

SENATE, No. 3029

STATE OF NEW JERSEY 214th LEGISLATURE

INTRODUCED SEPTEMBER 19, 2011

Sponsored by:

Senator JEFF VAN DREW

District 1 (Cape May, Atlantic and Cumberland)

SYNOPSIS

Establishes real property assessment demonstration program.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 1/6/2012)

1 AN ACT establishing a program to demonstrate a more cost
2 effective and accurate process of property assessment
3 administration, supplementing Title 54 of the Revised Statutes
4 and amending various parts of the statutory law.

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

8
9 1. (New section) Sections 1 through 4 of P.L. , c. (C.)
10 (pending before the Legislature as this bill) shall be known and may
11 be cited as the “Real Property Assessment Demonstration
12 Program.”

13
14 2. (New section) The Legislature finds and declares:

15 a. The current real property assessment system fails to take full
16 advantage of a collaborative system of property assessment between
17 a county board of taxation, through its administrator, and the
18 municipal assessors employed by each municipality in a county,
19 that would result in a cost-effective and accurate process of real
20 property assessment to benefit real property owners and property
21 taxpayers. The benefits of a more collaborative system of real
22 property assessment would accrue to local property owners and
23 property taxpayers through a system of a more precise, technology-
24 driven real property assessment process that would ensure that each
25 municipal assessor is using the same technology as his or her
26 colleagues in assessing real property, and by modifications to the
27 annual real property assessment calendar to better manage the
28 assessment, and taxation, of real property in a manner that is more
29 sensitive and responsive to the demands of the municipal budget
30 calendar.

31 b. A collaborative system of real property assessment would
32 also benefit municipalities by reducing the number of successful
33 property assessment appeals filed annually with a county board of
34 taxation and the Tax Court, thereby protecting the funding of
35 municipal budgets through property tax dollars from the impact of
36 successful property assessment appeals, which usually require the
37 refund of excess property taxes paid by a taxpayer and impact the
38 local budget by reducing the amount of property tax dollars
39 available to fund municipal operations.

40 c. It is in the public interest of the State and its many real
41 property taxpayers to implement a demonstration program to
42 investigate whether systemic changes to the current system of real
43 property assessment, including revisions to the assessment calendar
44 and the assessment appeal process, will help address the

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 shortcomings of the municipal assessment system and the effect of
2 those shortcomings on local property taxpayers by enhancing the
3 performance of local tax assessors through the use of cutting-edge
4 technology under the direction of the county tax board.

5
6 3. (New section) As used in this act:

7 “County board of taxation” or “county tax board” means the
8 board of taxation of a demonstration county.

9 “County tax administrator” means the administrator of the board
10 of taxation of a demonstration county.

11 “Demonstration county” means a county participating in the real
12 property assessment demonstration program established in section 4
13 of P.L. , c. (C.) (pending before the Legislature as this bill).

14 “Demonstration program” means the real property demonstration
15 program for municipal real property assessment established in
16 section 4 of P.L. , c. (C.) (pending before the Legislature as
17 this bill).

18
19 4. (New section) a. There is established a real property
20 assessment demonstration program, which shall be open for
21 participation therein to any county in the State, to evaluate the
22 efficacy and functionality of a municipal system of real property
23 assessment directed by a county tax board through the county tax
24 administrator pursuant to a revised assessment, and assessment
25 appeal, calendar.

26 A goal of the demonstration program is to demonstrate an
27 enhanced system of municipal real property assessment as a
28 complement to the county-based real property assessment system
29 pilot program undertaken pursuant to the provisions of P.L.2009,
30 c.118 (C.54:1-86 et seq.), under which the entire real property
31 assessment function formerly performed by the municipal tax
32 assessor, has been transferred to the county through the
33 appointment of a county assessor and deputy county assessors. The
34 existence of two programs under which the real property assessment
35 function is performed using two different methods will allow the
36 Legislature to evaluate the effectiveness of each system of real
37 property assessment, and to determine whether the current statutory
38 system of real property assessment function should be revised
39 Statewide.

40 For the first two full tax years immediately following the
41 enactment of P.L. , c. (C.) (pending before the Legislature
42 as this bill), no more than two counties shall participate in the
43 demonstration program established in this section, and for the third
44 and fourth full tax years immediately following the enactment of
45 P.L. , c. (C.) (pending before the Legislature as this bill),
46 no more than two additional counties shall participate in the
47 demonstration program established in this section. A county shall
48 not institute a demonstration program pursuant to the provisions of

1 P.L. , c. (C.) (pending before the Legislature as this bill)
2 unless it meets the following criteria, and provides the required
3 information to the Director of the Division of Taxation and to the
4 Director of the Division of Local Government Services:

5 (i) the county tax board by resolution, shall certify to the
6 Director of the Division of Taxation and to the Director of the
7 Division of Local Government Services that the county tax board
8 has sufficient funds available to pay all of the costs associated with
9 the demonstration program, including the conversion to the MOD-
10 IV system and the associated expansion of the technology
11 infrastructure to the municipalities in the county. The county tax
12 board shall forward the resolution to the Director of the Division of
13 Taxation and to the Director of the Division of Local Government
14 Services;

15 (ii) the county is a State-certified MOD-IV vendor, or the county
16 has contracted with a single State-certified MOD-IV vendor to
17 provide MOD-IV technology to all of the municipalities in the
18 county. The county shall provide a copy of its MOD-IV
19 certification, or a copy of a valid contract for MOD-IV services;

20 (iii) the members of the county's assessors' association, by not
21 less than 2/3rds of its voting membership, have approved the
22 implementation of the demonstration program. The county tax
23 board shall forward the resolution to the Director of the Division of
24 Taxation and to the Director of the Division of Local Government
25 Services.

26 b. There shall be no direct appropriation of State funds used to
27 effectuate the provisions of the demonstration program established
28 in subsection a. of this section. The technical costs of the
29 demonstration program shall be paid by the county board of
30 taxation using assessment appeal filing fees collected by the county
31 board of taxation pursuant to section 18 of P.L.1979, c.499 (C.54:3-
32 21.3a).

