

[Second Reprint]

SENATE SUBSTITUTE FOR
SENATE, No. 777

STATE OF NEW JERSEY
220th LEGISLATURE

ADOPTED NOVEMBER 21, 2022

Sponsored by:

Senator NELLIE POU

District 35 (Bergen and Passaic)

Senator TROY SINGLETON

District 7 (Burlington)

Co-Sponsored by:

Senators Cunningham, Ruiz, Turner, Diegnan and Zwicker

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 May 22, 2023.



(Sponsorship Updated As Of: 6/26/2023)

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

10
11 2. As used in this act:

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

14 ¹“Board” means the State Real Estate Appraiser Board.¹

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

22
23 3. a. Consistent with the provisions of section 8 of P.L.1978,
24 c.73 (C.45:1-21), a holder of a license or certificate under P.L.1991,
25 c.68 (C.45:14F-1 et seq.) or registration under P.L.2017, c.72
26 (C.45:14F-27 et al.) shall not discriminate in the appraisal of real
27 estate on the basis of the actual or perceived race, creed, color,
28 national origin, affectional or sexual orientation, sex, gender
29 identity or expression, disability, or other characteristic protected
30 under subsections g. and h. of section 11 of the “Law Against
31 Discrimination,” P.L.1945, c.169 (C.10:5-12) of the property buyer,
32 property owner, agents of the property buyer or owner, or present
33 owners or occupants of the properties within the neighborhood of
34 the property subject to appraisal.

35 b. (1) If the holder of a license, certificate, or registration is
36 found to have discriminated in the appraisal of real estate in
37 violation of subsection a. of this section, the discriminatory
38 appraisal shall be void and of no effect and, for a first violation, the
39 board shall:

40 (a) ¹**[**levy a fine to be determined by the board;

41 (b) ¹**]**order the holder to make restitution of the cost of the
42 discriminatory appraisal; and

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 floor amendments adopted February 27, 2023.

²Assembly floor amendments adopted May 22, 2023.

1 ¹~~[(c)]~~ (b)¹ require the holder to attend an anti-bias seminar
2 approved by the board that shall include information on existing
3 anti-discrimination laws and how they relate to housing and
4 appraisals.

5 (2) If the holder of a license, certificate, or registration is found
6 to have committed a second violation of subsection a. of this
7 section, the board shall:

8 (a) suspend the license, certificate or registration and order the
9 holder to make restitution of the cost of the discriminatory
10 appraisal; and

11 (b) require the holder to attend an anti-bias seminar approved by
12 the board that shall include information on existing anti-
13 discrimination laws and how they relate to housing and appraisals.

14 (3) The board may restore the license, certificate, or registration
15 of a holder found to have committed a second violation of
16 subsection a. of this section upon proof that the holder made
17 restitution required pursuant to subparagraph (a) of paragraph (2) of
18 this subsection and attended the anti-bias seminar approved by the
19 board after a period of suspension of no less than 30 days.

20 (4) If the holder of a license, certificate, or registration is found
21 to have committed a third violation of subsection a. of this section,
22 the board shall, after appropriate notice and hearing, revoke the
23 license, certificate, or registration and order the holder to make
24 restitution of the cost of the discriminatory appraisal.

25 (5) The holder of a license, certificate, or registration that is
26 found to have committed a violation of subsection a. of this section
27 shall also be subject to a civil penalty not exceeding \$10,000 for a
28 first violation, \$25,000 for a second violation occurring within five
29 years of the first, and \$50,000 for a third violation. A civil penalty
30 imposed pursuant to this paragraph shall be collected by the board
31 pursuant to the "Penalty Enforcement Law of 1999," P.L.1999,
32 c.274 (C.2A:58-10 et seq.).

33 ¹(6) Any discriminatory appraisal of real estate by the holder of a
34 license, certificate, or registration pursuant to subsection a. of this
35 section shall be void and of no effect.¹

36 c. Whenever the board finds cause to suspend the license,
37 certificate or registration of a holder pursuant to paragraph (2) of
38 subsection b. of this section, the board shall notify the holder of the
39 reasons therefor, in writing, and provide opportunity for a hearing
40 in accordance with the "Administrative Procedure Act," P.L.1968,
41 c.410 (C.52:14B-1 et seq.). The board shall also provide the
42 notification to the Division on Civil Rights ¹within the Department
43 of Law and Public Safety¹ for review and appropriate action.

44 d. ¹~~[(The)]~~ When the board receives a complaint of appraisal
45 discrimination pursuant to subsection a. of this section, the¹ board
46 shall notify a complainant under this section of the option to file a
47 complaint with the Division on Civil Rights pursuant to the "Law

1 Against Discrimination,” P.L.1945, c.169 (C.10:5-1 et seq.) ¹and
2 notify the Division on Civil Rights of the complaint of appraisal
3 discrimination within 14 days of receiving the complaint. Any
4 complaints of alleged discrimination shall be received and
5 investigated by the Division on Civil Rights. If, upon investigation,
6 a finding of discrimination is made, the division shall forward its
7 findings to the board¹.

