SENATE, No. 1213

STATE OF NEW JERSEY

215th LEGISLATURE

INTRODUCED JANUARY 23, 2012

Sponsored by:
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District 14 (Mercer and Middlesex)
Assemblyman ALBERT COUTINHO
District 29 (Essex)

Co-Sponsored by:
Senators Beck and Greenstein

SYNOPSIS
Establishes real property assessment demonstration program.

CURRENT VERSION OF TEXT
As introduced.

(Sponsorship Updated As Of: 12/18/2012)
AN ACT establishing a program to demonstrate a more cost effective and accurate process of property assessment administration, supplementing Title 54 of the Revised Statutes and amending various parts of the statutory law.

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

1. (New section) Sections 1 through 4 of P.L. , c. (C. ) (pending before the Legislature as this bill) shall be known and may be cited as the “Real Property Assessment Demonstration Program.”

2. (New section) The Legislature finds and declares:
   a. The current real property assessment system fails to take full advantage of a collaborative system of property assessment between a county board of taxation, through its administrator, and the municipal assessors employed by each municipality in a county, that would result in a cost-effective and accurate process of real property assessment to benefit real property owners and property taxpayers. The benefits of a more collaborative system of real property assessment would accrue to local property owners and property taxpayers through a system of a more precise, technology-driven real property assessment process that would ensure that each municipal assessor is using the same technology as his or her colleagues in assessing real property, and by modifications to the annual real property assessment calendar to better manage the assessment, and taxation, of real property in a manner that is more sensitive and responsive to the demands of the municipal budget calendar.
   b. A collaborative system of real property assessment would also benefit municipalities by reducing the number of successful property assessment appeals filed annually with a county board of taxation and the Tax Court, thereby protecting the funding of municipal budgets through property tax dollars from the impact of successful property assessment appeals, which usually require the refund of excess property taxes paid by a taxpayer and impact the local budget by reducing the amount of property tax dollars available to fund municipal operations.
   c. It is in the public interest of the State and its many real property taxpayers to implement a demonstration program to investigate whether systemic changes to the current system of real property assessment, including revisions to the assessment calendar and the assessment appeal process, will help address 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.
shortcomings of the municipal assessment system and the effect of
those shortcomings on local property taxpayers by enhancing the
performance of local tax assessors through the use of cutting-edge
technology under the direction of the county tax board.

3. (New section) As used in this act:
“County board of taxation” or "county tax board" means the
board of taxation of a demonstration county.
“County tax administrator” means the administrator of the board
of taxation of a demonstration county.
“Demonstration county” means a county participating in the real
property assessment demonstration program established in section 4
of P.L., c. (C.) (pending before the Legislature as this bill).
“Demonstration program” means the real property demonstration
program for municipal real property assessment established in
section 4 of P.L., c. (C.) (pending before the Legislature as
this bill).

4. (New section) a. There is established a real property
assessment demonstration program, which shall be open for
participation therein to any county in the State, to evaluate the
efficacy and functionality of a municipal system of real property
assessment directed by a county tax board through the county tax
administrator pursuant to a revised assessment, and assessment
appeal, calendar.

A goal of the demonstration program is to demonstrate an
enhanced system of municipal real property assessment as a
complement to the county-based real property assessment system
pilot program undertaken pursuant to the provisions of P.L.2009,
c.118 (C.54:1-86 et seq.), under which the entire real property
assessment function formerly performed by the municipal tax
assessor, has been transferred to the county through the
appointment of a county assessor and deputy county assessors. The
existence of two programs under which the real property assessment
function is performed using two different methods will allow the
Legislature to evaluate the effectiveness of each system of real
property assessment, and to determine whether the current statutory
system of real property assessment function should be revised
Statewide.

For the first two full tax years immediately following the
enactment of P.L., c. (C.) (pending before the Legislature
as this bill), no more than two counties shall participate in the
demonstration program established in this section, and for the third
and fourth full tax years immediately following the enactment of
P.L., c. (C.) (pending before the Legislature as this bill),
no more than two additional counties shall participate in the
demonstration program established in this section. A county shall
not institute a demonstration program pursuant to the provisions of
P.L. , c. (C. ) (pending before the Legislature as this bill) unless it meets the following criteria, and provides the required information to the Director of the Division of Taxation and to the Director of the Division of Local Government Services:

(i) the county tax board by resolution, shall certify to the Director of the Division of Taxation and to the Director of the Division of Local Government Services that the county tax board has sufficient funds available to pay all of the costs associated with the demonstration program, including the conversion to the MOD-IV system and the associated expansion of the technology infrastructure to the municipalities in the county. The county tax board shall forward the resolution to the Director of the Division of Taxation and to the Director of the Division of Local Government Services;

(ii) the county is a State-certified MOD-IV vendor, or the county has contracted with a single State-certified MOD-IV vendor to provide MOD-IV technology to all of the municipalities in the county. The county shall provide a copy of its MOD-IV certification, or a copy of a valid contract for MOD-IV services;

(iii) the members of the county’s assessors’ association, by not less than 2/3rds of its voting membership, have approved the implementation of the demonstration program. The county tax board shall forward the resolution to the Director of the Division of Taxation and to the Director of the Division of Local Government Services.

b. There shall be no direct appropriation of State funds used to effectuate the provisions of the demonstration program established in subsection a. of this section. The technical costs of the demonstration program shall be paid by the county board of taxation using assessment appeal filing fees collected by the county board of taxation pursuant to section 18 of P.L.1979, c.499 (C.54:3-21.3a).

c. (1) Not later than September 1 immediately preceding demonstration program implementation, and using its own funds therefor, the county tax board of each demonstration county participating in the demonstration program established in subsection a. of this section shall provide MOD-IV and CAMA software to each municipality that does not use the software, at no cost to those municipalities, and shall provide, at no cost to those municipalities, training in the use of the software to the assessors of those municipalities, and to their respective staff members. Thereafter, each municipality shall pay an annual fee per each taxable line item in the municipality to the county tax board for the MOD-IV and CAMA service.