33 c. (1) Not later than September 1 immediately preceding
34 demonstration program implementation, and using its own funds
35 therefor, the county tax board of each demonstration county
36 participating in the demonstration program established in subsection
37 a. of this section shall provide MOD-IV and CAMA software to
38 each municipality that does not use the software, at no cost to those
39 municipalities, and shall provide, at no cost to those municipalities,
40 training in the use of the software to the assessors of those
41 municipalities, and to their respective staff members. Thereafter,
42 each municipality shall pay an annual fee per each taxable line item
43 in the municipality to the county tax board for the MOD-IV and
44 CAMA service.

45 (2) On October 1 next following the provision of software under
46 paragraph (1) of this subsection, each demonstration county shall
47 commence the demonstration program under a plan developed by
48 the county tax administrator of each demonstration county,

1 approved by the county board of taxation, and submitted to the
2 Director of the Division of Taxation and the Director of the
3 Division of Local Government Services not less than 60 days prior
4 to October 1. The Director of the Division of Taxation and the
5 Director of the Division of Local Government Services shall not
6 propose or require any changes to a demonstration program plan
7 submitted by a county board of taxation unless a provision of the
8 demonstration program shall be inconsistent with State law, or the
9 decision of any court of this State, regarding the assessment of real
10 property unless the changes have been agreed to by a majority of
11 the members of a demonstration county's Assessment
12 Demonstration Program Steering Committee created pursuant to
13 paragraph (3) of this subsection. The demonstration program of
14 each demonstration county shall operate under all statutory
15 requirements and pursuant to all statutory dates and time frames
16 concerning the assessment of real property in the State, as those
17 statutory dates and time frames have been amended pursuant to the
18 provisions of P.L. , c. (C.) (pending before the Legislature as
19 this bill).

20 (3) Each demonstration county shall establish an "Assessment
21 Demonstration Program Steering Committee" to monitor and report
22 on the activities within the demonstration county relative to the
23 demonstration program. Members of the steering committee shall
24 be the State Treasurer or his designee, the Director of the Division
25 of Taxation or his designee, the Director of the Division of Local
26 Government Services or his designee, a member of the County
27 Assessor's Association of the demonstration county, and the county
28 tax administrator of the demonstration county. Actions taken by the
29 steering committee shall be approved by a majority of the members
30 of the steering committee.

31 d. The Director of the Division of Taxation and the Director of
32 the Division of Local Government Services shall, with the advice
33 and the recommendations of the county tax administrator provide to
34 the Governor and to the Legislature, not later than July 1 next
35 following the fourth full tax year after the implementation of the
36 demonstration program, a report detailing the experience of each
37 demonstration county participating in the demonstration program,
38 the successes of the program, any problems experienced under the
39 program, and any recommendations for statutory or administrative
40 changes to the current system of real property assessment in the
41 State.

42 e. Under the demonstration program, each municipal assessor
43 in a demonstration county shall utilize the same property
44 assessment software as is used by the county tax board and
45 provided to the municipalities by the county tax board pursuant to
46 subsection c. of this section. All real property assessment functions
47 required pursuant to State law, including the revaluation or
48 reassessment of real property, as well as other assessment-based

1 functions such as the development of a compliance plan,
2 maintenance of assessments and the calculation of added
3 assessments shall be performed using the property assessment
4 software.

5 f. In accordance with the provisions of statutory law and with
6 any rule or regulation promulgated pursuant thereto, the county
7 board of taxation of a demonstration county shall compel the
8 implementation of a revaluation or reassessment of real property in
9 any municipality in the demonstration county at such time that the
10 county board of taxation determines the need therefore. If a
11 municipality fails to comply with a revaluation or reassessment, as
12 appropriate, ordered by the county board of taxation in a timely
13 manner, the county board of taxation shall cause the revaluation or
14 reassessment, as appropriate, to be performed at the municipality's
15 cost. The cost of a revaluation or reassessment, as appropriate,
16 shall be directly billed to such a municipality, in addition to the
17 apportionment valuation, through the adjustment of the county levy
18 for that municipality pursuant to R.S.54:4-48 and R.S.54:4-49. A
19 municipality feeling aggrieved by a decision of the county board of
20 taxation to cause the revaluation or reassessment, as appropriate, to
21 be performed at the municipality's cost may file an appeal of that
22 decision of the county board of taxation to the Tax Court within 45
23 days of the approval by the Director of the Division of Taxation of
24 the county tax board's order requiring the revaluation or
25 reassessment, as appropriate.

26 g. The Director of the Division of Local Government Services
27 in the Department of Community Affairs, and the Director of the
28 Division of Taxation in the Department of the Treasury, shall have
29 the authority to take any action as is deemed necessary and
30 consistent with the intent of P.L. , c. (C.) (pending before
31 the Legislature as this bill) to implement its provisions, including
32 but not limited to the authority waive any provisions of statutory
33 law and regulations that may be inconsistent with the intent or
34 application of the provisions of P.L. , c. (C.) (pending before
35 the Legislature as this bill).

36
37 5. Section 1 of P.L.1999, c.278 (C.54:1-35.25b) is amended to
38 read as follows:

39 1. a. All tax assessor certificates issued prior to the effective
40 date of P.L.1999, c.278 (C.54:1-35.25b et al.) shall expire five years
41 following that effective date and shall be renewed in accordance
42 with the procedure established in this section. All tax assessor
43 certificates issued on or after the effective date of P.L.1999, c.278
44 (C.54:1-35.25b et al.) shall expire five years after the issuance of
45 the certificate and shall be renewed in accordance with the
46 procedure established in this section.

47 (1) All tax assessor certificates shall be renewed upon
48 application, payment of the required renewal fee, and verification

1 that the applicant has met continuing education requirements, as set
2 forth in paragraph (2) of this subsection. After the initial expiration
3 of any tax assessor certificates following the effective date of
4 P.L.1999, c.278 (C.54:1-35.25b et al.), each renewal period shall
5 thereafter be for a period of three years. The renewal date shall be
6 30 days prior to the expiration date of the tax assessor certificate.

