

SENATE, No. 2711

STATE OF NEW JERSEY 213th LEGISLATURE

INTRODUCED MARCH 10, 2009

Sponsored by:

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District 30 (Burlington, Mercer, Monmouth and Ocean)

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District 36 (Bergen, Essex and Passaic)

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SYNOPSIS

Revises procedure for reassessment of certain real property by assessor.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning the assessment of real property and amending
2 R.S.54:4-23.

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

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7 1. R.S.54:4-23 is amended to read as follows:

8 54:4-23. All real property shall be assessed to the person owning
9 the same on October 1 in each year. The assessor shall ascertain the
10 names of the owners of all real property situate in his taxing district,
11 and after examination and inquiry, determine the full and fair value
12 of each parcel of real property situate in the taxing district at such
13 price as, in his judgment, it would sell for at a fair and bona fide
14 sale by private contract on October 1 next preceding the date on
15 which the assessor shall complete his assessments, as hereinafter
16 required; provided, however, that in determining the full and fair
17 value of land which is being assessed and taxed under the Farmland
18 Assessment Act of 1964, chapter 48, laws of 1964, the assessor
19 shall consider only those indicia of value which such land has for
20 agricultural or horticultural use as provided by said act; and
21 provided further however, that when the assessor has reason to
22 believe that property comprising all or part of a taxing district has
23 been assessed at a value lower or higher than is consistent with the
24 purpose of securing uniform taxable valuation of property according
25 to law for the purpose of taxation, or that the assessment of property
26 comprising all or part of a taxing district is not in substantial
27 compliance with the law and that the interests of the public will be
28 promoted by a reassessment of such property, the assessor shall,
29 after due investigation, make a reassessment of the property in the
30 taxing district that is not in substantial compliance, provided that
31 (1) the assessor has first notified, in writing, the **[**mayor, the
32 municipal governing body, the Division of Taxation in the
33 Department of the Treasury, the**]** county board of taxation**[,** and
34 the county tax administrator of the basis of the assessor's
35 determination that a reassessment of that property in the taxing
36 district is warranted and (2) the assessor has submitted a copy of a
37 compliance plan to the county board of taxation **[**and to the
38 Division of Taxation**]** for approval. **[**If the assessor does not
39 receive an approval decision or a decision disapproving the plan
40 from either the county board of taxation or the Division of Taxation
41 within 45 days of their receipt of the compliance plan, then the
42 entity that did not respond shall be deemed to have approved the
43 plan.**]** Following a reassessment of a portion of the taxing district
44 pursuant to an approved compliance plan, the assessor shall certify
45 to the county board of taxation, through such sampling as the

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.

1 county board of taxation deems adequate, that the reassessment is in
2 substantial compliance with the portions of the taxing district that
3 were not reassessed. For the purposes of assessment, the assessor
4 shall compute and determine the taxable value of such real property
5 at the level established for the county pursuant to law.

6 (cf: P.L.2001, c.101, s.1)

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8 2. This act shall take effect immediately.

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STATEMENT

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13 This bill is designed to provide municipal tax assessors, county
14 tax administrators and county boards of taxation with enhanced
15 flexibility to address declining property assessments
16 administratively. The bill would enable assessors to more easily
17 and efficiently perform reassessments for part of a taxing district.

18 Under current law, reassessments of property values in a section
19 of a taxing district are not permitted unless the assessor notifies
20 several local and state offices, and receives approvals from the
21 county tax board and Division of Taxation. This often cumbersome
22 process is designed to encourage assessors to limit reassessments to
23 an entire taxing district. This policy furthers a laudable goal of
24 reassessing all properties at the same time to avoid concerns that
25 portions of a taxing district are being singled out. Unfortunately the
26 district wide process does not allow assessors to deal swiftly with
27 declining property values. Property reassessments or revaluations
28 for an entire taxing district can take multiple years to accomplish
29 and can be a very expensive for the district.

30 Absent a district wide reassessment or revaluation, the only
31 recourse for a homeowner or business who believe their property
32 has been incorrectly assessed, is an appeal to the county tax board
33 or tax court. The process can be intimidating and expensive for the
34 average homeowner or small business owner.

35 This bill would simplify the process under which an assessor
36 performs a reassessment of a portion of a taxing district by
37 requiring that the assessor notify, in writing, only the county board
38 of taxation and the county tax administrator of the assessor's
39 determination that a reassessment of certain real property in the
40 taxing district is warranted. Under current law, that notification
41 also must be made to the mayor, the governing body, and the
42 Division of Taxation in the Department of the Treasury. The bill
43 also provides that the assessor must submit a copy of a compliance
44 plan only to the county board of taxation for approval. Current law
45 also requires approval by the Division of Taxation. Finally, the bill
46 would remove the current provision that, if the assessor does not
47 receive an approval decision or a decision disapproving the plan
48 from either the county board of taxation or the Division of Taxation

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1 within 45 days of their receipt of the compliance plan, then the
2 entity that did not respond shall be deemed to have approved the
3 plan. Under the bill, the Division of Taxation will not be part of the
4 decision process and the county board of taxation will be required
5 to act affirmatively to approve or disapprove the compliance plan.

6 The unprecedented reduction in property values and the lack of
7 predictability in the real market demands a more flexible approach.
8 This bill will facilitate partial, or neighborhood, reassessments be
9 performed by municipal assessors, with oversight by county tax
10 boards. Assessors will be encouraged to use this process by
11 removing the multilayered notification and approval procedures
12 which the law now requires.