8 e. Nothing in this section shall be construed to limit in any way
9 the board’s authority to take any action against the holder of a
10 license, certificate, or registration based on discriminatory conduct
11 or for any other reason or to limit any rights protected by or powers
12 afforded to the Division on Civil Rights pursuant to the “Law
13 Against Discrimination,” P.L.1945, c.169 (C.10:5-1 et seq.).
14

15 4. a. ¹**【Prior to the initiation of a real estate appraisal, a holder of**
16 a license or certificate under P.L.1991, c.68 (C.45:14F-1 et seq.) or
17 registration under P.L.2017, c.72 (C.45:14F-27 et al.) shall provide a
18 property owner or agent of the property owner with a document, given
19 free of charge and in a form and manner prescribed by the board,
20 informing the property owner of the opportunity to report, through the
21 Division on Civil Rights within the Department of Law and Public
22 Safety Internet website or telephone number, any suspicion of a
23 discriminatory appraisal by the holder of a license, certificate or
24 registration pursuant to subsection a. of section 3 of P.L. ,
25 c. (C.) (pending before the Legislature as this bill)】 Upon first
26 interaction with a property owner or agent of the property owner, a
27 ²**【licensed mortgage broker or】**² licensed real estate broker, broker-
28 salesperson, or salesperson shall provide a property owner or agent of
29 the property owner with a document, given free of charge and in a
30 form and manner prescribed by the board, informing the property
31 owner of the opportunity to report, through the Internet website or
32 telephone number of the Division on Civil Rights in the Department of
33 Law and Public Safety, any suspicion of a discriminatory appraisal by
34 the holder of a license, certificate or registration pursuant to subsection
35 a. of section 3 of P.L. , c. (C.) (pending before the Legislation
36 as this bill)¹.

37 b. (1) When receiving a report of an alleged discriminatory
38 appraisal, the Division on Civil Rights shall ascertain the basis for the
39 allegation and solicit from the complainant relevant demographic
40 information, including but not limited to, the identity of the
41 complainant within the characteristics listed pursuant to subsection a.
42 of section 3 of P.L. , c. (C.) (pending before the Legislature as
43 this bill). The complainant may provide the demographic information
44 solicited by the division on a voluntary basis.

45 (2) The division shall compile the demographic information of the
46 complainants provided pursuant to paragraph (1) of this subsection and
47 shall report in the aggregate the demographic information collected to

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

3 ¹【c. Any reports of alleged discrimination pursuant to subsection
4 a. of this section shall be investigated by the Division on Civil Rights.
5 If, upon investigation, a finding of discrimination is made, the division
6 shall forward its findings to the board.

7 d.】c.¹ Information concerning the prohibition of a
8 discriminatory appraisal of real estate, including the statutory basis for
9 prohibition, shall be published on the Division of Consumer Affairs
10 website.

11
12 5. ²a.² Upon first interaction with a property buyer or agent of the
13 property buyer, a licensed ²【¹mortgage broker or licensed¹】² real
14 estate broker, broker-salesperson, or salesperson shall provide to the
15 property buyer a document, given free of charge and prescribed by the
16 State Real Estate Appraiser Board pursuant to section 4 of P.L. , c.
17 (C.) (pending before the legislature as this bill), informing the
18 property buyer of the opportunity to report, through the Internet
19 website or telephone number of the Division on Civil Rights ¹in the
20 Department of Public Safety¹, any suspicion of a discriminatory
21 appraisal by the holder of a license ¹【or certification under P.L.1991,
22 c.68 (C.45:14F-1 et seq.) or registration under P.L.2017, c.72
23 (C.45:14F-27 et al.) on the basis of the actual or perceived race, creed,
24 color, national origin, affectional or sexual orientation, sex, gender
25 identity or expression, disability, or other characteristic protected
26 under subsections g. and h. of section 11 of the “Law Against
27 Discrimination,” P.L.1945, c.169 (C.10:5-12) of the property buyer,
28 property owner, agents of the property buyer or owner, or present
29 owners or occupants of the properties within the neighborhood of the
30 property subject to appraisal】 certificate or registration pursuant to
31 subsection a. of section 3 of P.L. , c. (C.) (pending before the
32 Legislature as this bill).

33 b. During a private sale of real estate, the property owner or agent
34 of the property owner shall provide, upon first interaction with a
35 property buyer or agent of the property buyer, a free document
36 informing the property buyer of the opportunity to report, through the
37 Internet website or telephone number of the Division on Civil Rights
38 in the Department of Law and Public Safety, any suspicion of a
39 discriminatory appraisal by the holder of a license, certificate or
40 registration pursuant to subsection a. of section 3 of P.L. , c.
41 (C.) (pending before the Legislature as this bill)¹.

42 ²c. Within three days of receiving an application for a mortgage
43 loan, a licensed mortgage broker, real estate broker, broker-
44 salesperson, or other mortgage salesperson shall provide the applicant
45 with a document, given free of charge and in a form and manner
46 prescribed by the board, informing the applicant of the opportunity to
47 report, through the Internet website or telephone number of the

1 Division on Civil Rights in the Department of Law and Public Safety,
2 any suspicion of a discriminatory appraisal by the holder of a license,
3 certificate or registration pursuant to subsection a. of section 3 of
4 P.L. , c. (C.) (pending before the Legislature as this bill).²

5

6 6. This act shall take effect immediately.