

[Third Reprint]

**SENATE, No. 777**

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**STATE OF NEW JERSEY**  
**220th LEGISLATURE**

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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, Ruiz and Turner**

**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 October 17, 2022.



**(Sponsorship Updated As Of: 10/27/2022)**

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

10  
 11 <sup>1</sup>2. 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).<sup>1</sup>

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

36 b. <sup>1</sup>(1)<sup>1</sup> If the <sup>3</sup>[board determines, after appropriate  
 37 investigation, that the]<sup>3</sup> holder of a license, <sup>3</sup>[certification]  
 38 certificate<sup>3</sup>, or registration <sup>3</sup>[has <sup>1</sup>[knowingly]<sup>1</sup> engaged in the  
 39 discriminatory appraisal of a <sup>1</sup>[residential]<sup>1</sup> property <sup>1</sup>[on the basis  
 40 of the property buyer’s or property seller’s race, creed, color, or  
 41 national origin] pursuant to] is found, for a first violation, to have  
 42 discriminated in the appraisal of real estate in violation of<sup>3</sup>  
 43 subsection a. of this section<sup>1</sup>, the <sup>3</sup>discriminatory appraisal shall be

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:

<sup>1</sup>Senate SCU committee amendments adopted June 2, 2022.

<sup>2</sup>Senate floor amendments adopted August 8, 2022.

<sup>3</sup>Senate floor amendments adopted October 17, 2022.

1 void and of no effect and the<sup>3</sup> board <sup>1</sup>["may"] shall <sup>3</sup>["void the  
2 discriminatory appraisal and"]:

3 (a) levy a fine to be determined by the board;

4 (b) order the holder to make restitution of the cost of the  
5 discriminatory appraisal; and

6 (c) require the holder to attend an anti-bias seminar approved by  
7 the board that shall include information on existing anti-  
8 discrimination laws and how they relate to housing and appraisals.

9 (2) If the holder of a license, certificate, or registration is found  
10 to have committed a second violation of subsection a. of this  
11 section, the board shall<sup>3</sup>:

12 (a)<sup>1</sup> suspend <sup>1</sup>["or revoke"]<sup>1</sup> the license, <sup>3</sup>["certification"]  
13 certificate<sup>3</sup> or registration<sup>1</sup>[","]<sup>3</sup>:

14 (b)<sup>1</sup> levy a fine <sup>1</sup>["or impose a civil penalty,"] against the holder  
15 that shall recoup] and order the holder to make restitution of<sup>3</sup> the  
16 cost of the discriminatory appraisal; and

17 <sup>3</sup>["(c) shall"] (b)<sup>3</sup> require the holder to attend an anti-bias  
18 seminar approved by the board <sup>2</sup>that shall include information on  
19 existing anti-discrimination laws and how they relate to housing and  
20 appraisals<sup>2</sup>.

21 <sup>3</sup>["(2) A suspended"] (3) The board may restore the<sup>3</sup> license,  
22 <sup>3</sup>["certification"] certificate<sup>3</sup>, or registration <sup>3</sup>["shall be restored if"] of  
23 a holder found to have committed a violation of subsection a. of this  
24 section upon proof that<sup>3</sup> the holder <sup>3</sup>["pays the fine levied"] made  
25 restitution required<sup>3</sup> pursuant to paragraph (1) of this subsection  
26 and <sup>3</sup>["attends"] attended<sup>3</sup> the anti-bias seminar approved by the  
27 board <sup>3</sup>after a period of suspension of no less than 30 days.<sup>3</sup>

28 <sup>3</sup>["(3)"] (4) If the holder of a license, certificate, or registration is  
29 found to have committed a third violation of subsection a. of this  
30 section, the board shall, after appropriate notice and hearing, revoke  
31 the license, certificate, or registration.

32 (5)<sup>3</sup> The holder of a suspended <sup>3</sup>or revoked<sup>3</sup> license,  
33 <sup>3</sup>["certification"] certificate<sup>3</sup>, or registration shall also be subject to a  
34 civil penalty not exceeding \$10,000 for a first violation, \$25,000 for  
35 a second violation occurring within five years of the first, and  
36 \$50,000 for a third <sup>3</sup>["and subsequent"]<sup>3</sup> violation <sup>3</sup>["occurring within  
37 seven years of the second"]<sup>3</sup>. A civil penalty imposed pursuant to  
38 this paragraph shall be collected by the board pursuant to the  
39 "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10  
40 et seq.)<sup>1</sup>.

