

[First Reprint]

SENATE, No. 777

STATE OF NEW JERSEY
220th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2022 SESSION

Sponsored by:

Senator NELLIE POU

District 35 (Bergen and Passaic)

Senator TROY SINGLETON

District 7 (Burlington)

Co-Sponsored by:

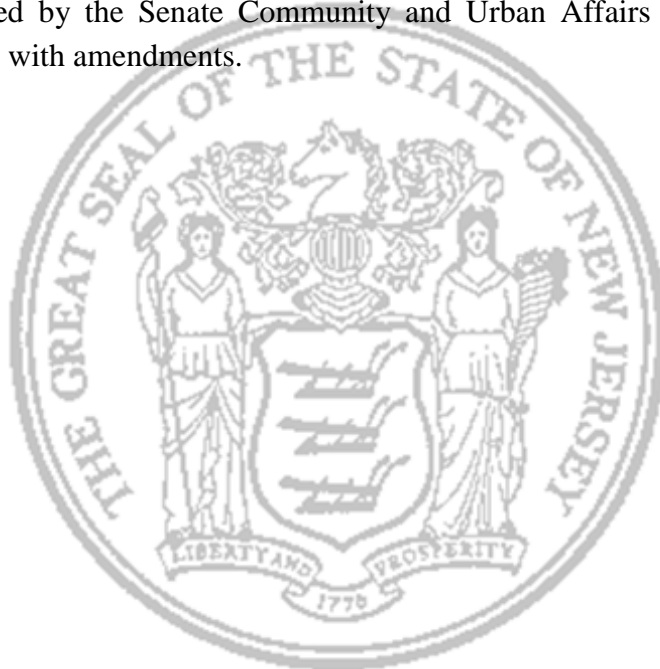
Senators Cunningham and Ruiz

SYNOPSIS

Concerns discriminatory appraisals of property on basis of race, creed, color, national origin, or certain other characteristics.

CURRENT VERSION OF TEXT

As reported by the Senate Community and Urban Affairs Committee on June 2, 2022, with amendments.



(Sponsorship Updated As Of: 6/9/2022)

1 AN ACT concerning real estate appraisals and supplementing
2 P.L.1991, c.68 (C.45:14F-1 et seq.) and chapter 15 of Title 45 of
3 the Revised Statutes.

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

7
8 ¹1. This act shall be known and may be cited as the “Fair
9 Appraisals Act.”¹

10
11 ¹2. As used in this act:

12 “Property” or “real estate” means an identified parcel or tract of
13 land, for residential or commercial use, with improvements and
14 including easements, rights of way, undivided or future interests, or
15 similar rights in a tract of land, but does not include mineral rights,
16 timber rights, growing crops, water rights, or similar interests
17 severable from the land when the transaction does not involve the
18 associated parcel or tract of land.

19 “Appraisal” means a valuation of property as defined pursuant to
20 P.L.1991, c.68 (C.45:14F-2).¹

21
22 ¹[1.] ¹3.¹ a. A holder of a license or certification under
23 P.L.1991, c.68 (C.45:14F-1 et seq.) or registration under P.L.2017,
24 c.72 (C.45:14F-27 et al.) shall not discriminate in the appraisal of a
25 ¹[residential]¹ property on the basis of the¹actual or perceived¹
26 race, creed, color, ¹[or]¹ national origin¹, or other characteristic
27 listed pursuant to the “Law Against Discrimination,” P.L.1945,
28 c.169 (C.10:5-1 et seq.)¹ of the property buyer ¹[or],¹ property
29 ¹[seller] owner, agents of the property buyer or owner, or present
30 owners or occupants of the properties within the neighborhood of
31 the property subject to appraisal¹.

32 b. ¹(1)¹ If the board determines, after appropriate
33 investigation, that the holder of a license, certification, or
34 registration has ¹[knowingly]¹ engaged in the discriminatory
35 appraisal of a ¹[residential]¹ property ¹[on the basis of the property
36 buyer’s or property seller’s race, creed, color, or national origin]
37 pursuant to subsection a. of this section¹, the board ¹[may] shall
38 void the discriminatory appraisal and:

39 (a)¹ suspend ¹[or revoke]¹ the license, certification or
40 registration¹[,];

41 (b)¹ levy a fine ¹[or impose a civil penalty,] against the holder
42 that shall recoup the cost of the discriminatory appraisal; and

43 (c) shall require the holder to attend an anti-bias seminar
44 approved by the board.

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SCU committee amendments adopted June 2, 2022.

1 (2) A suspended license, certification, or registration shall be
 2 restored if the holder pays the fine levied pursuant to paragraph (1)
 3 of this subsection and attends the anti-bias seminar approved by the
 4 board.

5 (3) The holder of a suspended license, certification, or
 6 registration shall also be subject to a civil penalty not exceeding
 7 \$10,000 for a first violation, \$25,000 for a second violation
 8 occurring within five years of the first, and \$50,000 for a third and
 9 subsequent violation occurring within seven years of the second. A
 10 civil penalty imposed pursuant to this paragraph shall be collected
 11 by the board pursuant to the "Penalty Enforcement Law of 1999,"
 12 P.L.1999, c.274 (C.2A:58-10 et seq.)¹.