(2) On October 1 next following the provision of software under paragraph (1) of this subsection, each demonstration county shall commence the demonstration program under a plan developed by the county tax administrator of each demonstration county,
approved by the county board of taxation, and submitted to the
Director of the Division of Taxation and the Director of the
Division of Local Government Services not less than 60 days prior
to October 1. The Director of the Division of Taxation and the
Director of the Division of Local Government Services shall not
propose or require any changes to a demonstration program plan
submitted by a county board of taxation unless a provision of the
demonstration program shall be inconsistent with State law, or the
decision of any court of this State, regarding the assessment of real
property unless the changes have been agreed to by a majority of
the members of a demonstration county’s Assessment
Demonstration Program Steering Committee created pursuant to
paragraph (3) of this subsection. The demonstration program of
each demonstration county shall operate under all statutory
requirements and pursuant to all statutory dates and time frames
congering the assessment of real property in the State, as those
statutory dates and time frames have been amended pursuant to the
provisions of P.L. , c. (C. ) (pending before the Legislature as
this bill).
(3) Each demonstration county shall establish an “Assessment
Demonstration Program Steering Committee” to monitor and report
on the activities within the demonstration county relative to the
demonstration program. Members of the steering committee shall
be the State Treasurer or his designee, the Director of the Division
of Taxation or his designee, the Director of the Division of Local
Government Services or his designee, a member of the County
Assessor’s Association of the demonstration county, and the county
tax administrator of the demonstration county. Actions taken by the
steering committee shall be approved by a majority of the members
of the steering committee.

d. The Director of the Division of Taxation and the Director of
the Division of Local Government Services shall, with the advice
and the recommendations of the county tax administrator provide to
the Governor and to the Legislature, not later than July 1 next
following the fourth full tax year after the implementation of the
demonstration program, a report detailing the experience of each
demonstration county participating in the demonstration program,
the successes of the program, any problems experienced under the
program, and any recommendations for statutory or administrative
changes to the current system of real property assessment in the
State.

e. Under the demonstration program, each municipal assessor
in a demonstration county shall utilize the same property
assessment software as is used by the county tax board and
provided to the municipalities by the county tax board pursuant to
subsection c. of this section. All real property assessment functions
required pursuant to State law, including the revaluation or
reassessment of real property, as well as other assessment-based
functions such as the development of a compliance plan, maintenance of assessments and the calculation of added assessments shall be performed using the property assessment software.

f. In accordance with the provisions of statutory law and with any rule or regulation promulgated pursuant thereto, the county board of taxation of a demonstration county shall compel the implementation of a revaluation or reassessment of real property in any municipality in the demonstration county at such time that the county board of taxation determines the need therefore. If a municipality fails to comply with a revaluation or reassessment, as appropriate, ordered by the county board of taxation in a timely manner, the county board of taxation shall cause the revaluation or reassessment, as appropriate, to be performed at the municipality’s cost. The cost of a revaluation or reassessment, as appropriate, shall be directly billed to such a municipality, in addition to the apportionment valuation, through the adjustment of the county levy for that municipality pursuant to R.S.54:4-48 and R.S.54:4-49. A municipality feeling aggrieved by a decision of the county board of taxation to cause the revaluation or reassessment, as appropriate, to be performed at the municipality’s cost may file an appeal of that decision of the county board of taxation to the Tax Court within 45 days of the approval by the Director of the Division of Taxation of the county tax board’s order requiring the revaluation or reassessment, as appropriate.

g. The Director of the Division of Local Government Services in the Department of Community Affairs, and the Director of the Division of Taxation in the Department of the Treasury, shall have the authority to take any action as is deemed necessary and consistent with the intent of P.L. (pending before the Legislature as this bill) to implement its provisions, including but not limited to the authority waive any provisions of statutory law and regulations that may be inconsistent with the intent or application of the provisions of P.L. (pending before the Legislature as this bill).

5. Section 1 of P.L.1999, c.278 (C.54:1-35.25b) is amended to read as follows:

1. a. All tax assessor certificates issued prior to the effective date of P.L.1999, c.278 (C.54:1-35.25b et al.) shall expire five years following that effective date and shall be renewed in accordance with the procedure established in this section. All tax assessor certificates issued on or after the effective date of P.L.1999, c.278 (C.54:1-35.25b et al.) shall expire five years after the issuance of the certificate and shall be renewed in accordance with the procedure established in this section.

   (1) All tax assessor certificates shall be renewed upon application, payment of the required renewal fee, and verification
that the applicant has met continuing education requirements, as set forth in paragraph (2) of this subsection. After the initial expiration of any tax assessor certificates following the effective date of P.L.1999, c.278 (C.54:1-35.25b et al.), each renewal period shall thereafter be for a period of three years. The renewal date shall be 30 days prior to the expiration date of the tax assessor certificate.