7 (2) Prior to the first renewal date of a tax assessor certificate
8 pursuant to P.L.1999, c.278 (C.54:1-35.25b et al.) every applicant
9 for renewal shall, on a form prescribed by the Director of the
10 Division of Taxation, furnish proof of having earned a total of at
11 least 50 continuing education credit hours over the prior five-year
12 period. Thereafter, prior to each succeeding renewal date of a tax
13 assessor certificate, every applicant for renewal shall, on a form
14 prescribed by the Director of the Division of Taxation, furnish
15 proof of having earned a total of at least 30 continuing education
16 credit hours over the prior three-year period. For the purposes of
17 this section, one continuing education credit hour means 50 minutes
18 of classroom or lecture time. After verifying that the applicant has
19 fulfilled the continuing education requirement and after receiving a
20 fee of not less than \$50 paid by the applicant to the order of the
21 Treasurer of the State of New Jersey, the Director of the Division of
22 Taxation shall renew the tax assessor certificate. The Director of
23 the Division of Taxation shall determine, by regulation, the
24 circumstances under which an extension of time to complete the
25 requirements for continuing education may be granted by the
26 director.

27 b. There is established within the Division of Taxation in the
28 Department of the Treasury the Tax Assessor Continuing Education
29 Eligibility Board. The board shall consist of six members and be
30 comprised as follows: the Director of the Division of Taxation or
31 his designee, the President of the Association of Municipal
32 Assessors, and the President of the New Jersey Association of
33 County Tax Board Commissioners and County Tax Administrators
34 shall be permanent members. The Director of the Division of
35 Taxation and the President of the Association of Municipal
36 Assessors shall each appoint an additional member who shall serve
37 for a term of two years. The Director of Government Services at
38 Rutgers University shall serve ex officio. Any vacancy in the
39 membership of the board shall be filled for the unexpired term in
40 the manner provided by the original appointment. The first meeting
41 of the board shall be held at the call of the Director of the Division
42 of Taxation, and thereafter the board shall meet annually and shall
43 hold at least one additional meeting within each 12-month period.
44 The board shall establish the curriculum areas and the number of
45 hours in each curriculum area that an assessor shall complete in
46 order to renew certification.

47 c. When the holder of a tax assessor certificate has allowed the
48 certificate to lapse by failing to renew the certificate, a new

1 application and certificate shall be required. If application is made
2 within six months of the expiration of the certificate, then
3 application may be made in the same manner as a renewal, but with
4 an additional late renewal fee of \$50.

5 d. 【The Director of the Division of Taxation, in accordance
6 with the "Administrative Procedure Act," P.L.1968, c.410
7 (C.52:14B-1 et seq.), shall adopt such regulations as are necessary
8 to effectuate the provisions of this section.】 (Deleted by
9 amendment, P.L. , c.) (pending before the Legislature as this
10 bill).

11 e. In addition to the requirements of this section, to address the
12 introduction to, and competency of, municipal assessors and county
13 tax board personnel with the technology, administrative procedures,
14 and real property appraisal requirements within a demonstration
15 county under a demonstration program established in section 4 of
16 P.L. , c. (C.) (pending before the Legislature as this bill), the
17 county tax administrator of a demonstration county, in consultation
18 with the members of the county tax board of that demonstration
19 county, shall develop a training program to provide annually, free
20 of charge, an additional 10 credit hours of continuing education
21 training concerning the requirements of the real property
22 assessment function in the demonstration county for all assessors,
23 deputy assessors, tax board commissioners, the county tax
24 administrator, and the deputy county tax administrator, practicing
25 within that demonstration county. Attendance at the training
26 program shall be required for each of these professionals, and the
27 county tax administrator of the demonstration county shall annually
28 certify to the Director of the Division of Taxation in the Department
29 of the Treasury that each of these professionals has completed this
30 training. The continuing education credit hours required by this
31 subsection shall be in addition to the requirements of subsection a.
32 of this section, and shall not be used to satisfy any requirements of
33 that subsection. Any person who does not meet the additional
34 continuing education training requirement required by this
35 subsection shall be ineligible to function as an assessor or deputy
36 assessor in any municipality located in a demonstration county until
37 such time as the additional continuing education training
38 requirement has been satisfied.

39 The Director of the Division of Taxation, in accordance with the
40 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
41 seq.), shall adopt such regulations as are necessary to effectuate the
42 provisions of this section.

43 (cf: P.L.1999, c.278, s.1)

44
45 6. Section 19 of P.L.1979, c. 499 (C.54:3-5.1) is amended to
46 read as follows:

47 19. a. The president of each county board of taxation shall
48 annually on or before August 15 report to the Director of the

1 Division of Taxation in the Department of the Treasury, except that
2 the president of a county board of taxation participating in the
3 demonstration program established in section 4 of P.L. _____,
4 c. (C. _____) (pending before the Legislature as this bill) shall make
5 this required report to the director annually on or before June 1.
6 Such report shall be in such form as shall be prescribed by the
7 director and shall contain such information and statistics as may be
8 appropriate to demonstrate for the immediately preceding 3-month
9 period during which tax appeals were heard by the county board:
10 the total number of appeals filed with the county board; the
11 disposition of the various appeals disposed of during that period;
12 the character of appeals filed with regard to the classification of
13 properties appealed; the total amount of assessments involved in
14 those appeals; the number of appeals filed in each filing fee
15 category during that period; and, the total amount of reductions and
16 increases of assessed valuation granted by the board during that
17 period.

18 b. The Director of the Division of Taxation shall annually
19 review the reports required under subsection a. of this section, and
20 shall include a summary of the information contained therein in the
21 division's annual report.

