

CHAPTER 118

AN ACT concerning a pilot program to transfer the property assessment function from municipalities to the county, supplementing Title 54 of the Revised Statutes, and amending P.L.2007, c.54.

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

C.54:1-86 Short title.

1. Sections 1 through 15 of P.L.2009, c.118 (C.54:1-86 et seq.) shall be known and may be cited as the "Property Tax Assessment Reform Act."

C.54:1-87 Findings, declarations relative to property tax assessment reform.

2. The Legislature finds and declares:

a. Under the current real property assessment system, each municipality within a county assesses its property at a different percentage of market value, requiring that property be equalized to apportion county taxes among the constituent municipalities in order to meet the requirements of the Uniformity Clause, Article VIII, Section I, paragraph 1 of the New Jersey Constitution.

b. Under the current real property assessment system each municipality has its own assessor. The decision to revalue is often postponed beyond what is prudent, causing some property taxpayers in a municipality to subsidize other property taxpayers for many years.

c. A county tax assessment system will help address the shortcomings of the municipal assessment system by removing local responsibility for local revaluation costs.

C.54:1-88 Definitions relative to property tax assessment reform.

3. As used in this act:

"County governing body" means the county board of chosen freeholders of the pilot county.

"County assessor" means the person appointed by the county governing body pursuant to section 4 of P.L.2009, c.118 (C.54:1-89) to assess property within the county for the purposes of taxation and exemption from taxation.

"Department" means the Department of the Treasury.

"Director" means the Director of the Division of Property Assessment in the Department of the Treasury.

"Deputy county assessor" means the holder of a certified property assessor certificate who is employed by the office of the county assessor within the pilot county and assigned to perform duties and responsibilities for the assessment of property for purposes of taxation under the supervision of the county assessor.

"Division" means the Division of Taxation in the Department of the Treasury.

"Pilot county" means the County of Gloucester.

C.54:1-89 Appointment of county assessor.

4. a. On the first day of January of the first full calendar year next following the effective date of P.L.2009, c.118 (C.54:1-86 et al.), or as soon thereafter as may be practicable, the county governing body shall appoint a county assessor.

b. (1) The county assessor shall be an employee of the pilot county and shall serve on a full-time basis for an initial five-year term.

(2) No person shall be appointed as county assessor unless that person holds a certified property assessor's certificate and has at least five years of experience as a municipal tax

assessor or deputy county assessor, or held the position of county tax administrator prior to the appointment of the first county assessor pursuant to this section.

(3) The county assessor shall acquire tenure in office upon reappointment to a second five-year term and thereafter shall hold office during good behavior and efficiency, and shall not be removed for political reasons or for any cause other than incapacity, misconduct, disobedience of rules or regulations established by the director or by the county governing body, failure to meet the standards of performance established by the director, or schedules or standards adopted pursuant to P.L.2009, c.118 (C.54:1-86 et al.).

c. The pilot county shall constitute a taxing district for the purpose of the assessment of property in the State.

C.54:1-90 Real property revaluation by municipality.

5. a. On or before December 31 of the third full calendar year next following the effective date of P.L.2009, c.118 (C.54:1-86 et al.) every municipality within the pilot county shall implement a real property revaluation.

b. (1) The county assessor appointed pursuant to subsection a. of section 4 of P.L.2009, c.118 (C.54:1-89) shall assist the municipalities in meeting the requirements of subsection a. of this section through the promulgation of a phase-in plan for the orderly completion and implementation of the municipal revaluations, or by any other means he deems appropriate.

(2) The county assessor may waive the revaluation requirement for a particular municipality under subsection a. of this section upon his finding that the municipality implemented a revaluation within 24 months of the effective date of P.L.2009, c.118 (C.54:1-86 et al.).

c. The cost of the revaluations required under subsection a. of this section shall be paid by the pilot county. The costs of a previous revaluation for a municipality that has been granted a waiver under paragraph (2) of subsection b. of this section shall be reimbursed by the pilot county. Following the completion of the three year period established pursuant to subsection a. of this section, the State shall reimburse the pilot county for those amounts using funds made available to the pilot county from either the SHARE program pursuant to section 30 of P.L.2007, c.63 (C.40A:65-30) or from the Consolidation Fund established by P.L.2008, c.35, or both in equal installments, over three years.

d. The monies required to be paid for municipal revaluations by a pilot county pursuant to subsection c. of this section and the pilot county's administrative start-up costs shall not be included or considered a part of the county tax levy under section 4 of P.L.1976, c.68 (C.40A:4-45.4) or a part of the county's adjusted tax levy under sections 9 and 10 of P.L.2007, c.62 (C.40A:4-45.44 and 40A:4-45.45).