(2) Prior to the first renewal date of a tax assessor certificate pursuant to P.L.1999, c.278 (C.54:1-35.25b et al.) every applicant for renewal shall, on a form prescribed by the Director of the Division of Taxation, furnish proof of having earned a total of at least 50 continuing education credit hours over the prior five-year period. Thereafter, prior to each succeeding renewal date of a tax assessor certificate, every applicant for renewal shall, on a form prescribed by the Director of the Division of Taxation, furnish proof of having earned a total of at least 30 continuing education credit hours over the prior three-year period. For the purposes of this section, one continuing education credit hour means 50 minutes of classroom or lecture time. After verifying that the applicant has fulfilled the continuing education requirement and after receiving a fee of not less than $50 paid by the applicant to the order of the Treasurer of the State of New Jersey, the Director of the Division of Taxation shall renew the tax assessor certificate. The Director of the Division of Taxation shall determine, by regulation, the circumstances under which an extension of time to complete the requirements for continuing education may be granted by the director.

b. There is established within the Division of Taxation in the Department of the Treasury the Tax Assessor Continuing Education Eligibility Board. The board shall consist of six members and be comprised as follows: the Director of the Division of Taxation or his designee, the President of the Association of Municipal Assessors, and the President of the New Jersey Association of County Tax Board Commissioners and County Tax Administrators shall be permanent members. The Director of the Division of Taxation and the President of the Association of Municipal Assessors shall each appoint an additional member who shall serve for a term of two years. The Director of Government Services at Rutgers University shall serve ex officio. Any vacancy in the membership of the board shall be filled for the unexpired term in the manner provided by the original appointment. The first meeting of the board shall be held at the call of the Director of the Division of Taxation, and thereafter the board shall meet annually and shall hold at least one additional meeting within each 12-month period. The board shall establish the curriculum areas and the number of hours in each curriculum area that an assessor shall complete in order to renew certification.

c. When the holder of a tax assessor certificate has allowed the certificate to lapse by failing to renew the certificate, a new
application and certificate shall be required. If application is made within six months of the expiration of the certificate, then application may be made in the same manner as a renewal, but with an additional late renewal fee of $50.

d. [The Director of the Division of Taxation, in accordance with the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), shall adopt such regulations as are necessary to effectuate the provisions of this section.] (Deleted by amendment, P.L. , c. ) (pending before the Legislature as this bill).

e. In addition to the requirements of this section, to address the introduction to, and competency of, municipal assessors and county tax board personnel with the technology, administrative procedures, and real property appraisal requirements within a demonstration county under a demonstration program established in section 4 of P.L. , c. (C. ) (pending before the Legislature as this bill), the county tax administrator of a demonstration county, in consultation with the members of the county tax board of that demonstration county, shall develop a training program to provide annually, free of charge, an additional 10 credit hours of continuing education training concerning the requirements of the real property assessment function in the demonstration county for all assessors, deputy assessors, tax board commissioners, the county tax administrator, and the deputy county tax administrator, practicing within that demonstration county. Attendance at the training program shall be required for each of these professionals, and the county tax administrator of the demonstration county shall annually certify to the Director of the Division of Taxation in the Department of the Treasury that each of these professionals has completed this training. The continuing education credit hours required by this subsection shall be in addition to the requirements of subsection a. of this section, and shall not be used to satisfy any requirements of that subsection. Any person who does not meet the additional continuing education training requirement required by this subsection shall be ineligible to function as an assessor or deputy assessor in any municipality located in a demonstration county until such time as the additional continuing education training requirement has been satisfied.

The Director of the Division of Taxation, in accordance with the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), shall adopt such regulations as are necessary to effectuate the provisions of this section. (cf: P.L.1999, c.278, s.1)

6. Section 19 of P.L.1979, c. 499 (C.54:3-5.1) is amended to read as follows:

19. a. The president of each county board of taxation shall annually on or before August 15 report to the Director of the
Division of Taxation in the Department of the Treasury, except that the president of a county board of taxation participating in the demonstration program established in section 4 of P.L._____, c. (C____) (pending before the Legislature as this bill) shall make this required report to the director annually on or before June 1.

Such report shall be in such form as shall be prescribed by the director and shall contain such information and statistics as may be appropriate to demonstrate for the immediately preceding 3-month period during which tax appeals were heard by the county board: the total number of appeals filed with the county board; the disposition of the various appeals disposed of during that period; the character of appeals filed with regard to the classification of properties appealed; the total amount of assessments involved in those appeals; the number of appeals filed in each filing fee category during that period; and, the total amount of reductions and increases of assessed valuation granted by the board during that period.

b. The Director of the Division of Taxation shall annually review the reports required under subsection a. of this section, and shall include a summary of the information contained therein in the division's annual report.

(cf: P.L.1979, c.499, s.19)

R.S.54:3-17 is amended to read as follows:

54:3-17. Each county tax administrator shall annually ascertain and determine, according to his best knowledge and information, the general ratio or percentage of true value at which the real property of each taxing district is in fact assessed according to the tax lists laid before the board. On or before March 1 of each year, [he] or on or before May 15 in the case of a county board of taxation participating in the demonstration program established in section 4 of P.L._____, c. (C____) (pending before the Legislature as this bill), the county tax administrator shall prepare and submit to the county board an equalization table showing, for each district, the following items:

(a) The percentage level established pursuant to law for expressing the taxable value of real property in the county;

(b) The aggregate assessed value of the real property, exclusive of class II railroad property;

(c) The ratio of aggregate assessed to aggregate true value of the real property, exclusive of class II railroad property;

(d) The aggregate true value of the real property, exclusive of class II railroad property;

(e) The amount by which the valuation in item (b) should be increased or decreased in order to correspond to item (d);

(f) The aggregate assessed value of machinery implements and equipment and all other personal property used in business;
(g) The aggregate true value of machinery, implements and equipment and all other personal property used in business;

(h) The aggregate equalized valuation of machinery, implements and equipment and all other personal property used in business, computed by multiplying the aggregate true value thereof by the lower of (1) that percentage level established pursuant to law for expressing the taxable value of real property in the county, or (2) the average ratio of assessed to true value of real property as promulgated by the director on October 1 of the pretax year, pursuant to chapter 86, laws of 1954, for State school aid purposes, as the same may have been modified by the Tax Court;

(i) The amount by which the valuation in item (f) should be increased or decreased in order to correspond to item (h).