22 (cf: P.L.1979, c.499, s.19)

23

24 7. R.S.54:3-17 is amended to read as follows:

25 54:3-17. Each county tax administrator shall annually ascertain
26 and determine, according to his best knowledge and information,
27 the general ratio or percentage of true value at which the real
28 property of each taxing district is in fact assessed according to the
29 tax lists laid before the board. On or before March 1 of each year,
30 [he] or on or before May 15 in the case of a county board of
31 taxation participating in the demonstration program established in
32 section 4 of P.L. _____, c. (C. _____) (pending before the Legislature as
33 this bill), the county tax administrator shall prepare and submit to
34 the county board an equalization table showing, for each district,
35 the following items:

36 (a) The percentage level established pursuant to law for
37 expressing the taxable value of real property in the county;

38 (b) The aggregate assessed value of the real property, exclusive
39 of class II railroad property;

40 (c) The ratio of aggregate assessed to aggregate true value of the
41 real property, exclusive of class II railroad property;

42 (d) The aggregate true value of the real property, exclusive of
43 class II railroad property;

44 (e) The amount by which the valuation in item (b) should be
45 increased or decreased in order to correspond to item (d);

46 (f) The aggregate assessed value of machinery implements and
47 equipment and all other personal property used in business;

1 (g) The aggregate true value of machinery, implements and
2 equipment and all other personal property used in business;

3 (h) The aggregate equalized valuation of machinery, implements
4 and equipment and all other personal property used in business,
5 computed by multiplying the aggregate true value thereof by the
6 lower of (1) that percentage level established pursuant to law for
7 expressing the taxable value of real property in the county, or (2)
8 the average ratio of assessed to true value of real property as
9 promulgated by the director on October 1 of the pretax year,
10 pursuant to chapter 86, laws of 1954, for State school aid purposes,
11 as the same may have been modified by the Tax Court;

12 (i) The amount by which the valuation in item (f) should be
13 increased or decreased in order to correspond to item (h).

14 A copy of the table shall be mailed to the assessor of each
15 district, and to the Division of Taxation, and be posted at the
16 courthouse, not later than March 1, or not later than May 15 in the
17 case of a county board of taxation participating in the demonstration
18 program established in section 4 of P.L. , c. (C.) (pending
19 before the Legislature as this bill).

20 (cf: P.L.1979, c.499, s.11)

21
22 8. R.S.54:3-18 is amended to read as follows:

23 54:3-18. The county board of taxation in each county shall meet
24 annually for the purpose of reviewing the equalization table
25 prepared pursuant to R.S.54:3-17 with respect to the several taxing
26 districts of the county. At the meeting a hearing shall be given to
27 the assessors and representatives of the governing bodies of the
28 various taxing districts for the purpose of determining the accuracy
29 of the ratios and valuations of property as shown in the equalization
30 table, and the board shall confirm or revise the table in accordance
31 with the facts. The hearings may be adjourned from time to time
32 but the equalization shall be completed before March 10, or not
33 later than May 25 in the case of a county board of taxation
34 participating in the demonstration program established in section 4
35 of P.L. , c. (C.) (pending before the Legislature as this bill).

36 At the first hearing any taxing district may object to the ratio or
37 valuation fixed for any other district, but no increase in any
38 valuation as shown in the table shall be made by the board without
39 giving a hearing, after 3 days' notice, to the governing body and
40 assessor of the taxing district affected.

41 (cf: P.L.1979, c.499, s.12)

42
43 9. R.S.54:3-21 is amended to read as follows:

44 54:3-21. a. (1) Except as provided in subsection b. of this
45 section a taxpayer feeling aggrieved by the assessed valuation of the
46 taxpayer's property, or feeling discriminated against by the assessed
47 valuation of other property in the county, or a taxing district which
48 may feel discriminated against by the assessed valuation of property

1 in the taxing district, or by the assessed valuation of property in
2 another taxing district in the county, may on or before April 1, or 45
3 days from the date the bulk mailing of notification of assessment is
4 completed in the taxing district, whichever is later, appeal to the
5 county board of taxation by filing with it a petition of appeal;
6 provided, however, that any such taxpayer or taxing district may on
7 or before April 1, or 45 days from the date the bulk mailing of
8 notification of assessment is completed in the taxing district,
9 whichever is later, file a complaint directly with the Tax Court, if
10 the assessed valuation of the property subject to the appeal exceeds
11 \$1,000,000. In a taxing district where a municipal-wide revaluation
12 or municipal-wide reassessment has been implemented, a taxpayer
13 or a taxing district may appeal before or on May 1 to the county
14 board of taxation by filing with it a petition of appeal or, if the
15 assessed valuation of the property subject to the appeal exceeds
16 \$1,000,000, by filing a complaint directly with the State Tax Court.
17 Within ten days of the completion of the bulk mailing of
18 notification of assessment, the assessor of the taxing district shall
19 file with the county board of taxation a certification setting forth the
20 date on which the bulk mailing was completed. If a county board of
21 taxation completes the bulk mailing of notification of assessment,
22 the tax administrator of the county board of taxation shall within ten
23 days of the completion of the bulk mailing prepare and keep on file
24 a certification setting forth the date on which the bulk mailing was
25 completed. A taxpayer shall have 45 days to file an appeal upon the
26 issuance of a notification of a change in assessment. An appeal to
27 the Tax Court by one party in a case in which the Tax Court has
28 jurisdiction shall establish jurisdiction over the entire matter in the
29 Tax Court. All appeals to the Tax Court hereunder shall be in
30 accordance with the provisions of the State Uniform Tax Procedure
31 Law, R.S.54:48-1 et seq.

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

37 (2) With respect to property located in a county participating in
38 the demonstration program established in section 4 of
39 P.L. , c (C.) (pending before the Legislature as this bill),
40 and except as provided in subsection b. of this section, a taxpayer
41 feeling aggrieved by the assessed valuation of the taxpayer's
42 property, or feeling discriminated against by the assessed valuation
43 of other property in the county, or a taxing district which may feel
44 discriminated against by the assessed valuation of property in the
45 taxing district, or by the assessed valuation of property in another
46 taxing district in the county, may on or before January 15, or 45
47 days from the date the bulk mailing of notification of assessment is
48 completed in the taxing district, whichever date is later, appeal to

1 the county board of taxation by filing with it a petition of appeal;
2 provided, however, that any such taxpayer, or taxing district, may
3 on or before April 1, or 45 days from the date the bulk mailing of
4 notification of assessment is completed in the taxing district,
5 whichever date is later, file a complaint directly with the Tax Court,
6 if the assessed valuation of the property subject to the appeal
7 exceeds \$1,000,000.