C.54:1-91 Appointment of deputy county assessors.

6. a. During the revaluation period set forth pursuant to section 5 of P.L.2009, c.118 (C.54:1-90), and subject to the requirements of section 13 of P.L.2009, c.118 (C.54:1-98), the governing body shall appoint deputy county assessors as needed.

b. The county assessor shall direct the work of all deputy county assessors.

c. (1) The county assessor shall be responsible to the county governing body for the efficient operation of his office and of the deputy county assessors within the pilot county.

(2) The county assessor shall determine employment jurisdictions for deputy county assessors under his supervision, however, the county governing body shall establish their hours of employment, the terms and conditions of their employment, and fix their compensation.

d. The county assessor shall establish a permanent central office within the pilot county, and may authorize additional permanent or temporary district offices within the pilot county, within the limits of funds made available for those purposes by the county governing body.

e. (1) The county assessor may request that the county governing body employ such additional professional and clerical assistants as are necessary for the performance of his duties.

(2) Any professional or clerical assistants supervised by the county assessor shall be employees of the pilot county.

f. After December 31 of the third full year next following enactment of P.L.2009, c.118 (C.54:1-86 et al.), the position of county tax administrator is abolished in the pilot county.

C.54:1-92 Duties of county assessor.

7. The county assessor shall:

a. supervise the deputy county assessors and, when appropriate, recommend the removal of a deputy county assessor for failure to adhere to standards of performance adopted by the director or schedules or standards adopted pursuant to P.L.2009, c.118 (C.54:1-86 et al.);

b. assure compliance with standards adopted by the director for staff of the deputy county assessors, office space, equipment, and other resources;

c. notify the county tax board of any revaluation, or complete or partial reassessment, which may be necessary and appropriate for a taxing district, and monitor the progress and review, revise or correct the results of any revaluation or reassessment which may be ordered by the county tax board;

d. monitor the progress, and review, revise, or correct the results of any other revaluation or reassessment conducted within his jurisdiction;

e. review, revise, and correct all property assessment lists prepared by the deputy county assessors within the pilot county;

f. provide such technical and professional assistance as may be requested by deputy county assessors, and as may be practicable within the support provided for the county assessor by the county governing body; and

g. perform any other tasks which the director deems necessary to ensure the valuation of property within the pilot county pursuant to law.

C.54:1-93 Determination of taxable status of property.

8. a. The county assessor, through a staff of deputy county assessors, shall locate, identify, and determine the taxable status of property within every municipality within the pilot county, determine the taxable value of the property, and prepare tax lists and tables of aggregates and equalization in the same form and manner as is provided under chapter 4 of Title 54 of the Revised Statutes, pursuant to a schedule established by the county assessor.

b. The county assessor shall be responsible for reviewing, revising, and correcting all work done by the staff of deputy county assessors within the pilot county.

C.54:1-94 Review, revision or correction.

9. a. Whenever any law, rule or regulation provides for the review, revision or correction of an assessor's list or duplicate, or a list of added or omitted properties, that review, revision or correction shall be performed by the county assessor in the pilot county, except any correction performed as the result of an assessment appeal, which correction shall be made by the county board of taxation after notice to the county assessor.

b. Any reference in any law, rule, or regulation to a revised and corrected assessor's list or duplicate in the pilot county, except in the case of a revision or correction made pursuant to an assessment appeal, shall mean the list or duplicate reviewed, revised or corrected by the county assessor.

C.54:1-95 Annual tax list, property values available for public inspection.

10. Notwithstanding any law to the contrary, the county assessor shall make the annual tax list and property values for each municipality available for public inspection within that municipality. Following the completion of the three-year phase-in schedule pursuant to section 12 of P.L.2009, c.118 (C.54:1-97), sufficient staff shall be present in each district office authorized within the pilot county pursuant to subsection d. of section 6 of P.L.2009, c.118 (C.54:1-91) to assist the county assessor and to answer questions and address concerns that taxpayers have in reference to the assessment values and other property assessment and tax-related matters.

C.54:1-96 Hiring preference.

11. A hiring preference shall be given to tenured, certified tax assessors, deputy assessors, and to county tax administrators for the filling of staff positions in the office of the county assessor. Pension rights for those hired for staff positions shall be transferred.

C.54:1-97 Schedule for abolishment of office of municipal tax assessor.

