which such
48 judgment was based, and in all cases where the amount of tax to be

1 paid shall be changed as the result of an appeal, to the collector of
2 the taxing district. The Director of the Division of Taxation shall
3 prescribe such procedures and forms for the setting forth of such
4 written memorandums of judgments as may be necessary.

5 Whenever any review is sought of the determination of the
6 county board of taxation, the complaint shall contain a copy of the
7 memorandum of judgment of the county board.

8 Where no request for review is taken to the Tax Court to review
9 the action or determination of the county board involving real
10 property the judgment of the county board shall be conclusive and
11 binding upon the municipal assessor and the taxing district for the
12 assessment year, and for the two assessment years succeeding the
13 assessment year, covered by the judgment, except as to changes in
14 value of the property occurring after the assessment date. The
15 conclusive and binding effect of such judgment shall terminate with
16 the tax year immediately preceding the year in which a program for
17 a complete revaluation or complete reassessment of all real property
18 within the district has been put into effect, or, in the case of a
19 municipality located in a county wherein the county board of
20 taxation is participating in the real property assessment program
21 established in section 4 of the "Real Property Assessment
22 Demonstration Program," P.L.2013, c.15 (C.54:1-104), when the
23 assessor implements either a municipal-wide reassessment or other
24 form of district-wide assessment review that requires the revision of
25 all property assessments to current market value, that is approved
26 by the county board of taxation. If as of October 1 of the pretax
27 year, the property in question has been the subject of an addition
28 qualifying as an added assessment, a condominium or cooperative
29 conversion, a subdivision or a zoning change, the conclusive and
30 binding effect of such judgment shall terminate with said pretax
31 year.

32 If the assessor increases the assessment or fails to reflect on the
33 tax duplicate a county board of taxation or Tax Court judgment
34 issued prior to the final preparation of the tax duplicate in either of
35 the two years following the year for which the judgment of the
36 county board was rendered, and if said judgment is a final judgment
37 not further appealed, the burden of proof shall be on the taxing
38 district to establish that the assessor acted reasonably in increasing
39 the assessment. If the county board finds that the assessor did not
40 act reasonably in increasing the assessment or failed to reflect said
41 judgment on the tax duplicate, the county board shall award to the
42 taxpayer reasonable counsel fees, appraisal costs and other costs
43 which shall be paid by the taxing district.

44 With respect to real property located in a county participating in
45 the real property assessment program established in section 4 of the
46 "Real Property Assessment Demonstration Program," P.L.2013,
47 c.15 (C.54:1-104), in a municipality that has performed municipal-
48 wide reassessments that were approved by the county board of

1 taxation, and required the review and revision of all parcels to
2 current market value, if the assessor changes an assessment judged
3 by appeal in the previous year by any amount, the assessor shall
4 send an additional notice to the owner of the property disclosing the
5 change in assessment. This assessment change notification shall be
6 sent by regular mail at least 45 days immediately prior to the
7 deadline for filing an appeal with the county board of taxation.
8 (cf: P.L.1999, c.208, s.3)

9
10 6. R.S.54:51A-8 is amended to read as follows:

11 54:51A-8. a. Conclusiveness of judgment; changes in value;
12 effect of revaluation program. Where a judgment not subject to
13 further appeal has been rendered by the Tax Court involving real
14 property, the judgment shall be conclusive and binding upon the
15 municipal assessor and the taxing district, parties to the proceeding,
16 for the assessment year and for the two assessment years succeeding
17 the assessment year covered by the final judgment, except as to
18 changes in the value of the property occurring after the assessment
19 date. The conclusive and binding effect of the judgment shall
20 terminate with the tax year immediately preceding the year in which
21 a program for a complete revaluation or complete reassessment of
22 all real property within the district has been put into effect, or in the
23 case of a municipality located in a county wherein the county board
24 of taxation is participating in the demonstration program established
25 in section 4 of "the Real Property Assessment Demonstration
26 Program," P.L.2013, c.15 (C.54:1-104), when the assessor
27 implements either a reassessment or other form of district-wide
28 assessment review that requires the revision of all property
29 assessments to current market value, that is approved by the county
30 board of taxation. If as of October 1 of the pretax year, the property
31 in question has been the subject of an addition qualifying as an
32 added assessment, a condominium or cooperative conversion, a
33 subdivision or a zoning change, the conclusive and binding effect of
34 such judgment shall terminate with said pretax year.