8 If a petition of appeal is filed on January 15 or during the 19
9 days next preceding January 15, or a complaint is filed with the Tax
10 Court on April 1 or during the 19 days next preceding April 1, a
11 taxpayer or a taxing district shall have 20 days from the date of
12 service of the petition or complaint to file a cross-petition of appeal
13 with a county board of taxation or a counterclaim with the Tax
14 Court, as appropriate.

15 Within 10 days of the completion of the bulk mailing of
16 notification of assessment, the assessor of the taxing district shall
17 file with the county board of taxation a certification setting forth the
18 date on which the bulk mailing was completed. If a county board of
19 taxation completes the bulk mailing of notification of assessment,
20 the tax administrator of the county board of taxation shall within 10
21 days of the completion of the bulk mailing prepare and keep on file
22 a certification setting forth the date on which the bulk mailing was
23 completed. A taxpayer shall have 45 days to file an appeal upon the
24 issuance of a notification of a change in assessment. An appeal to
25 the Tax Court by one party in a case in which the Tax Court has
26 jurisdiction shall establish jurisdiction over the entire matter in the
27 Tax Court. All appeals to the Tax Court hereunder shall be in
28 accordance with the provisions of the State Uniform Tax Procedure
29 Law, R.S.54:48-1 et seq.

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

35 (cf: P.L.2009, c.251, s.1)

36
37 10. Section 18 of P.L.1979, c.499 (C.54:3-21.3a) is amended to
38 read as follows:

39 18. All revenues received by the county from fees, either
40 established or increased pursuant to this amendatory and
41 supplementary act, shall be used exclusively for the purposes of
42 modernizing the record-retention capabilities of the county board of
43 taxation, for defraying the costs incurred by the county board of
44 taxation in recording and transcribing appeal proceedings, setting
45 forth memorandums of judgment and in providing copies thereof,
46 **[and]** for paying any salary required to be paid by the county
47 which is increased pursuant to this amendatory and supplementary
48 act, and to effectuate the provisions of the real property assessment

1 demonstration program established by section 4 of P.L. _____,
2 c. (C. _____) (pending before the Legislature as this bill).
3 (cf: P.L.1979, c.499, s.18)

4
5 11. R.S.54:4-23 is amended to read as follows:

6 54:4-23. All real property shall be assessed to the person owning
7 the same on October 1 in each year. The assessor shall ascertain the
8 names of the owners of all real property situate in his taxing district,
9 and after examination and inquiry, determine the full and fair value
10 of each parcel of real property situate in the taxing district at such
11 price as, in his judgment, it would sell for at a fair and bona fide
12 sale by private contract on October 1 next preceding the date on
13 which the assessor shall complete his assessments, as hereinafter
14 required; provided, however, that in determining the full and fair
15 value of land which is being assessed and taxed under the Farmland
16 Assessment Act of 1964, chapter 48, laws of 1964, the assessor
17 shall consider only those indicia of value which such land has for
18 agricultural or horticultural use as provided by said act; and
19 provided further however, that when the assessor has reason to
20 believe that property comprising all or part of a taxing district has
21 been assessed at a value lower or higher than is consistent with the
22 purpose of securing uniform taxable valuation of property according
23 to law for the purpose of taxation, or that the assessment of property
24 comprising all or part of a taxing district is not in substantial
25 compliance with the law and that the interests of the public will be
26 promoted by a reassessment of such property, the assessor shall,
27 after due investigation, make a reassessment of the property in the
28 taxing district that is not in substantial compliance, provided that
29 (1) the assessor has first notified, in writing, the mayor, the
30 municipal governing body, the county board of taxation, and the
31 county tax administrator of the basis of the assessor's determination
32 that a reassessment of that property in the taxing district is
33 warranted and (2) the assessor has submitted a copy of a
34 compliance plan to the county board of taxation for approval. In
35 the case of real property located in a county participating in the
36 demonstration program established in section 4 of P.L. _____,
37 c. (C. _____) (pending before the Legislature as this bill), the
38 assessor of the municipality in which the real property is situate,
39 after due investigation, shall make a reassessment of the property in
40 the taxing district that is not in substantial compliance. Following a
41 reassessment of a portion of the taxing district pursuant [to an
42 approved compliance plan] to the provisions of this section, the
43 assessor shall certify to the county board of taxation, through such
44 sampling as the county board of taxation deems adequate, that the
45 reassessment is in substantial compliance with the portions of the
46 taxing district that were not reassessed. For the purposes of
47 assessment, the assessor shall compute and determine the taxable

1 value of such real property at the level established for the county
2 pursuant to law.

3 (cf: P.L.2009, c.251, s.2)

4
5 12. R.S.54:4-31 is amended to read as follows:

6 54:4-31. **【Within】** Unless provided electronically by the
7 custodian of record, within one week thereafter the officer with
8 whom the deed or other instrument shall have been recorded shall
9 mail an abstract thereof, together with the address of the grantee, to
10 such assessor, collector or other custodian who shall properly note
11 the facts therein contained. The abstract shall contain the names of
12 the grantor and grantee and an exact description of the property
13 conveyed as set forth in the deed or instrument of conveyance,
14 together with the date of presentation thereof for record.

15 (cf: R.S.54:4-31)

16
17 13. R.S.54:4-35 is amended to read as follows:

18 54:4-35. **【The】** a. Except as provided in subsection b. of this
19 section, the assessor shall determine his taxable valuations of real
20 property as of October 1 in each year and shall complete the
21 preparation of his assessment list by January 10 following, on
22 which date he shall attend before the county board of taxation and
23 file with the board his complete assessment list, and a true copy
24 thereof, to be called the assessor's duplicate. Such list and duplicate
25 shall include the assessments of personal property reported or
26 determined pursuant to this chapter. They shall be properly made
27 up in such manner and form required by the Director of the Division
28 of Taxation pursuant to **【section】** R.S.54:4-26 **【of this chapter】**, to
29 be examined, revised and corrected by the board as provided by
30 law.

