

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 and Turner

SYNOPSIS

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

CURRENT VERSION OF TEXT

Substitute as adopted by the Senate.



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

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

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

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

40 (b) order the holder to make restitution of the cost of the
41 discriminatory appraisal; and

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

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

- 1 (a) suspend the license, certificate or registration and order the
2 holder to make restitution of the cost of the discriminatory
3 appraisal; and
- 4 (b) require the holder to attend an anti-bias seminar approved by
5 the board that shall include information on existing anti-
6 discrimination laws and how they relate to housing and appraisals.
- 7 (3) The board may restore the license, certificate, or registration
8 of a holder found to have committed a second violation of
9 subsection a. of this section upon proof that the holder made
10 restitution required pursuant to subparagraph (a) of paragraph (2) of
11 this subsection and attended the anti-bias seminar approved by the
12 board after a period of suspension of no less than 30 days.
- 13 (4) If the holder of a license, certificate, or registration is found
14 to have committed a third violation of subsection a. of this section,
15 the board shall, after appropriate notice and hearing, revoke the
16 license, certificate, or registration and order the holder to make
17 restitution of the cost of the discriminatory appraisal.
- 18 (5) The holder of a license, certificate, or registration that is
19 found to have committed a violation of subsection a. of this section
20 shall also be subject to a civil penalty not exceeding \$10,000 for a
21 first violation, \$25,000 for a second violation occurring within five
22 years of the first, and \$50,000 for a third violation. A civil penalty
23 imposed pursuant to this paragraph shall be collected by the board
24 pursuant to the "Penalty Enforcement Law of 1999," P.L.1999,
25 c.274 (C.2A:58-10 et seq.).
- 26 c. Whenever the board finds cause to suspend the license,
27 certificate or registration of a holder pursuant to paragraph (2) of
28 subsection b. of this section, the board shall notify the holder of the
29 reasons therefor, in writing, and provide opportunity for a hearing
30 in accordance with the "Administrative Procedure Act," P.L.1968,
31 c.410 (C.52:14B-1 et seq.). The board shall also provide the
32 notification to the Division on Civil Rights for review and
33 appropriate action.
- 34 d. The board shall notify a complainant under this section of
35 the option to file a complaint with the Division on Civil Rights
36 pursuant to the "Law Against Discrimination," P.L.1945, c.169
37 (C.10:5-1 et seq.).
- 38 e. Nothing in this section shall be construed to limit in any way
39 the board's authority to take any action against the holder of a
40 license, certificate, or registration based on discriminatory conduct
41 or for any other reason or to limit any rights protected by or powers
42 afforded to the Division on Civil Rights pursuant to the "Law
43 Against Discrimination," P.L.1945, c.169 (C.10:5-1 et seq.).
- 44
- 45 4. a. Prior to the initiation of a real estate appraisal, a holder of
46 a license or certificate under P.L.1991, c.68 (C.45:14F-1 et seq.) or
47 registration under P.L.2017, c.72 (C.45:14F-27 et al.) shall provide
48 a property owner or agent of the property owner with a document,

1 given free of charge and in a form and manner prescribed by the
2 board, informing the property owner of the opportunity to report,
3 through the Division on Civil Rights within the Department of Law
4 and Public Safety Internet website or telephone number, any
5 suspicion of a discriminatory appraisal by the holder of a license,
6 certificate or registration pursuant to subsection a. of section 3 of
7 P.L. , c. (C.) (pending before the Legislature as this bill).

8 b. (1) When receiving a report of an alleged discriminatory
9 appraisal, the Division on Civil Rights shall ascertain the basis for
10 the allegation and solicit from the complainant relevant
11 demographic information, including but not limited to, the identity
12 of the complainant within the characteristics listed pursuant to
13 subsection a. of section 3 of P.L. , c. (C.) (pending before
14 the Legislature as this bill). The complainant may provide the
15 demographic information solicited by the division on a voluntary
16 basis.

17 (2) The division shall compile the demographic information of
18 the complainants provided pursuant to paragraph (1) of this
19 subsection and shall report in the aggregate the demographic
20 information collected to the Governor and to the Legislature in
21 accordance with section 2 of P.L.1991, c.164 (C.52:14-19.1) on or
22 before July 1, 2024.