13 c. Whenever the board finds cause to ¹**["fine or"]** suspend ¹**["or**
 14 **revoke"]** the license, certification or registration of a
 15 holder¹pursuant to this section¹, the board shall notify the holder of
 16 the reasons therefor, in writing, and provide opportunity for a
 17 hearing in accordance with the "Administrative Procedure Act,"
 18 P.L.1968, c.410 (C.52:14B-1 et seq.).

19
 20 ¹**["2.]"** ¹**4.** a. Prior to the initiation of a ¹**["residential"]** property
 21 appraisal, a holder of a license or certification under P.L.1991, c.68
 22 (C.45:14F-1 et seq.) or registration under P.L.2017, c.72 (C.45:14F-
 23 27 et al.) shall provide a property ¹**["seller"]** owner or agent of the
 24 property owner¹ with a document, ¹given free of charge and¹ in a
 25 form and manner prescribed by the board, informing the property
 26 ¹**["seller"]** owner¹ of the opportunity to report, through the Division
 27 of Consumer Affairs' ¹**["Internet"]** website or telephone number, any
 28 suspicion of a discriminatory appraisal by the holder of a license,
 29 certification or registration ¹**["on the basis of a property buyer or**
 30 **seller race, creed, color, or national origin"]** pursuant to subsection
 31 a. of section 3 of P.L. , c. (C.) (pending before the
 32 Legislature as this bill).

33 b. (1) When receiving a report of an alleged discriminatory
 34 appraisal, the Division of Consumer Affairs shall ask the
 35 complainant if they believe that the value of the appraised property
 36 is below market value. The division shall also collect demographic
 37 information regarding the complainant, which shall include, but not
 38 be limited to, the identity of the complainant within the
 39 characteristics listed pursuant to subsection a. of section 3 of
 40 P.L. , c. (C.) (pending before the Legislature as this bill).
 41 The complainant may provide the demographic information asked
 42 by the division on a voluntary basis. The information shall include a
 43 contact telephone number, email address, and home address of the
 44 complainant.

45 (2) The division shall compile the demographic information of
 46 the complainants who believe that the value of the appraised
 47 property is below market value and shall report in the aggregate the

1 demographic information collected to the Legislature in accordance
2 with section 2 of P.L.1991, c.164 (C.52:14-19.1) on or before July
3 1, 2024.

4 c. Any reports of alleged discrimination pursuant to subsection
5 a. of this section shall be forwarded to the Division on Civil Rights
6 within the Department of Law and Public Safety for further
7 investigation. If upon investigation a finding of discrimination is
8 made, the Division on Civil Rights shall forward its findings to the
9 board¹.

10 ¹[b.] d. Information concerning the prohibition of ¹a¹
11 discriminatory [appraisals] appraisal¹ of [residential]¹ property,
12 including the statutory basis for prohibition, shall be published on
13 the Division of Consumer Affairs website.

14
15 ¹[3.] 5. a. Upon first interaction with a property buyer¹ or
16 agent of the property buyer¹, a licensed real estate broker, broker-
17 salesperson, or salesperson shall provide to the property buyer a
18 document, ¹given free of charge and¹ prescribed by the New Jersey
19 Real Estate Appraiser Board pursuant to section ¹[2] 4¹ of P.L. ,
20 c. (C.) (pending before the legislature as this bill), informing
21 the property buyer of the opportunity to report, through the Division
22 of Consumer Affairs' website or telephone number, any suspicion
23 of a discriminatory appraisal by the holder of a license or
24 certification under P.L.1991, c.68 (C.45:14F-1 et seq.) or
25 registration under P.L.2017, c.72 (C.45:14F-27 et al.) on the basis
26 of ¹[a property buyer or seller's] the actual or perceived¹ race,
27 creed, color, ¹[or]¹ national origin¹, or other characteristic listed
28 pursuant to the "Law Against Discrimination," P.L.1945, c.169
29 (C.10:5-1 et seq.) of the property buyer, property owner, agents of
30 the property buyer or owner, or present owners or occupants of the
31 properties within the neighborhood of the property subject to
32 appraisal.

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34 appraisal, the Division of Consumer Affairs shall ask the
35 complainant if they believe that the value of the appraised property
36 is below market value. The division shall also collect demographic
37 information regarding the complainant, which shall include, but not
38 be limited to, the identity of the complainant within the
39 characteristics listed pursuant to subsection a. of section 3 of
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43 contact telephone number, email address, and home address of the
44 complainant.

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47 property is below market value and shall report in the aggregate the

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2 with section 2 of P.L.1991, c.164 (C.52:14-19.1) on or before July
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5 subsection shall be forwarded to the Division on Civil Rights within
6 the Department of Law and Public Safety for further investigation.
7 If upon investigation a finding of discrimination is made, the
8 Division on Civil Rights shall forward its findings to the board¹.

9
10 ¹**[4.] 6.**¹ This act shall take effect immediately.