31 b. In the case of a municipality located in a county where the
32 county board of taxation is participating in the demonstration
33 program established in section 4 of P.L. , c. (C.) (pending
34 before the Legislature as this bill), the assessor shall determine the
35 taxable valuations of real property as of October 1 in each year and
36 shall complete the preparation of the preliminary assessment list by
37 November 1, and the assessor shall appear on that date before the
38 county board of taxation and shall certify to the board, on forms
39 promulgated by the Director of the Division of Taxation in the
40 Department of the Treasury, that the electronic file within the
41 county's MOD-IV tax system is his complete preliminary
42 assessment list.

43 After all of the assessment appeals filed with the county tax
44 board have been decided, the assessor shall complete the
45 preparation of the final assessment list by May 5, on which date the
46 assessor shall appear before the county board of taxation and shall
47 file with the board his completed final assessment list, and a true
48 copy of the final assessment list, which true copy shall be the

1 assessor's duplicate. The final assessment and the assessor's
2 duplicate shall include the assessments of personal property
3 reported or determined pursuant to the requirements of chapter 4 of
4 Title 54 of the Revised Statutes, in such manner and form as shall
5 be required by the director pursuant to R.S.54:4-26, and shall be
6 examined, revised and corrected by the board as provided by law.
7 (cf: P.L.1966, c.138, s.9)

8
9 14. R.S.54:4-38 is amended to read as follows:

10 54:4-38. **【Every】** a. Except as provided in subsection b. of this
11 section, every assessor, at least ten days before filing the complete
12 assessment list and duplicate with the county board of taxation, and
13 before annexing thereto his affidavit as required in section 54:4-36
14 of this title, shall notify each taxpayer of the current assessment and
15 preceding year's taxes and give public notice by advertisement in at
16 least one newspaper circulating within his taxing district of a time
17 and place when and where the assessment list may be inspected by
18 any taxpayer for the purpose of enabling the taxpayer to ascertain
19 what assessments have been made against him or his property and
20 to confer informally with the assessor as to the correctness of the
21 assessments, so that any errors may be corrected before the filing of
22 the assessment list and duplicate. Thereafter, the assessor shall
23 notify each taxpayer by mail within 30 days of any change to the
24 assessment. This notification of change of assessment shall contain
25 the prior assessment and the current assessment.

26 b. In the case of a municipality located in a county where the
27 county board of taxation is participating in the demonstration
28 program established in section 4 of P.L. , c. (C.) (pending
29 before the Legislature as this bill), every assessor, before filing the
30 preliminary assessment list with the county board of taxation
31 pursuant to subsection b. of R.S.54:4-35, shall notify each taxpayer
32 of the preliminary assessment and preceding year's taxes and give
33 public notice by advertisement in at least one newspaper circulating
34 within his taxing district of a time and place when and where the
35 assessment list may be inspected by any taxpayer for the purpose of
36 enabling the taxpayer to ascertain what assessments have been
37 made against the taxpayer or the taxpayer's property. Thereafter,
38 the assessor shall notify each taxpayer by mail within 30 days of
39 any change to the assessment. This notification of change of
40 assessment shall contain the prior assessment and the current
41 assessment.

42 (cf: P.L.1991, c.75, s.31)

43
44 15. Section 32 of P.L.1991, c.75 (C.54:4-38.1) is amended to
45 read as follows:

46 32. **【Every】** a. Except as provided in subsection b. of this
47 section, every assessor, prior to February 1, shall notify by mail
48 each taxpayer of the current assessment and preceding year's taxes.

1 Thereafter, the assessor or county board of taxation shall notify
2 each taxpayer by mail within 30 days of any change to the
3 assessment. This notification of change of assessment shall contain
4 the prior assessment and the current assessment. The director shall
5 establish the form of notice of assessment and change of
6 assessment. Any notice issued by the assessor or county board of
7 taxation shall contain information instructing taxpayers on how to
8 appeal their assessment.

9 b. In the case of a municipality located in a county where the
10 county board of taxation is participating in the demonstration
11 program established in section 4 of P.L. , c. (C.) (pending
12 before the Legislature as this bill), every assessor, on or before
13 November 15 of the pretax year, shall notify by mail each taxpayer
14 of the preliminary assessment and preceding year's taxes.
15 Thereafter, the assessor or county board of taxation shall notify
16 each taxpayer by mail within 30 days of any change to the
17 assessment. This notification of change of assessment shall contain
18 the prior assessment and the current assessment. The director shall
19 establish the form of notice of assessment and change of
20 assessment. Any notice issued by the assessor or county board of
21 taxation shall contain information instructing taxpayers on how to
22 appeal their assessment.

23 c. The county board of taxation of the demonstration county
24 shall make the preliminary data electronically accessible to the
25 public by posting the data in searchable form on the county's
26 website not later than 15 business days after the submission of the
27 preliminary data.

28 (cf: P.L.1991, c.75, s.32)

29
30 16. R.S.54:4-52 is amended to read as follows:

31 54:4-52. The county board of taxation shall, on or before May
32 20, or on or before May 31 in the case of a county board of taxation
33 participating in the demonstration program established in section 4
34 of P.L. , c. (C.) (pending before the Legislature as this bill),
35 fill out a table of aggregates copied from the duplicates of the
36 several assessors and the certifications of the Director of the
37 Division of Taxation relating to second-class railroad property, and
38 enumerating the following items:

39 (1) The total number of acres and lots assessed;

40 (2) The value of the land assessed;

41 (3) The value of the improvements thereon assessed;

42 (4) The total value of the land and improvements assessed,
43 including:

44 a. Second-class railroad property;

45 b. All other real property.

