

[Second 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 amended by the Senate on August 8, 2022.



(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 P.L.1991,
 23 c.68 (C.45:14F-1 et seq.) or registration under P.L.2017, c.72
 24 (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 race,
 26 creed, color, ¹[or]¹ national origin¹, or other characteristic listed
 27 pursuant to the “Law Against Discrimination,” P.L.1945, c.169
 28 (C.10:5-1 et seq.)¹ of the property buyer ¹[or],¹ property ¹[seller]
 29 owner, agents of the property buyer or owner, or present owners or
 30 occupants of the properties within the neighborhood of the property
 31 subject to appraisal¹.

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

43 (c) shall require the holder to attend an anti-bias seminar approved
 44 by the board ²that shall include information on existing anti-

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.

²Senate floor amendments adopted August 8, 2022.

1 discrimination laws and how they relate to housing and appraisals².

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

6 (3) The holder of a suspended license, certification, or registration
 7 shall also be subject to a civil penalty not exceeding \$10,000 for a first
 8 violation, \$25,000 for a second violation occurring within five years of
 9 the first, and \$50,000 for a third and subsequent violation occurring
 10 within seven years of the second. A civil penalty imposed pursuant to
 11 this paragraph shall be collected by the board pursuant to the "Penalty
 12 Enforcement Law of 1999," 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 holder ¹**pursuant**
 15 **to this section¹**, the board shall notify the holder of the reasons
 16 therefor, in writing, and provide opportunity for a hearing in
 17 accordance with the "Administrative Procedure Act," P.L.1968, c.410
 18 (C.52:14B-1 et seq.).

19

20 ¹**["2.1"]** 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-27
 23 et al.) shall provide a property ¹**["seller"]** owner or agent of the property
 24 owner ¹ with a document, ¹**["given free of charge and"]** in a form and
 25 manner prescribed by the board, informing the property ¹**["seller"]**
 26 owner ¹ of the opportunity to report, through the Division ²**["of**
 27 **Consumer Affairs'"]** on Civil Rights within the Department of Law
 28 and Public Safety² ¹**["Internet"]** website or telephone number, any
 29 suspicion of a discriminatory appraisal by the holder of a license,
 30 certification or registration ¹**["on the basis of a property buyer or seller**
 31 **race, creed, color, or national origin"]** pursuant to subsection a. of
 32 section 3 of P.L. , c. (C.) (pending before the Legislature as
 33 this bill).

34 b. (1) When receiving a report of an alleged discriminatory
 35 appraisal, the Division ²**["of Consumer Affairs"]** on Civil Rights² shall
 36 ask the complainant if they believe that the value of the appraised
 37 property is below market value. The division shall also collect
 38 demographic information regarding the complainant, which shall
 39 include, but not be limited to, the identity of the complainant within
 40 the characteristics listed pursuant to subsection a. of section 3 of
 41 P.L. , c. (C.) (pending before the Legislature as this bill). The
 42 complainant may provide the demographic information asked by the
 43 division on a voluntary basis. The information shall include a contact
 44 telephone number, email address, and home address of the
 45 complainant.

1 (2) The division shall compile the demographic information of the
2 complainants who believe that the value of the appraised property is
3 below market value and shall report in the aggregate the demographic
4 information collected to the Legislature in accordance with section 2
5 of P.L.1991, c.164 (C.52:14-19.1) on or before July 1, 2024.

6 c. Any reports of alleged discrimination pursuant to subsection a.
7 of this section shall be ²【forwarded to】 investigated by² the Division
8 on Civil Rights ²【within the Department of Law and Public Safety for
9 further investigation】². If upon investigation a finding of
10 discrimination is made, the ²【Division on Civil Rights】 division² shall
11 forward its findings to the board¹.

12 ¹【b.】 d.¹ Information concerning the prohibition of ¹a¹
13 discriminatory ¹【appraisals】 appraisal¹ of ¹【residential】¹ property,
14 including the statutory basis for prohibition, shall be published on the
15 Division of Consumer Affairs website.

16
17 ¹【3.】 5. a.¹ Upon first interaction with a property buyer¹ or
18 agent of the property buyer¹, a licensed real estate broker, broker-
19 salesperson, or salesperson shall provide to the property buyer a
20 document, ¹given free of charge and¹ prescribed by the New Jersey
21 Real Estate Appraiser Board pursuant to section ¹【2】 ⁴ of P.L. , c.
22 (C.) (pending before the legislature as this bill), informing the
23 property buyer of the opportunity to report, through ²the Internet
24 website or telephone number of² the Division ²【of Consumer Affairs’
25 website or telephone number】 on Civil Rights², any suspicion of a
26 discriminatory appraisal by the holder of a license or certification
27 under P.L.1991, c.68 (C.45:14F-1 et seq.) or registration under
28 P.L.2017, c.72 (C.45:14F-27 et al.) on the basis of ¹【a property buyer
29 or seller’s】 the actual or perceived¹ race, creed, color, ¹【or】¹ national
30 origin¹, or other characteristic listed pursuant to the “Law Against
31 Discrimination,” P.L.1945, c.169 (C.10:5-1 et seq.) of the property
32 buyer, property owner, agents of the property buyer or owner, or
33 present owners or occupants of the properties within the neighborhood
34 of the property subject to appraisal.

35 b. (1) When receiving a report of an alleged discriminatory
36 appraisal, the Division ²【of Consumer Affairs】 on Civil Rights² shall
37 ask the complainant if they believe that the value of the appraised
38 property is below market value. The division shall also collect
39 demographic information regarding the complainant, which shall
40 include, but not be limited to, the identity of the complainant within
41 the characteristics listed pursuant to subsection a. of section 3 of
42 P.L. , c. (C.) (pending before the Legislature as this bill). The
43 complainant may provide the demographic information asked by the
44 division on a voluntary basis. The information shall include a contact
45 telephone number, email address, and home address of the
46 complainant.

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2 complainants who believe that the value of the appraised property is
3 below market value and shall report in the aggregate the demographic
4 information collected to the Legislature in accordance with section 2
5 of P.L.1991, c.164 (C.52:14-19.1) on or before July 1, 2024.
6 c. Any reports of alleged discrimination pursuant to this
7 subsection shall be ²forwarded to the Division on Civil Rights within
8 the Department of Law and Public Safety for further investigation
9 investigated by the Division on Civil Rights² . If upon investigation a
10 finding of discrimination is made, the ²Division on Civil Rights
11 division² shall forward its findings to the board¹.
12
13 ¹[4.] 6.¹ This act shall take effect immediately.