A copy of the table shall be mailed to the assessor of each district, and to the Division of Taxation, and be posted at the courthouse, not later than March 1, or not later than May 15 in the case of a county board of taxation participating in the demonstration program established in section 4 of P.L. , c. (C.) (pending before the Legislature as this bill).

(cf: P.L.1979, c.499, s.11)

8. R.S.54:3-18 is amended to read as follows:

54:3-18. The county board of taxation in each county shall meet annually for the purpose of reviewing the equalization table prepared pursuant to R.S.54:3-17 with respect to the several taxing districts of the county. At the meeting a hearing shall be given to the assessors and representatives of the governing bodies of the various taxing districts for the purpose of determining the accuracy of the ratios and valuations of property as shown in the equalization table, and the board shall confirm or revise the table in accordance with the facts. The hearings may be adjourned from time to time but the equalization shall be completed before March 10, or not later than May 25 in the case of a county board of taxation participating in the demonstration program established in section 4 of P.L. , c. (C.) (pending before the Legislature as this bill).

At the first hearing any taxing district may object to the ratio or valuation fixed for any other district, but no increase in any valuation as shown in the table shall be made by the board without giving a hearing, after 3 days' notice, to the governing body and assessor of the taxing district affected.

(cf: P.L.1979, c.499, s.12)

9. R.S.54:3-21 is amended to read as follows:

54:3-21. a. (1) Except as provided in subsection b. of this section a taxpayer feeling aggrieved by the assessed valuation of the taxpayer's property, or feeling discriminated against by the assessed valuation of other property in the county, or a taxing district which may feel discriminated against by the assessed valuation of property
in the taxing district, or by the assessed valuation of property in
another taxing district in the county, may on or before April 1, or 45
days from the date the bulk mailing of notification of assessment is
completed in the taxing district, whichever is later, appeal to the
county board of taxation by filing with it a petition of appeal;
provided, however, that any such taxpayer or taxing district may on
or before April 1, or 45 days from the date the bulk mailing of
notification of assessment is completed in the taxing district,
whichever is later, file a complaint directly with the Tax Court, if
the assessed valuation of the property subject to the appeal exceeds
$1,000,000. In a taxing district where a municipal-wide revaluation
or municipal-wide reassessment has been implemented, a taxpayer
or a taxing district may appeal before or on May 1 to the county
board of taxation by filing with it a petition of appeal or, if the
assessed valuation of the property subject to the appeal exceeds
$1,000,000, by filing a complaint directly with the State Tax Court.
Within ten days of the completion of the bulk mailing of
notification of assessment, the assessor of the taxing district shall
file with the county board of taxation a certification setting forth the
date on which the bulk mailing was completed. If a county board of
taxation completes the bulk mailing of notification of assessment,
the tax administrator of the county board of taxation shall within ten
days of the completion of the bulk mailing prepare and keep on file
a certification setting forth the date on which the bulk mailing was
completed. A taxpayer shall have 45 days to file an appeal upon the
issuance of a notification of a change in assessment. An appeal to
the Tax Court by one party in a case in which the Tax Court has
jurisdiction shall establish jurisdiction over the entire matter in the
Tax Court. All appeals to the Tax Court hereunder shall be in
accordance with the provisions of the State Uniform Tax Procedure
Law, R.S.54:48-1 et seq.

If a petition of appeal or a complaint is filed on April 1 or during
the 19 days next preceding April 1, a taxpayer or a taxing district
shall have 20 days from the date of service of the petition or
complaint to file a cross-petition of appeal with a county board of
taxation or a counterclaim with the Tax Court, as appropriate.

(2) With respect to property located in a county participating in
the demonstration program established in section 4 of
P.L. , c (pending before the Legislature as this bill),
and except as provided in subsection b. of this section, a taxpayer
feeling aggrieved by the assessed valuation of the taxpayer's
property, or feeling discriminated against by the assessed valuation
of other property in the county, or a taxing district which may feel
discriminated against by the assessed valuation of property in the
taxing district, or by the assessed valuation of property in another
taxing district in the county, may on or before January 15, or 45
days from the date the bulk mailing of notification of assessment is
completed in the taxing district, whichever date is later, appeal to
the county board of taxation by filing with it a petition of appeal; provided, however, that any such taxpayer, or taxing district, may on or before April 1, or 45 days from the date the bulk mailing of notification of assessment is completed in the taxing district, whichever date is later, file a complaint directly with the Tax Court, if the assessed valuation of the property subject to the appeal exceeds $1,000,000.

If a petition of appeal is filed on January 15 or during the 19 days next preceding January 15, or a complaint is filed with the Tax Court on April 1 or during the 19 days next preceding April 1, a taxpayer or a taxing district shall have 20 days from the date of service of the petition or complaint to file a cross-petition of appeal with a county board of taxation or a counterclaim with the Tax Court, as appropriate.