35 b. If the assessor increases the assessment or fails to reflect on
36 the tax duplicate a county board of taxation or Tax Court judgment
37 issued prior to the final preparation of the tax duplicate in either of
38 the two years following the year for which the judgment of the Tax
39 Court was rendered and if said judgment is a final judgment not
40 subject to further appeal, the burden of proof is on the taxing
41 district to establish that the assessor acted reasonably in increasing
42 the assessment. If the Tax Court finds that the assessor did not act
43 reasonably in increasing the assessment or failed to reflect said
44 judgment on the tax duplicate, the Tax Court shall award to the
45 taxpayer reasonable counsel fees, appraisal costs and other costs
46 which shall be paid by the taxing district.

47 c. In the event that a taxpayer is successful in an appeal from
48 an assessment on nonresidential real property, the respective taxing

1 district shall refund any excess taxes paid, less any amount of taxes,
2 interest, and penalties, which may be applied against delinquencies
3 pursuant to section 2 of P.L.1983, c.137 (C.54:4-134), in
4 substantially equal payment periods and substantially equal
5 payment amounts within three years of the date of final judgment.

6 In the event that a taxpayer is successful in an appeal from an
7 assessment on residential real property, the respective taxing district
8 shall refund any excess taxes paid, less any amount of taxes,
9 interest, and penalties, which may be applied against delinquencies
10 pursuant to section 2 of P.L.1983, c.137 (C.54:4-134) within 60
11 days of the date of final judgment.

12 d. With respect to real property located in a county
13 participating in the real property assessment program established in
14 section 4 of the "Real Property Assessment Demonstration
15 Program," P.L.2013, c.15 (C.54:1-104), in a municipality that has
16 performed municipal-wide reassessment that were approved by the
17 county board of taxation, and required the review and revision of all
18 parcels to current market value, if the assessor changes an
19 assessment judged by appeal in the previous year by any amount,
20 the assessor shall send an additional notice to the owner of the
21 property disclosing the change in assessment. This assessment
22 change notification shall be sent by regular mail at least 45 days
23 immediately prior to the deadline for filing an appeal with the
24 county board of taxation.

25 (cf: P.L.2019, c.230, s.2)

26
27 7. R.S.54:4-38 is amended to read as follows:

28 54:4-38. a. Except as provided in subsection b. of this section,
29 every assessor, at least ten days before filing the complete
30 assessment list and duplicate with the county board of taxation, and
31 before annexing thereto his affidavit as required in section 54:4-36
32 of this title, shall notify each taxpayer of the current assessment and
33 preceding year's taxes and give public notice by advertisement in at
34 least one newspaper circulating within his taxing district of a time
35 and place when and where the assessment list may be inspected by
36 any taxpayer for the purpose of enabling the taxpayer to ascertain
37 what assessments have been made against him or his property and
38 to confer informally with the assessor as to the correctness of the
39 assessments, so that any errors may be corrected before the filing of
40 the assessment list and duplicate. Thereafter, the assessor shall
41 notify each taxpayer by mail within 30 days of any change to the
42 assessment. This notification of change of assessment shall contain
43 the prior assessment and the current assessment. Any notice issued
44 by the assessor shall contain information instructing taxpayers on
45 how to appeal their assessment along with the deadline to file an
46 appeal, printed in boldface type.

47 b. In the case of a municipality located in a county where the
48 county board of taxation is participating in the demonstration

1 program established in section 4 of P.L.2013, c.15 (C.54:1-104), in
2 the case of a county operating under the "Property Tax Assessment
3 Reform Act," P.L.2009, c.118 (C.54:1-86 et seq.), and in the case of
4 a municipality located in a county that has adopted, by resolution,
5 the provisions of section 1 of P.L.2018, c.94 (C.54:1-105), every
6 assessor, before filing the preliminary assessment list with the
7 county board of taxation pursuant to subsection b. of R.S.54:4-35,
8 shall notify each taxpayer of the preliminary assessment and
9 preceding year's taxes and give public notice by advertisement in at
10 least one newspaper circulating within his taxing district of a time
11 and place when and where the assessment list may be inspected by
12 any taxpayer for the purpose of enabling the taxpayer to ascertain
13 what assessments have been made against the taxpayer or the
14 taxpayer's property. Thereafter, the assessor shall notify each
15 taxpayer by mail within 30 days of any change to the assessment.
16 This notification of change of assessment shall contain the prior
17 assessment and the current assessment. Any notice issued by the
18 assessor shall contain information instructing taxpayers on how to
19 appeal their assessment along with the deadline to file an appeal,
20 printed in boldface type.