41 c. Whenever the board finds cause to <sup>1</sup>["fine or"]<sup>1</sup> suspend <sup>1</sup>["or  
42 revoke"]<sup>1</sup> the license, <sup>3</sup>["certification"] certificate<sup>3</sup> or registration of a  
43 holder<sup>1</sup>pursuant to this section<sup>1</sup>, the board shall notify the holder of  
44 the reasons therefor, in writing, and provide opportunity for a  
45 hearing in accordance with the "Administrative Procedure Act,"

1 P.L.1968, c.410 (C.52:14B-1 et seq.). <sup>3</sup>The board shall also provide  
 2 the notification to the Division on Civil Rights for review and  
 3 appropriate action.

4 d. The board shall notify a complainant under this section of  
 5 the option to file a complaint with the Division on Civil Rights  
 6 pursuant to the “Law Against Discrimination,” P.L.1945, c.169  
 7 (C.10:5-1 et seq.).

8 e. Nothing in this section shall be construed to limit in any way  
 9 the board’s authority to take any action against a licensee based on  
 10 discriminatory conduct or for any other reason or to limit any rights  
 11 protected by or powers afforded to the Division on Civil Rights  
 12 pursuant to the “Law Against Discrimination,” P.L.1945, c.169  
 13 (C.10:5-1 et seq.).<sup>3</sup>

14  
 15 <sup>1</sup>[2.] <sup>4.1</sup> a. Prior to the initiation of a <sup>1</sup>[residential]<sup>1</sup>  
 16 <sup>3</sup>[property] real estate<sup>3</sup> appraisal, a holder of a license or  
 17 <sup>3</sup>[certification] certificate<sup>3</sup> under P.L.1991, c.68 (C.45:14F-1 et  
 18 seq.) or registration under P.L.2017, c.72 (C.45:14F-27 et al.) shall  
 19 provide a property <sup>1</sup>[seller] owner or agent of the property owner<sup>1</sup>  
 20 with a document, <sup>1</sup>given free of charge and<sup>1</sup> in a form and manner  
 21 prescribed by the board, informing the property <sup>1</sup>[seller] owner<sup>1</sup> of  
 22 the opportunity to report, through the Division <sup>2</sup>[of Consumer  
 23 Affairs’] on Civil Rights within the Department of Law and Public  
 24 Safety<sup>2</sup> <sup>1</sup>Internet<sup>1</sup> website or telephone number, any suspicion of a  
 25 discriminatory appraisal by the holder of a license, <sup>3</sup>[certification]  
 26 certificate<sup>3</sup> or registration <sup>1</sup>[on the basis of a property buyer or  
 27 seller race, creed, color, or national origin] pursuant to subsection  
 28 a. of section 3 of P.L. , c. (C. ) (pending before the  
 29 Legislature as this bill).

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

44 (2) The division shall compile the demographic information of  
 45 the complainants <sup>3</sup>[who believe that the value of the appraised  
 46 property is below market value] provided pursuant to paragraph (1)

1 of this subsection<sup>3</sup> and shall report in the aggregate the  
 2 demographic information collected to the <sup>3</sup>Governor and to the<sup>3</sup>  
 3 Legislature in accordance with section 2 of P.L.1991, c.164  
 4 (C.52:14-19.1) on or before July 1, 2024.

5 c. Any reports of alleged discrimination pursuant to subsection  
 6 a. of this section shall be <sup>2</sup>[forwarded to] investigated by<sup>2</sup> the  
 7 Division on Civil Rights <sup>2</sup>[within the Department of Law and  
 8 Public Safety for further investigation]<sup>2</sup>. If upon investigation a  
 9 finding of discrimination is made, the <sup>2</sup>[Division on Civil Rights]  
 10 division<sup>2</sup> shall forward its findings to the board<sup>1</sup>.