Within 10 days of the completion of the bulk mailing of notification of assessment, the assessor of the taxing district shall file with the county board of taxation a certification setting forth the date on which the bulk mailing was completed. If a county board of taxation completes the bulk mailing of notification of assessment, the tax administrator of the county board of taxation shall within 10 days of the completion of the bulk mailing prepare and keep on file a certification setting forth the date on which the bulk mailing was completed. A taxpayer shall have 45 days to file an appeal upon the issuance of a notification of a change in assessment. An appeal to the Tax Court by one party in a case in which the Tax Court has jurisdiction shall establish jurisdiction over the entire matter in the Tax Court. All appeals to the Tax Court hereunder shall be in accordance with the provisions of the State Uniform Tax Procedure Law, R.S. 54:48-1 et seq.

b. No taxpayer or taxing district shall be entitled to appeal either an assessment or an exemption or both that is based on a financial agreement subject to the provisions of the "Long Term Tax Exemption Law" under the appeals process set forth in subsection a. of this section. (cf: P.L.2009, c.251, s.1)

10. Section 18 of P.L.1979, c.499 (C.54:3-21.3a) is amended to read as follows:

18. All revenues received by the county from fees, either established or increased pursuant to this amendatory and supplementary act, shall be used exclusively for the purposes of modernizing the record-retention capabilities of the county board of taxation, for defraying the costs incurred by the county board of taxation in recording and transcribing appeal proceedings, setting forth memorandums of judgment and in providing copies thereof, [and] for paying any salary required to be paid by the county which is increased pursuant to this amendatory and supplementary act, and to effectuate the provisions of the real property assessment
demonstration program established by section 4 of P.L., c. (C.) (pending before the Legislature as this bill).

(cf: P.L.1979, c.499, s.18)

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

54:4-23. All real property shall be assessed to the person owning the same on October 1 in each year. The assessor shall ascertain the names of the owners of all real property situate in his taxing district, and after examination and inquiry, determine the full and fair value of each parcel of real property situate in the taxing district at such price as, in his judgment, it would sell for at a fair and bona fide sale by private contract on October 1 next preceding the date on which the assessor shall complete his assessments, as hereinafter required; provided, however, that in determining the full and fair value of land which is being assessed and taxed under the Farmland Assessment Act of 1964, chapter 48, laws of 1964, the assessor shall consider only those indicia of value which such land has for agricultural or horticultural use as provided by said act; and provided further however, that when the assessor has reason to believe that property comprising all or part of a taxing district has been assessed at a value lower or higher than is consistent with the purpose of securing uniform taxable valuation of property according to law for the purpose of taxation, or that the assessment of property comprising all or part of a taxing district is not in substantial compliance with the law and that the interests of the public will be promoted by a reassessment of such property, the assessor shall, after due investigation, make a reassessment of the property in the taxing district that is not in substantial compliance, provided that (1) the assessor has first notified, in writing, the mayor, the municipal governing body, the county board of taxation, and the county tax administrator of the basis of the assessor's determination that a reassessment of that property in the taxing district is warranted and (2) the assessor has submitted a copy of a compliance plan to the county board of taxation for approval. In the case of real property located in a county participating in the demonstration program established in section 4 of P.L., c. (C.) (pending before the Legislature as this bill), the assessor of the municipality in which the real property is situate, after due investigation, shall make a reassessment of the property in the taxing district that is not in substantial compliance. Following a reassessment of a portion of the taxing district pursuant to an approved compliance plan to the provisions of this section, the assessor shall certify to the county board of taxation, through such sampling as the county board of taxation deems adequate, that the reassessment is in substantial compliance with the portions of the taxing district that were not reassessed. For the purposes of assessment, the assessor shall compute and determine the taxable
value of such real property at the level established for the county pursuant to law.
(cf: P.L.2009, c.251, s.2)

12. R.S.54:4-31 is amended to read as follows:

54:4-31. [Within] Unless provided electronically by the custodian of record, within one week thereafter the officer with whom the deed or other instrument shall have been recorded shall mail an abstract thereof, together with the address of the grantee, to such assessor, collector or other custodian who shall properly note the facts therein contained. The abstract shall contain the names of the grantor and grantee and an exact description of the property conveyed as set forth in the deed or instrument of conveyance, together with the date of presentation thereof for record.
(cf: R.S.54:4-31)

13. R.S.54:4-35 is amended to read as follows:

54:4-35. [The] a. Except as provided in subsection b. of this section, the assessor shall determine his taxable valuations of real property as of October 1 in each year and shall complete the preparation of his assessment list by January 10 following, on which date he shall attend before the county board of taxation and mail the board his complete assessment list, and a true copy thereof, to be called the assessor's duplicate. Such list and duplicate shall include the assessments of personal property reported or determined pursuant to this chapter. They shall be properly made up in such manner and form required by the Director of the Division of Taxation pursuant to section R.S.54:4-26 of this chapter, to be examined, revised and corrected by the board as provided by law.

b. In the case of a municipality located in a county where the county board of taxation is participating in the demonstration program established in section 4 of P.L. , c. (C. ) (pending before the Legislature as this bill), the assessor shall determine the taxable valuations of real property as of October 1 in each year and shall complete the preparation of the preliminary assessment list by November 1, and the assessor shall appear on that date before the county board of taxation and shall certify to the board, on forms promulgated by the Director of the Division of Taxation in the Department of the Treasury, that the electronic file within the county's MOD-IV tax system is his complete preliminary assessment list.

