February 7, 2013

New Jersey Passes Law Affecting the Property Tax Assessment and Appeal Process

On February 4, Gov. Chris Christie signed S1213 (the "Act") into law, creating a pilot program that could substantially change the property tax assessment and appeal process in New Jersey. The Act's stated goal is to create a "more cost-effective and accurate process of real property assessment administration."

Under the provisions of the Act, no more than four counties may participate in the pilot program: no more than two in the two years following the passage of the Act, and no more than an additional two in the third and fourth years following the passage of the Act. The pilot program provides for the utilization, by the participating counties and municipalities within those counties, of the MOD-IV/CAMA property assessment software. The Act requires the county tax board of each participating county to provide the MOD-IV/CAMA software to each municipality that does not currently use the software and for the municipalities' assessors to use that software when assessing real property.

The Act also grants a participating county tax board the power to compel a municipality within its county to implement a revaluation or reassessment of all real property within the municipality. If the municipality fails to complete the compelled revaluation or reassessment in a timely manner, the county tax board may contract for the revaluation or reassessment at the municipality's cost.

Finally, for counties taking part in the pilot program, the Act revises the relevant statutory dates for the assessment and appeal of real property, in part, as follows: 1) Notification of Assessment postcards must be sent by the municipality to property owners by November 15 of the pretax year (previously February 1 of the tax year); and 2) appeals of assessments to the county tax board must be filed by January 15 of the tax year (previously April 1 of the tax year). It should be noted that the deadline for filing appeals of assessments that exceed $1 million made directly to the Tax Court remains April 1 of the tax year.