21 With the exception of any judgment change notification notice
22 required by R.S.54:3-26 or R.S.54:51A-8, the notification required
23 by this section shall satisfy any notice requirement to a property
24 owner in a municipality located in a county wherein the county
25 board of taxation is participating in the "Real Property Assessment
26 Demonstration Program" established in section 4 of P.L.2013, c.15
27 (C.54:1-104) concerning the assessment of that property owner's
28 preliminary assessment value for the tax year.

29 (cf: P.L.2018, c.94, s.8)
30

31 8. Section 32 of P.L.1991, c.75 (C.54:4-38.1) is amended to
32 read as follows:

33 32. a. Except as provided in subsection b. of this section, every
34 assessor, prior to February 1, shall notify by mail each taxpayer of
35 the current assessment and preceding year's taxes. Thereafter, the
36 assessor or county board of taxation shall notify each taxpayer by
37 mail within 30 days of any change to the assessment. This
38 notification of change of assessment shall contain the prior
39 assessment and the current assessment. The director shall establish
40 the form of notice of assessment and change of assessment. Any
41 notice issued by the assessor or county board of taxation shall
42 contain information instructing taxpayers on how to appeal their
43 assessment along with the deadline to file an appeal, printed in
44 boldface type.

45 b. In the case of a municipality located in a county where the
46 county board of taxation is participating in the demonstration
47 program established in section 4 of P.L.2013, c.15 (C.54:1-104), in
48 the case of a county operating under the "Property Tax Assessment

1 Reform Act," P.L.2009, c.118 (C.54:1-86 et seq.) and in the case of
2 a municipality located in a county that has adopted, by resolution,
3 the provisions of section 1 of P.L.2018, c.94 (C.54:1-105), every
4 assessor, on or before November 15 of the pretax year, shall notify
5 by mail each taxpayer of the preliminary assessment and preceding
6 year's taxes. Thereafter, the assessor or county board of taxation
7 shall notify each taxpayer by mail within 30 days of any change to
8 the assessment which has occurred as the result of a municipal-wide
9 revaluation or reassessment of real property within the
10 municipality. This notification of change of assessment shall
11 contain the prior assessment and the current assessment. The
12 director shall establish the form of notice of assessment and change
13 of assessment. Any notice issued by the assessor or county board of
14 taxation 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. With the exception of any judgment
17 change notification notice required by R.S.54:3-26 or R.S.54:51A-
18 8, the notification required by this section shall satisfy any notice
19 requirement to a property owner in a municipality located in a
20 county wherein the county board of taxation is participating in the
21 "Real Property Assessment Demonstration Program" established in
22 section 4 of P.L.2013, c.15 (C.54:1-104) concerning the assessment
23 of that property owner's preliminary assessment value for the tax
24 year.

25 c. The county board of taxation of the **[demonstration]** county
26 participating in the real property assessment program established in
27 section 4 of the "Real Property Assessment Demonstration
28 Program," P.L.2013, c.15 (C.54:1-104) shall make the preliminary
29 data electronically accessible to the public by posting the data in
30 searchable form on the county's website not later than 15 business
31 days after the submission of the preliminary data.

32 (cf: P.L.2018, c.94, s.9)

33
34 9. Section 1 of P.L.1945, c.260 (C.54:4-35.1) is amended to
35 read as follows:

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

47 b. (1) In the case of a county participating in the
48 demonstration program established by section 4 of P.L.2013, c.15

1 (C.54:1-104), a county operating under the "Property Tax
2 Assessment Reform Act," P.L.2009, c.118 (C.54:1-86 et seq.), and
3 a county that has adopted, by resolution, the provisions of section 1
4 of P.L.2018, c.94 (C.54:1-105, when any parcel of real property
5 contains any building or other structure which has been destroyed,
6 consumed by fire, demolished, or altered in such a way that its
7 value has materially depreciated, either intentionally or by the
8 action of storm, fire, cyclone, tornado, or earthquake, or other
9 casualty, which depreciation of value occurred after October 1 in
10 any year and before May 1 of the following year, the assessor shall,
11 upon notice thereof being given to him by the property owner prior
12 to May 3 of that year, and after examination and inquiry, determine
13 the value of the parcel of real property as of that May 1, and assess
14 the same according to such value within the final tax list delivered
15 to the county board of taxation on or before May 5 of that year.