After all of the assessment appeals filed with the county tax board have been decided, the assessor shall complete the preparation of the final assessment list by May 5, on which date the assessor shall appear before the county board of taxation and shall file with the board his completed final assessment list, and a true copy of the final assessment list, which true copy shall be the
assessor's duplicate. The final assessment and the assessor's duplicate shall include the assessments of personal property reported or determined pursuant to the requirements of chapter 4 of Title 54 of the Revised Statutes, in such manner and form as shall be required by the director pursuant to R.S.54:4-26, and shall be examined, revised and corrected by the board as provided by law.

(cf: P.L.1966, c.138, s.9)

14. R.S.54:4-38 is amended to read as follows:

54:4-38. [Every] a. Except as provided in subsection b. of this section, every assessor, at least ten days before filing the complete assessment list and duplicate with the county board of taxation, and before annexing thereto his affidavit as required in section 54:4-36 of this title, shall notify each taxpayer of the current assessment and preceding year's taxes and give public notice by advertisement in at least one newspaper circulating within his taxing district of a time and place when and where the assessment list may be inspected by any taxpayer for the purpose of enabling the taxpayer to ascertain what assessments have been made against him or his property and to confer informally with the assessor as to the correctness of the assessments, so that any errors may be corrected before the filing of the assessment list and duplicate. Thereafter, the assessor shall notify each taxpayer by mail within 30 days of any change to the assessment. This notification of change of assessment shall contain the prior assessment and the current assessment.

b. In the case of a municipality located in a county where the county board of taxation is participating in the demonstration program established in section 4 of P.L., c. (C.) (pending before the Legislature as this bill), every assessor, before filing the preliminary assessment list with the county board of taxation pursuant to subsection b. of R.S.54:4-35, shall notify each taxpayer of the preliminary assessment and preceding year's taxes and give public notice by advertisement in at least one newspaper circulating within his taxing district of a time and place when and where the assessment list may be inspected by any taxpayer for the purpose of enabling the taxpayer to ascertain what assessments have been made against the taxpayer or the taxpayer's property. Thereafter, the assessor shall notify each taxpayer by mail within 30 days of any change to the assessment. This notification of change of assessment shall contain the prior assessment and the current assessment.

(cf: P.L.1991, c.75, s.31)

15. Section 32 of P.L.1991, c.75 (C.54:4-38.1) is amended to read as follows:

32. [Every] a. Except as provided in subsection b. of this section, every assessor, prior to February 1, shall notify by mail each taxpayer of the current assessment and preceding year's taxes.
Thereafter, the assessor or county board of taxation shall notify each taxpayer by mail within 30 days of any change to the assessment. This notification of change of assessment shall contain the prior assessment and the current assessment. The director shall establish the form of notice of assessment and change of assessment. Any notice issued by the assessor or county board of taxation shall contain information instructing taxpayers on how to appeal their assessment.

b. In the case of a municipality located in a county where the county board of taxation is participating in the demonstration program established in section 4 of P.L. , c. (C. ) (pending before the Legislature as this bill), every assessor, on or before November 15 of the pretax year, shall notify by mail each taxpayer of the preliminary assessment and preceding year's taxes. Thereafter, the assessor or county board of taxation shall notify each taxpayer by mail within 30 days of any change to the assessment. This notification of change of assessment shall contain the prior assessment and the current assessment. The director shall establish the form of notice of assessment and change of assessment. Any notice issued by the assessor or county board of taxation shall contain information instructing taxpayers on how to appeal their assessment.

c. The county board of taxation of the demonstration county shall make the preliminary data electronically accessible to the public by posting the data in searchable form on the county’s website not later than 15 business days after the submission of the preliminary data.

(cf:  P.L.1991, c.75, s.32)

16. R.S.54:4-52 is amended to read as follows:
54:4-52. The county board of taxation shall, on or before May 20, or on or before May 31 in the case of a county board of taxation participating in the demonstration program established in section 4 of P.L. , c. (C. ) (pending before the Legislature as this bill), fill out a table of aggregates copied from the duplicates of the several assessors and the certifications of the Director of the Division of Taxation relating to second-class railroad property, and enumerating the following items:
(1) The total number of acres and lots assessed;
(2) The value of the land assessed;
(3) The value of the improvements thereon assessed;
(4) The total value of the land and improvements assessed, including:
   a. Second-class railroad property;
   b. All other real property.
(5) The value of the personal property assessed, stating in separate columns:
   a. Value of household goods and chattels assessed;
b. Value of farm stock and machinery assessed;
c. Value of stocks in trade, materials used in manufacture and
other personal property assessed under section 54:4-11;
d. Value of all other tangible personal property used in
business assessed.
(6) Deductions allowed, stated in separate columns:
a. Household goods and other exemptions under the provisions
of section 54:4-3.16 of this Title;
b. Property exempted under section 54:4-3.12 of this Title.
(7) The net valuation taxable;
(8) Amounts deducted under the provisions of sections 54:4-49
and 54:4-53 of this Title or any other similar law (adjustments
resulting from prior appeals);
(9) Amounts added under any of the laws mentioned in
subdivision 8 of this section (like adjustments);
(10) Amounts added for equalization under the provisions of
sections 54:3-17 to 54:3-19 of this Title;
(11) Amounts deducted for equalization under the provisions of
sections 54:3-17 to 54:3-19 of this Title;
(12) Net valuation on which county, State and State school taxes
are apportioned;
(13) The number of polls assessed;
(14) The amount of dog taxes assessed;
(15) The property exempt from taxation under the following
special classifications:
a. Public school property;
b. Other school property;
c. Public property;
d. Church and charitable property;
e. Cemeteries and graveyards;
f. Other exemptions not included in foregoing classifications
subdivided showing exemptions of real property and exemptions of
personal property;
g. The total amount of exempt property.
(16) State road tax;
(17) State school tax;
(18) County taxes apportioned, exclusive of bank stock taxes;
(19) Local taxes to be raised, exclusive of bank stock taxes,
subdivided as follows:
a. District school tax;
b. Other local taxes.
(20) Total amount of miscellaneous revenues, including surplus
revenue appropriated, for the support of the taxing district budget,
which, for a municipality operating under the State fiscal year, shall
be the amounts for the fiscal year ending June 30 of the year in
which the table is prepared;
(21) District court taxes;
(22) Library tax;
(23) Bank stock taxes due taxing district;

