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CLIENT ALERT

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REVISED PROCEDURE FOR REASSESSMENT OF CERTAIN REAL PROPERTY BY ASSESSOR AND APPEAL OF ASSESSMENT BY CERTAIN PROPERTY TAX PAYERS

Dear Clients and Friends:

We are attaching herewith a new law that was signed into effect just prior to Governor Corzine leaving office. Direct filings in the New Jersey Tax Court require a jurisdictional threshold of \$1,000,000.00, which is an increase from the prior \$750,000.00 threshold.

Stated otherwise, for tax appeals pertaining to property assessed at less than \$1,000,000, the petitioners must first apply to the County Tax Board. Only then, if the petitioner is dissatisfied with the County judgment, can he appeal to the Tax Court.

For further information, feel free to contact Arnold D. Litt at the above address and phone number.

[First Reprint]
ASSEMBLY, No. 4313

STATE OF NEW JERSEY
213th LEGISLATURE

INTRODUCED DECEMBER 3, 2009

Sponsored by:

Assemblyman **FREDERICK SCALERA**
District 36 (Bergen, Essex and Passaic)
Assemblywoman **CHARLOTTE VANDERVALK**
District 39 (Bergen)
Assemblywoman **NELLIE POU**
District 35 (Bergen and Passaic)

Co-Sponsored by:

Senators Singer, Sarlo and T.Kean

SYNOPSIS

Revises procedure for reassessment of certain real property by assessor and appeal of assessment by certain property taxpayers.

CURRENT VERSION OF TEXT

As reported by the Assembly Housing and Local Government Committee on January 4, 2010, with amendments.

(Sponsorship Updated As Of: 1/12/2010)

1 AN ACT concerning the assessment of real property and appeals of
2 assessed valuations, amending R.S.54:3-21 and R.S.54:4-23.

3
4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6
7 1. R.S.54:3-21 is amended to read as follows:
8 54:3-21. a. Except as provided in subsection b. of this section a
9 taxpayer feeling aggrieved by the assessed valuation of the
10 taxpayer's property, or feeling discriminated against by the assessed
11 valuation of other property in the county, or a taxing district which
12 may feel discriminated against by the assessed valuation of property
13 in the taxing district, or by the assessed valuation of property in
14 another taxing district in the county, may on or before April 1, or 45
15 days from the date the bulk mailing of notification of assessment is
16 completed in the taxing district, whichever is later, appeal to the
17 county board of taxation by filing with it a petition of appeal;
18 provided, however, that any such taxpayer or taxing district may on
19 or before April 1, or 45 days from the date the bulk mailing of
20 notification of assessment is completed in the taxing district,
21 whichever is later, file a complaint directly with the Tax Court, if
22 the assessed valuation of the property subject to the appeal exceeds
23 ~~[\$750,000.00]~~ \$1,000,000. In a taxing district where a municipal-
24 wide revaluation or municipal-wide reassessment has been
25 implemented, a taxpayer or a taxing district may appeal before or
26 on May 1 to the county board of taxation by filing with it a petition
27 of appeal or, if the assessed valuation of the property subject to the
28 appeal exceeds ~~[\$750,000]~~ \$1,000,000, by filing a complaint
29 directly with the State Tax Court. Within ten days of the
30 completion of the bulk mailing of notification of assessment, the
31 assessor of the taxing district shall file with the county board of
32 taxation a certification setting forth the date on which the bulk
33 mailing was completed. If a county board of taxation completes the
34 bulk mailing of notification of assessment, the tax administrator of
35 the county board of taxation shall within ten days of the completion
36 of the bulk mailing prepare and keep on file a certification setting
37 forth the date on which the bulk mailing was completed. A
38 taxpayer shall have 45 days to file an appeal upon the issuance of a
39 notification of a change in assessment. An appeal to the Tax Court
40 by one party in a case in which the Tax Court has jurisdiction shall
41 establish jurisdiction over the entire matter in the Tax Court. All
42 appeals to the Tax Court hereunder shall be in accordance with the
43 provisions of the State Uniform Tax Procedure Law, R.S.54:48-1 et
44 seq.

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:

¹Assembly AHO committee amendments adopted January 4, 2010.

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

6 b. No taxpayer or taxing district shall be entitled to appeal
7 either an assessment or an exemption or both that is based on a
8 financial agreement subject to the provisions of the "Long Term
9 Tax Exemption Law" under the appeals process set forth in
10 subsection a. of this section.

11 (cf: P.L.2007, c.256, s.1)

12

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

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

1 of the compliance plan, then the entity that did not respond shall be
2 deemed to have approved the plan.¶ Following a reassessment of a
3 portion of the taxing district pursuant to an approved compliance
4 plan, the assessor shall certify to the county board of taxation,
5 through such sampling as the county board of taxation deems
6 adequate, that the reassessment is in substantial compliance with the
7 portions of the taxing district that were not reassessed. For the
8 purposes of assessment, the assessor shall compute and determine
9 the taxable value of such real property at the level established for
10 the county pursuant to law.

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

12

13 3. This act shall take effect immediately.