23 c. Any reports of alleged discrimination pursuant to subsection
24 a. of this section shall be investigated by the Division on Civil
25 Rights. If, upon investigation, a finding of discrimination is made,
26 the division shall forward its findings to the board.

27 d. Information concerning the prohibition of a discriminatory
28 appraisal of real estate, including the statutory basis for prohibition,
29 shall be published on the Division of Consumer Affairs website.

30
31 5. Upon first interaction with a property buyer or agent of the
32 property buyer, a licensed real estate broker, broker-salesperson, or
33 salesperson shall provide to the property buyer a document, given
34 free of charge and prescribed by the State Real Estate Appraiser
35 Board pursuant to section 4 of P.L. , c. (C.) (pending
36 before the legislature as this bill), informing the property buyer of
37 the opportunity to report, through the Internet website or telephone
38 number of the Division on Civil Rights, any suspicion of a
39 discriminatory appraisal by the holder of a license or certification
40 under P.L.1991, c.68 (C.45:14F-1 et seq.) or registration under
41 P.L.2017, c.72 (C.45:14F-27 et al.) on the basis of the actual or
42 perceived race, creed, color, national origin, affectional or sexual
43 orientation, sex, gender identity or expression, disability, or other
44 characteristic protected under subsections g. and h. of section 11 of
45 the "Law Against Discrimination," P.L.1945, c.169 (C.10:5-12) of
46 the property buyer, property owner, agents of the property buyer or
47 owner, or present owners or occupants of the properties within the
48 neighborhood of the property subject to appraisal.

1 6. This act shall take effect immediately.

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STATEMENT

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6 This bill concerns discriminatory appraisals of property on the
7 basis of race, creed, color, national origin, or certain other
8 characteristics. Under the bill, named the “Fair Appraisals Act,”
9 holders of an appraisal license, certificate, or appraisal management
10 company registration, will be subject to fines or have their licenses,
11 certificates, or registrations suspended or revoked, if the holder is
12 found to have discriminated in the appraisal of real estate on the
13 basis of the actual or perceived race, creed, color, national origin,
14 affectional or sexual orientation, sex, gender identity or expression,
15 disability, or other characteristic listed pursuant to New Jersey’s
16 “Law Against Discrimination” of the property buyer, property
17 owner, agents of the property buyer or owner, or present owners or
18 occupants of the properties within the neighborhood of the property
19 subject to appraisal. Any appraisal of real estate found to be
20 discriminatory shall be void and of no effect and the holder of the
21 license, certificate, or registration shall be required to make
22 restitution of the cost of the discriminatory appraisal.

23 If the board suspends a holder of a license, certification or
24 registration, then the board is required to notify the holder of the
25 board’s rationale in writing. The board must also provide
26 opportunity for a hearing to be held in accordance with the State’s
27 Administrative Procedure Act.

28 Additionally, prior to the initiation of a property appraisal, a
29 holder of a license, certification or registration is to provide a
30 property owner or agent of the property owner with a document,
31 given free of charge and in a form and manner prescribed by the
32 State Real Estate Appraiser Board, informing the property owner of
33 the opportunity to report, through the Division on Civil Rights
34 within the Department of Law and Public Safety Internet website or
35 telephone number, any suspicion of a discriminatory appraisal by
36 the holder of a license, certificate, or registration pursuant to the
37 provisions of the bill. When receiving a report of an alleged
38 discriminatory appraisal, the Division on Civil Rights shall
39 ascertain the basis for the allegation and solicit from the
40 complainant relevant demographic information, including but not
41 limited to, the identity of the complainant within the characteristics
42 listed under the bill. The complainant may provide the
43 demographic information solicited by the division on a voluntary
44 basis. Information concerning the prohibition of discriminatory
45 appraisals of property, including the statutory basis for the
46 prohibition, is to be published on the Division of Consumer Affairs
47 website.

1 Finally, upon first interaction with a property buyer, this bill will
2 require a licensed real estate broker, broker-salesperson, or
3 salesperson to provide to the property buyer a document, prescribed
4 by the State Real Estate Appraiser Board, informing the property
5 buyer of the opportunity to report, through the Division on Civil
6 Rights within the Department of Law and Public Safety Internet
7 website or telephone number, any suspicion of a discriminatory
8 appraisal by the holder of a license, certificate, or registration
9 pursuant to the provisions of the bill.