(24) Tax rate for local taxing purposes to be known as general tax rate to apply per $100.00 of valuation, which general tax rate shall be rounded up to the nearest one-half penny after receipt in any year of a municipal resolution submitted to the county tax board on or before April 1 of that tax year requesting that the general tax rate be rounded up to the nearest one-half penny.

For municipalities operating under the State fiscal year, the amount for local municipal purposes shall be the amount as certified pursuant to section 16 of P.L.1994, c.72 (C.40A:4-12.1).

The table shall also include a footnote showing the amount raised by taxation for municipal purposes as shown in the State fiscal year budget ending June 30 of the year the table is prepared.

In addition to the above such other matters may be added, or such changes in the foregoing items may be made, as may from time to time be directed by the Director of the Division of Taxation.

The forms for filling out tables of aggregates shall be prescribed by the director and sent by him to the county treasurers of the several counties to be by them transmitted to the county board of taxation.

Such table of aggregates shall be correctly added by columns and shall be signed by the members of the county board of taxation and shall within three days thereafter be transmitted to the county treasurer who shall file the same and forthwith cause it to be printed in its entirety and shall transmit certified copy of same to the Director of the Division of Taxation, the State Auditor, the Director of the Division of Local Government Services in the Department of Community Affairs, the clerk of the board of freeholders, and the clerk of each municipality in the county.

(cf: P.L.1995, c.345, s.1)

17. (New section) The State Treasurer, in consultation with the Director of the Division of Taxation in the Department of the Treasury, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), may adopt rules and regulations to effectuate the purposes of the real property assessment demonstration program established in this act, except that notwithstanding any provision of P.L.1968, c.410 (C.52:14B-1 et seq.) to the contrary, the Director of the Division of Local Government Services in the Department of Community Affairs and the State Treasurer may adopt, immediately upon filing with the Office of Administrative Law, such rules and regulations as deemed necessary to implement the provisions of this act which shall be effective for a period not to exceed 12 months and shall thereafter be amended, adopted or re-adopted in accordance with the provisions of P.L.1968, c.410 (C.52:14B-1 et seq.).

18. This act shall take effect immediately.
This bill would create a real property assessment demonstration program to demonstrate a more cost-effective and accurate process of real property assessment administration. Under the provisions of the bill, not more than four counties may participate in the demonstration program as demonstration counties; not more than two in the first two full tax years after the bill’s enactment, and not more than two more in the third and fourth full tax years after the bill’s enactment. The bill also sets strict criteria that a county must meet, and information a county must provide to the Director of the Division of Local Government Services in the Department of Community Affairs and to the Director of the Division of Taxation in the Department of the Treasury, in order to implement the demonstration program as a demonstration county. The real property assessment demonstration program will specifically address the systemic costs which result from the losses due to successful assessment appeals. The economic impact of addressing the cost of lost assessment appeals offers potential savings many times greater than the proposed savings resulting from consolidated county-based assessment.

The real property assessment demonstration program proposes a real property assessment system that will remain decentralized for the purpose of creating a more responsive and accurate assessment function that can annually adjust to the flow of the county’s varied markets and submarkets. The central premise of the demonstration program is a collaborative effort between the county tax board and municipal assessors. The demonstration program relies on this working relationship to address the issues of cost effectiveness and the accurate process of assessment.

The demonstration program is based on the utilization by all of a demonstration county’s municipalities of the same property assessment software, the MOD-IV/CAMA system. The bill requires that under the demonstration program, all future revaluations and reassessments of real property by municipalities in a demonstration county will be performed on the county system, and the system will also be used for other assessment-based functions, such as the development of a compliance plan, maintenance of assessments, and the calculation of added assessments. It is important to note that no State funds will be necessary for the implementation of this demonstration program. The county board of taxation in a demonstration county will absorb the cost of assessment data conversion through assessment appeal filing fees collected by the board.

Specifically, the bill provides that on the first day of October next following the effective date of the bill, demonstration counties shall commence the demonstration program under a plan developed by each county’s county tax administrator, approved by each
county’s county board of taxation, and submitted to both the
Director of the Division of Taxation and the Director of the
Division of Local Government Services not less than 60 days prior
to that October 1. Under the bill, the Director of the Division of
Taxation and the Director of the Division of Local Government
Services cannot propose or require any changes to the
demonstration program plan submitted by the board of taxation of a
demonstration county unless a provision of the demonstration
program is inconsistent with State law, or the decision of any court
of this State, regarding the assessment of real property, unless the
changes have been agreed to by a majority of the members of the
county’s demonstration program steering committee. The bill also
establishes an “Assessment Demonstration Program Steering
Committee” in each demonstration county to monitor and report on
the activities within the demonstration county relative to the
demonstration program. Members of each such steering committee
are the State Treasurer or his designee, the Director of the Division
of Taxation or his designee, the Director of the Division of Local
Government Services or his designee, a member of the Assessor’s
Association of each demonstration county, and the tax administrator
of the county tax board of each demonstration county. Actions
taken by a steering committee must be approved by a majority of
the members of the steering committee.