16 (2) To properly capture the value of the building or structure
17 from January 1 to the date of the depreciation of the building or
18 structure, the assessor's **【final tax】** added assessment list shall
19 include an improvement value that reflects the prorated value of the
20 building or structure as of January 1 for the number of days prior to
21 the date of the depreciation of the building or structure.

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

23
24 10. This act shall take effect immediately.

25 26 27 STATEMENT

28
29 This bill would revise and clarify several processes related to the
30 assessment of real property in counties that operate under the "Real
31 Property Assessment Demonstration Program," P.L.2013, c.15
32 (C.54:1-101 et al., currently only Monmouth County), where
33 municipal-wide reassessments are performed annually by assessors
34 in order to maintain assessments of all parcels of real property at
35 their true value, which is current market value, and an alternative
36 property assessment calendar was created in order for the county
37 board of taxation to hear and decide property tax appeals prior to
38 the adoption of municipal budgets, which provides greater certainty
39 to the municipal budget process.

40 Section 1 of the bill would amend N.J.S.A.54:4-23b pertaining to
41 the internal inspection of all buildings and other structures located
42 on parcels of real property in municipalities located in a county
43 wherein the county board of taxation is participating in the
44 demonstration program established in section 4 of P.L.2013, c.15
45 (C.54:1-104, currently only Monmouth County). As enacted in
46 P.L.2017, c.306, N.J.S.A.54:4-23b also applies to a county
47 operating under the "Property Tax Assessment Reform Act,"
48 P.L.2009, c.118 (C.54:1-86 et seq.; currently, only Gloucester

1 County), which operates under the property assessment calendar
2 established in the “Real Property Assessment Demonstration
3 Program.” This bill would amend the statute to also apply to a
4 county that has adopted the assessment calendar established in the
5 “Real Property Assessment Demonstration Program” by resolution
6 as permitted in P.L.2018, c.94 (C.54:1-105; currently only
7 Burlington County as of October 1, 2020). Therefore, some of the
8 amendments to this section shall also apply to Gloucester and
9 Burlington counties. If a municipality elects to perform district-
10 wide assessment changes, P.L.2017, c.306 required the assessors
11 operating under those laws to make three good-faith attempts to
12 physically inspect the interior of each parcel of real property not
13 later than December 31 of the eighth year immediately preceding
14 the year of the implementation of a proposed district-wide
15 reassessment. These inspections are critical to ensure that an
16 assessor is taxing each parcel of real property correctly. This bill
17 defines “good-faith attempt to physically inspect” to mean that the
18 assessor, an employee of the municipality acting on behalf of the
19 assessor, or a representative of a revaluation company or other
20 company hired by the municipality to provide internal inspection
21 services, shall physically arrive at the property and request entry to
22 the interior of the property. If that person is unable to gain entry to
23 the property to perform the interior inspection, the person shall
24 leave a notice affixed to the front door of the property stating in
25 boldface type that an attempt was made to inspect the interior of the
26 property, with the person’s contact information prominently
27 displayed on the notice. In the case of a municipality located in a
28 county wherein the county board of taxation is participating in the
29 “Real Property Assessment Demonstration Program,” the notice
30 shall also state in boldface type that an appeal of the property’s
31 assessment shall not be heard by the county board of taxation unless
32 the interior of the property has been inspected.

33 Section 2 of the bill amends R.S.54:3-21, concerning appeals of
34 assessments, to require, in the case of a municipality located in a
35 county participating in the “Real Property Assessment
36 Demonstration Program,” that an appeal of the property’s
37 assessment shall not be heard by the county board of taxation unless
38 the interior of the property has been inspected.