46 (5) The value of the personal property assessed, stating in
47 separate columns:

48 a. Value of household goods and chattels assessed;

- 1 b. Value of farm stock and machinery assessed;
- 2 c. Value of stocks in trade, materials used in manufacture and
- 3 other personal property assessed under section 54:4-11;
- 4 d. Value of all other tangible personal property used in
- 5 business assessed.
- 6 (6) Deductions allowed, stated in separate columns:
- 7 a. Household goods and other exemptions under the provisions
- 8 of section 54:4-3.16 of this Title;
- 9 b. Property exempted under section 54:4-3.12 of this Title.
- 10 (7) The net valuation taxable;
- 11 (8) Amounts deducted under the provisions of sections 54:4-49
- 12 and 54:4-53 of this Title or any other similar law (adjustments
- 13 resulting from prior appeals);
- 14 (9) Amounts added under any of the laws mentioned in
- 15 subdivision 8 of this section (like adjustments);
- 16 (10) Amounts added for equalization under the provisions of
- 17 sections 54:3-17 to 54:3-19 of this Title;
- 18 (11) Amounts deducted for equalization under the provisions of
- 19 sections 54:3-17 to 54:3-19 of this Title;
- 20 (12) Net valuation on which county, State and State school taxes
- 21 are apportioned;
- 22 (13) The number of polls assessed;
- 23 (14) The amount of dog taxes assessed;
- 24 (15) The property exempt from taxation under the following
- 25 special classifications:
- 26 a. Public school property;
- 27 b. Other school property;
- 28 c. Public property;
- 29 d. Church and charitable property;
- 30 e. Cemeteries and graveyards;
- 31 f. Other exemptions not included in foregoing classifications
- 32 subdivided showing exemptions of real property and exemptions of
- 33 personal property;
- 34 g. The total amount of exempt property.
- 35 (16) State road tax;
- 36 (17) State school tax;
- 37 (18) County taxes apportioned, exclusive of bank stock taxes;
- 38 (19) Local taxes to be raised, exclusive of bank stock taxes,
- 39 subdivided as follows:
- 40 a. District school tax;
- 41 b. Other local taxes.
- 42 (20) Total amount of miscellaneous revenues, including surplus
- 43 revenue appropriated, for the support of the taxing district budget,
- 44 which, for a municipality operating under the State fiscal year, shall
- 45 be the amounts for the fiscal year ending June 30 of the year in
- 46 which the table is prepared;
- 47 (21) District court taxes;
- 48 (22) Library tax;

1 (23) Bank stock taxes due taxing district;

2 (24) Tax rate for local taxing purposes to be known as general
3 tax rate to apply per \$100.00 of valuation, which general tax rate
4 shall be rounded up to the nearest one-half penny after receipt in
5 any year of a municipal resolution submitted to the county tax board
6 on or before April 1 of that tax year requesting that the general tax
7 rate be rounded up to the nearest one-half penny.

8 For municipalities operating under the State fiscal year, the
9 amount for local municipal purposes shall be the amount as
10 certified pursuant to section 16 of P.L.1994, c.72 (C.40A:4-12.1).
11 The table shall also include a footnote showing the amount raised
12 by taxation for municipal purposes as shown in the State fiscal year
13 budget ending June 30 of the year the table is prepared.

14 In addition to the above such other matters may be added, or
15 such changes in the foregoing items may be made, as may from
16 time to time be directed by the Director of the Division of Taxation.
17 The forms for filling out tables of aggregates shall be prescribed by
18 the director and sent by him to the county treasurers of the several
19 counties to be by them transmitted to the county board of taxation.
20 Such table of aggregates shall be correctly added by columns and
21 shall be signed by the members of the county board of taxation and
22 shall within three days thereafter be transmitted to the county
23 treasurer who shall file the same and forthwith cause it to be printed
24 in its entirety and shall transmit certified copy of same to the
25 Director of the Division of Taxation, the State Auditor, the Director
26 of the Division of Local Government Services in the Department of
27 Community Affairs, the clerk of the board of freeholders, and the
28 clerk of each municipality in the county.

29 (cf: P.L.1995, c.345, s.1)

30

31 17. (New section) The State Treasurer, in consultation with the
32 Director of the Division of Taxation in the Department of the
33 Treasury, pursuant to the "Administrative Procedure Act,"
34 P.L.1968, c.410 (C.52:14B-1 et seq.), may adopt rules and
35 regulations to effectuate the purposes of the real property
36 assessment demonstration program established in this act, except
37 that notwithstanding any provision of P.L.1968, c.410 (C.52:14B-1
38 et seq.) to the contrary, the Director of the Division of Local
39 Government Services in the Department of Community Affairs and
40 the State Treasurer may adopt, immediately upon filing with the
41 Office of Administrative Law, such rules and regulations as deemed
42 necessary to implement the provisions of this act which shall be
43 effective for a period not to exceed 12 months and shall thereafter
44 be amended, adopted or re-adopted in accordance with the
45 provisions of P.L.1968, c.410 (C.52:14B-1 et seq.).

46

47 18. This act shall take effect immediately.

STATEMENT

This bill would create a real property assessment demonstration program to demonstrate a more cost-effective and accurate process of real property assessment administration. Under the provisions of the bill, not more than four counties may participate in the demonstration program as demonstration counties; not more than two in the first two full tax years after the bill's enactment, and not more than two more in the third and fourth full tax years after the bill's enactment. The bill also sets strict criteria that a county must meet, and information a county must provide to the Director of the Division of Local Government Services in the Department of Community Affairs and to the Director of the Division of Taxation in the Department of the Treasury, in order to implement the demonstration program as a demonstration county. The real property assessment demonstration program will specifically address the systemic costs which result from the losses due to successful assessment appeals. The economic impact of addressing the cost of lost assessment appeals offers potential savings many times greater than the proposed savings resulting from consolidated county-based assessment.

The real property assessment demonstration program proposes a real property assessment system that will remain decentralized for the purpose of creating a more responsive and accurate assessment function that can annually adjust to the flow of the county's varied markets and submarkets. The central premise of the demonstration program is a collaborative effort between the county tax board and municipal assessors. The demonstration program relies on this working relationship to address the issues of cost effectiveness and the accurate process of assessment.

The demonstration program is based on the utilization by all of a demonstration county's municipalities of the same property assessment software, the MOD-IV/CAMA system. The bill requires that under the demonstration program, all future revaluations and reassessments of real property by municipalities in a demonstration county will be performed on the county system, and the system will also be used for other assessment-based functions, such as the development of a compliance plan, maintenance of assessments, and the calculation of added assessments. It is important to note that no State funds will be necessary for the implementation of this demonstration program. The county board of taxation in a demonstration county will absorb the cost of assessment data conversion through assessment appeal filing fees collected by the board.