The demonstration program must operate under all statutory
requirements and pursuant to all statutory dates and time frames
concerning the assessment of real property in the State, as those
statutory dates and time frames have been amended pursuant to the
provisions of the bill.

The bill requires Director of the Division of Taxation and the
Director of the Division of Local Government Services, with the
advice and the recommendations of the tax administrator of each
demonstration county, to provide to the Governor and to the
Legislature, not later than July 1 next following the fourth full tax
year after the implementation of the demonstration program, a
report detailing the experience of each demonstration county under
the demonstration program, the successes of the program, any
problems experienced under the program, and any recommendations
for statutory or administrative changes to the current system of real
property assessment in the State.

The bill also requires the county board of taxation of each
demonstration county to compel the implementation of a
revaluation or reassessment of real property. If a municipality fails
to complete the revaluation or reassessment, as appropriate, ordered
by the county board of taxation in a timely manner, the county tax
board will contract for the revaluation or reassessment, as
appropriate, for the municipality at the municipality’s cost. Under
the bill, a municipality feeling aggrieved by a decision of the county
board of taxation to cause the revaluation or reassessment, as
appropriate, to be performed at the municipality’s cost may file an appeal of that decision by the county board of taxation to the Tax Court within 45 days of the approval by the Director of the Division of Taxation of the county tax board’s order requiring the revaluation or reassessment, as appropriate.

The bill also provides the Director of the Division of Local Government Services and the Director of the Division of Taxation the authority to take any action that is deemed necessary and consistent with the intent of the bill to implement its provisions, including but not limited to the authority to waive any provisions of statutory law and regulations that may be inconsistent with the intent or application of the provisions of the bill.

Finally, the bill revises the statutory dates for the assessment of real property in demonstration counties to implement the demonstration program’s provisions concerning the re-scheduling of the assessment appeal process.

Under current law, every municipal tax assessor files the municipality’s tax list with the county board of taxation, which subsequently sets the local tax rates. Assessment appeals are filed by property owners on April 1 of each year, or on May 1 in the case of a municipality that has undergone a municipal-wide revaluation or reassessment of real property. Appeals are heard by the county tax board and generally decided in most, if not all, cases by the end of July. Successful appeals that late in the tax year result in reduced assessments, which results in a reduced municipal tax base, which then results in the under-collection of property taxes to fund current year operations. The demonstration program proposes the re-scheduling of the property assessment appeal process to dates prior to the calculation of the local property tax rate, which would allow for a more accurate local property tax rate to reflect local budgetary needs and the true value of the tax base that provides the property tax revenue to fund the local budget.

It is the intent of the sponsor that the implementation of the demonstration program authorized under this bill will demonstrate both the value of a collaboration of a county tax board with the municipal-based assessors, supported by countywide technology in the real property assessment process, and the significant benefits of an assessment appeal structure that takes place prior to the county board of taxation’s calculation of local tax rates.

The following chart sets forth the current statutory dates relative to the individual functions that comprise the real property assessment process, and the proposed dates for those functions under the demonstration program proposed by this bill:
<table>
<thead>
<tr>
<th>Description of Function</th>
<th>Current Date</th>
<th>Proposed Date for All Municipalities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessing Date</td>
<td>October 1 of pre-tax year</td>
<td>October 1 of pre-tax year</td>
</tr>
<tr>
<td>Certification of Preliminary Assessment</td>
<td>N/A</td>
<td>November 1 of pre-tax year</td>
</tr>
<tr>
<td>Notification of Assessment Postcards</td>
<td>February 1</td>
<td>November 15 of pre-tax year</td>
</tr>
<tr>
<td>Assessment Appeal Filing Deadline</td>
<td>April 1; May 1 in municipalities wherein revaluation of real property has occurred</td>
<td>January 15</td>
</tr>
<tr>
<td>Assessment Appeals Heard</td>
<td>May, June and July</td>
<td>February, March and April</td>
</tr>
<tr>
<td>Tax List Filed</td>
<td>January 10</td>
<td>May 5</td>
</tr>
<tr>
<td>County Preliminary Equalization</td>
<td>March 10</td>
<td>May 15</td>
</tr>
<tr>
<td>County Final Equalization</td>
<td>March 10</td>
<td>May 25</td>
</tr>
<tr>
<td>Municipal Budget to Tax Board</td>
<td>March 31</td>
<td>May 15</td>
</tr>
<tr>
<td>County Budget to Tax Board</td>
<td>April 1</td>
<td>May 15</td>
</tr>
<tr>
<td>School Budget to Tax Board</td>
<td>May 19</td>
<td>May 15</td>
</tr>
<tr>
<td>Certified Tax Rates</td>
<td>May 20</td>
<td>May 31</td>
</tr>
<tr>
<td>Tax Duplicates</td>
<td>June 3</td>
<td>June 3</td>
</tr>
<tr>
<td>Tax Bills</td>
<td>June 14</td>
<td>June 14</td>
</tr>
</tbody>
</table>