39 Several sections of the bill address an assessment issue resulting
40 from a recent New Jersey Tax Court decision in the case of a parcel
41 of real property located in Union Beach, in Monmouth County,
42 concerning a property assessment law colloquially referred to in the
43 assessment community as the “freeze act.” R.S.54:3-26 (pertaining
44 to appeals heard at the county board of taxation) and R.S.54:51A-8
45 (pertaining to appeals heard at the New Jersey Tax Court) provide
46 that the adjudged valuation for a tax year reflected in a final
47 judgment of a county board of taxation or the New Jersey Tax Court
48 shall also be the assessed value for the next succeeding two tax

1 years, which essentially “freezes” the assessment for that period of
2 time. Under current law, the “freeze act” does not apply in any year
3 that a municipality undergoes a municipal-wide revaluation of all
4 real property. In Tartivita v. Borough of Union Beach, 31 N.J. Tax
5 335 (Tax 2019), the Tax Court ruled that municipal-wide annual
6 reassessments are not considered to be a complete reassessment of
7 real property, even though the purpose of an annual reassessment is
8 to maintain all properties in a municipality at current market value.
9 Sections 3, 4 , 5, and 6 of the bill, concerning appeals, clarify that
10 in the case of a municipality located in a county operating under the
11 provisions of the “Real Property Assessment Demonstration
12 Program,” the “freeze act” and a related property tax assessment
13 law, P.L.1973, c.123, colloquially referred to in the assessment
14 community as “chapter 123,” which was adopted in 1973 as a tool
15 to test the fairness of an assessment and established a “30 percent
16 corridor of value” or “permissible error” shall not apply to any
17 appeal from an assessment of real property taken in the tax year in
18 which the assessor implements either a municipal-wide
19 reassessment or other form of district-wide assessment review that
20 requires the revision of all property assessments to current market
21 value and that is approved by a county board of taxation. Section 3
22 also permits a county tax board in a county operating under the
23 “Real Property Assessment Demonstration Program” to proceed
24 with a full evidentiary appeal proceeding based on evidence
25 submitted without the attendance of the property owner, at the
26 property owner’s sole discretion by written request submitted at the
27 time of the filing, and also allows county board of taxation appeal
28 hearings in those counties to be conducted virtually, using the
29 county’s online appeal system, and conference call technology and
30 protocols adopted by the county board of taxation if the property
31 owner makes such a request in writing at the time of filing.

32 Sections 5 and 6 of the bill require that with respect to real
33 property located in a county operating under the “Real Property
34 Assessment Demonstration Program,” in a municipality that has
35 performed municipal-wide reassessments that were approved by the
36 county board of taxation, and required the review and revision of all
37 parcels to current market value, if the assessor changes an
38 assessment judged by appeal in the previous year by any amount,
39 the assessor would be required to send an additional notice to the
40 owner of the property disclosing the change in assessment. This
41 assessment change notification shall be sent by regular mail at least
42 45 days immediately prior to the deadline for filing an appeal with
43 the county board of taxation.

44 Sections 7 and 8 concern the annual notice of current year’s
45 assessment and prior year’s property taxes required to be provided
46 to all municipal property owners by the assessor. These sections of
47 the bill require that with the exception of any judgment change
48 notification notice required by R.S.54:3-26 or R.S.54:51A-8, this

1 annual notice will satisfy any notice requirement to a property
2 owner concerning the assessment of that property owner's
3 preliminary assessment value for the tax year in a municipality
4 located in a county wherein the county board of taxation is
5 participating in the "Real Property Assessment Demonstration
6 Program."

7 Section 9 of the bill concerns parcels of real property on which
8 are located a building or other structure destroyed, consumed by
9 fire, damaged or altered in such a way that the value has depreciated
10 after the assessment was set on October 1 of the pre-tax year, as
11 required by law. In the case of a municipality located in a county
12 operating under the "Real Property Assessment Demonstration
13 Program," the "Property Tax Assessment Reform Act," and a
14 county that has adopted, by resolution, the provisions of section 1
15 of P.L.2018, c.94, if that depreciation occurred before May 1 of the
16 tax year and the assessor has been notified prior to May 3 of the tax
17 year, the assessor shall determine the value of the parcel as of May
18 1, and assess the property for taxation at that value. The section
19 also requires that the assessor's added assessment list for the tax
20 year shall include a value for the improvements that reflect the
21 prorated value of the building or structure as of January 1 of the tax
22 year for the number of days prior to the date of the depreciation of
23 the building or structure.