11 <sup>1</sup>[b.] d.<sup>1</sup> Information concerning the prohibition of <sup>1</sup>a<sup>1</sup>  
 12 discriminatory <sup>1</sup>[appraisals] appraisal<sup>1</sup> of <sup>1</sup>[residential]<sup>1</sup>  
 13 <sup>3</sup>[property] real estate<sup>3</sup>, including the statutory basis for  
 14 prohibition, shall be published on the Division of Consumer Affairs  
 15 website.

16  
 17 <sup>1</sup>[3.] 5. <sup>3</sup>[a.<sup>1</sup>]<sup>3</sup> Upon first interaction with a property buyer  
 18 <sup>1</sup>or agent of the property buyer<sup>1</sup>, a licensed real estate broker,  
 19 broker-salesperson, or salesperson shall provide to the property  
 20 buyer a document, <sup>1</sup>given free of charge and<sup>1</sup> prescribed by the New  
 21 Jersey Real Estate Appraiser Board pursuant to section <sup>1</sup>[2] 4<sup>1</sup> of  
 22 P.L. , c. (C. ) (pending before the legislature as this bill),  
 23 informing the property buyer of the opportunity to report, through  
 24 <sup>2</sup>the Internet website or telephone number of<sup>2</sup> the Division <sup>2</sup>[of  
 25 Consumer Affairs' website or telephone number] on Civil Rights<sup>2</sup>,  
 26 any suspicion of a discriminatory appraisal by the holder of a  
 27 license or certification under P.L.1991, c.68 (C.45:14F-1 et seq.) or  
 28 registration under P.L.2017, c.72 (C.45:14F-27 et al.) on the basis  
 29 of <sup>1</sup>[a property buyer or seller's] the actual or perceived<sup>1</sup> race,  
 30 creed, color, <sup>1</sup>[or]<sup>1</sup> national origin<sup>1</sup>, <sup>3</sup>affectional or sexual  
 31 orientation, sex, gender identity or expression, disability, creed<sup>3</sup> or  
 32 other characteristic <sup>3</sup>[listed pursuant to] protected under subsection  
 33 g. or h. of section 11 of<sup>3</sup> the "Law Against Discrimination,"  
 34 P.L.1945, c.169 <sup>3</sup>[(C.10:5-1 et seq.)] (C.10:5-12)<sup>3</sup> of the property  
 35 buyer, property owner, agents of the property buyer or owner, or  
 36 present owners or occupants of the properties within the  
 37 neighborhood of the property subject to appraisal.

38 <sup>3</sup>[b.(1) When receiving a report of an alleged discriminatory  
 39 appraisal, the Division <sup>2</sup>[of Consumer Affairs] on Civil  
 40 Rights<sup>2</sup> shall ask the complainant if they believe that the value of the  
 41 appraised property is below market value. The division shall also  
 42 collect demographic information regarding the complainant, which  
 43 shall include, but not be limited to, the identity of the complainant  
 44 within the characteristics listed pursuant to subsection a. of section  
 45 3 of P.L. , c. (C. ) (pending before the Legislature as this

1 bill). The complainant may provide the demographic information  
2 asked by the division on a voluntary basis. The information shall  
3 include a contact telephone number, email address, and home  
4 address of the complainant.

5 (2) The division shall compile the demographic information of  
6 the complainants who believe that the value of the appraised  
7 property is below market value and shall report in the aggregate the  
8 demographic information collected to the Legislature in accordance  
9 with section 2 of P.L.1991, c.164 (C.52:14-19.1) on or before July  
10 1, 2024.

11 c. Any reports of alleged discrimination pursuant to this  
12 subsection shall be <sup>2</sup>forwarded to the Division on Civil Rights  
13 within the Department of Law and Public Safety for further  
14 investigation] investigated by the Division on Civil Rights<sup>2</sup> . If  
15 upon investigation a finding of discrimination is made, the  
16 <sup>2</sup>Division on Civil Rights] division<sup>2</sup> shall forward its findings to  
17 the board<sup>1</sup>.]<sup>3</sup>

18

19 <sup>1</sup>[4.] 6.<sup>1</sup> This act shall take effect immediately.