Specifically, the bill provides that on the first day of October next following the effective date of the bill, demonstration counties shall commence the demonstration program under a plan developed by each county's county tax administrator, approved by each

1 county's county board of taxation, and submitted to both the
2 Director of the Division of Taxation and the Director of the
3 Division of Local Government Services not less than 60 days prior
4 to that October 1. Under the bill, the Director of the Division of
5 Taxation and the Director of the Division of Local Government
6 Services cannot propose or require any changes to the
7 demonstration program plan submitted by the board of taxation of a
8 demonstration county unless a provision of the demonstration
9 program is inconsistent with State law, or the decision of any court
10 of this State, regarding the assessment of real property, unless the
11 changes have been agreed to by a majority of the members of the
12 county's demonstration program steering committee. The bill also
13 establishes an "Assessment Demonstration Program Steering
14 Committee" in each demonstration county to monitor and report on
15 the activities within the demonstration county relative to the
16 demonstration program. Members of each such steering committee
17 are the State Treasurer or his designee, the Director of the Division
18 of Taxation or his designee, the Director of the Division of Local
19 Government Services or his designee, a member of the Assessor's
20 Association of each demonstration county, and the tax administrator
21 of the county tax board of each demonstration county. Actions
22 taken by a steering committee must be approved by a majority of
23 the members of the steering committee.

24 The demonstration program must operate under all statutory
25 requirements and pursuant to all statutory dates and time frames
26 concerning the assessment of real property in the State, as those
27 statutory dates and time frames have been amended pursuant to the
28 provisions of the bill.

29 The bill requires Director of the Division of Taxation and the
30 Director of the Division of Local Government Services, with the
31 advice and the recommendations of the tax administrator of each
32 demonstration county, to provide to the Governor and to the
33 Legislature, not later than July 1 next following the fourth full tax
34 year after the implementation of the demonstration program, a
35 report detailing the experience of each demonstration county under
36 the demonstration program, the successes of the program, any
37 problems experienced under the program, and any recommendations
38 for statutory or administrative changes to the current system of real
39 property assessment in the State.

40 The bill also requires the county board of taxation of each
41 demonstration county to compel the implementation of a
42 revaluation or reassessment of real property. If a municipality fails
43 to complete the revaluation or reassessment, as appropriate, ordered
44 by the county board of taxation in a timely manner, the county tax
45 board will contract for the revaluation or reassessment, as
46 appropriate, for the municipality at the municipality's cost. Under
47 the bill, a municipality feeling aggrieved by a decision of the county
48 board of taxation to cause the revaluation or reassessment, as

1 appropriate, to be performed at the municipality's cost may file an
2 appeal of that decision by the county board of taxation to the Tax
3 Court within 45 days of the approval by the Director of the Division
4 of Taxation of the county tax board's order requiring the
5 revaluation or reassessment, as appropriate.

6 The bill also provides the Director of the Division of Local
7 Government Services and the Director of the Division of Taxation
8 the authority to take any action that is deemed necessary and
9 consistent with the intent of the bill to implement its provisions,
10 including but not limited to the authority to waive any provisions of
11 statutory law and regulations that may be inconsistent with the
12 intent or application of the provisions of the bill.

13 Finally, the bill revises the statutory dates for the assessment of
14 real property in demonstration counties to implement the
15 demonstration program's provisions concerning the re-scheduling
16 of the assessment appeal process.

17 Under current law, every municipal tax assessor files the
18 municipality's tax list with the county board of taxation, which
19 subsequently sets the local tax rates. Assessment appeals are filed
20 by property owners on April 1 of each year, or on May 1 in the case
21 of a municipality that has undergone a municipal-wide revaluation
22 or reassessment of real property. Appeals are heard by the county
23 tax board and generally decided in most, if not all, cases by the end
24 of July. Successful appeals that late in the tax year result in
25 reduced assessments, which results in a reduced municipal tax base,
26 which then results in the under-collection of property taxes to fund
27 current year operations. The demonstration program proposes the
28 re-scheduling of the property assessment appeal process to dates
29 prior to the calculation of the local property tax rate, which would
30 allow for a more accurate local property tax rate to reflect local
31 budgetary needs and the true value of the tax base that provides the
32 property tax revenue to fund the local budget.

33 It is the intent of the sponsor that the implementation of the
34 demonstration program authorized under this bill will demonstrate
35 both the value of a collaboration of a county tax board with the
36 municipal-based assessors, supported by countywide technology in
37 the real property assessment process, and the significant benefits of
38 an assessment appeal structure that takes place prior to the county
39 board of taxation's calculation of local tax rates.

40 The following chart sets forth the current statutory dates relative
41 to the individual functions that comprise the real property
42 assessment process, and the proposed dates for those functions
43 under the demonstration program proposed by this bill:

1

<i>DATES RELATIVE TO CERTIFICATION OF THE TAX LIST, ASSESSMENT APPEALS, AND THE CALCULATION OF LOCAL TAX RATES IN DEMONSTRATION COUNTIES</i>		
<i>Description of Function</i>	<i>Current Date</i>	<i>Proposed Date for All Municipalities</i>
Assessing Date	October 1 of pre-tax year	October 1 of pre-tax year
Certification of Preliminary Assessment	N/A	November 1 of pre-tax year
Notification of Assessment Postcards	February 1	November 15 of pre-tax year
Assessment Appeal Filing Deadline	April 1; May 1 in municipalities wherein revaluation of real property has occurred	January 15
Assessment Appeals Heard	May, June and July	February, March and April
Tax List Filed	January 10	May 5
County Preliminary Equalization	March 10	May 15
County Final Equalization	March 10	May 25
Municipal Budget to Tax Board	March 31	May 15
County Budget to Tax Board	April 1	May 15
School Budget to Tax Board	May 19	May 15
Certified Tax Rates	May 20	May 31
Tax Duplicates	June 3	June 3
Tax Bills	June 14	June 14

2