12. The county assessor, in consultation with every municipal governing body and municipal tax assessor, shall promulgate a three-year schedule for the abolishment of the office of municipal tax assessor for every municipality within the pilot county. Thereafter, with respect to those municipalities, any reference in law to the duties and responsibilities of the office of municipal tax assessor pertaining to the assessment and reassessment of property shall be construed in the context of the statutory scheme of sections 1 through 15 of P.L.2009, c.118 (C.54:1-86 et seq.) to mean the deputy county assessor under the supervision of the county assessor. Any reference in law to the office of municipal tax assessor which conflicts in whole or in part with sections 1 through 15 of P.L.2009, c.118 (C.54:1-86 et seq.), particularly with regard to the appointment, employment, and removal of municipal tax assessors, shall be construed to have been repealed in whole or in conflicting part, with respect to municipalities located within the pilot county, by the provisions of sections 1 through 15 of P.L.2009, c.118 (C.54:1-86 et seq.).

C.54:1-98 Preference for appointment as deputy county assessor; tenure.

13. a. A serving municipal tax assessor or deputy municipal tax assessor who holds tenure in the position, or who has obtained a certified tax assessor certificate immediately prior to the appointment of the first county assessor pursuant to section 4 of P.L.2009, c.118 (C.54:1-89), shall be entitled to preference with regard to the appointment of deputy county assessors pursuant to subsection a. of section 6 of P.L.2009, c.118 (C.54:1-91).

b. Each person appointed as a deputy county assessor shall acquire tenure in office after serving three continuous years in the office. Thereafter, a deputy county assessor shall hold office during good behavior and efficiency, and shall not be removed for political reasons or for any cause other than incapacity, misconduct, disobedience of rules or regulations established by the director or by the county governing body, failure to meet the standards of performance established by the director, or schedules or standards adopted pursuant to P.L.2009, c.118 (C.54:1-86 et al.).

C.54:1-99 Transfer of property assessment function.

14. a. In accordance with the phase-in schedule promulgated by the county assessor pursuant to section 12 of P.L.2009, c.118 (C.54:1-97), the county tax administrator for the pilot county, in consultation with the county governing body and the county assessor, shall effectuate the transfer of the property assessment function in all of the municipalities within the pilot county to the county assessor. All current or pending assessment and abatement programs and agreements under the "Long Term Tax Exemption Law," P.L.1991, c.431 (C.40A:20-1 et seq.), and the "Five-Year Exemption and Abatement Law," P.L.1991, c.441 (C.40A:21-1 et seq.), shall continue to be approved by the municipality.

b. If a county assessor seeks to settle a property tax appeal, filed pursuant to R.S.54:3-21, the county assessor shall inform the municipality in which the property that is the subject of the appeal is located prior to entering into any final settlement agreement, pursuant to procedures promulgated by the director.

C.54:1-100 Rules, regulations.

15. The Director of the Division of Taxation in the Department of the Treasury shall adopt rules and regulations concerning the valuation of property in the pilot county to effectuate the purposes of sections 1 through 14 of P.L.2009, c.118 (C.54:1-86 through C.54:1-99). The rules and regulations shall include provisions permitting segmental assessment.

16. Section 5 of P.L.2007, c.54 (C.52:27D-505) is amended to read as follows:

C.52:27D-505 Duties of commission.

5. a. (1) The commission shall study and report on the structure and functions of county and municipal government, including local taxing districts, their statutory bases, including the fiscal relationship between local governments, and the appropriate allocation of service delivery responsibilities from the standpoint of efficiency. The study of the transfer of the municipal tax assessment function to the county through the appointment of a county assessor and deputy county assessors in a pilot county pursuant to the "Property Assessment Reform Act," sections 1 through 15 of P.L.2009, c.118 (C.54:1-86 et seq.), shall be conducted in consultation with the Director of the Division of Taxation in the Department of the Treasury.

(2) The commission shall recommend legislative changes which would encourage the more efficient operation of local government. These changes may include the structural and administrative streamlining of county and municipal government functions, including but not limited to, the transfer of functions from one level of government to another, and the use or establishment of regional service delivery entities.

(3) The commission shall also consider optimal service levels, ratios of employees to population served, cost structures for service delivery, and other best practices.

Within two years following the effective date of P.L.2007, c.54 (C.52:27D-501 et al.), the commission shall report its findings to the Governor, the President of the Senate, and the Speaker of the General Assembly; provided, however, that findings concerning the transfer of the municipal tax assessment function to the county through the appointment of a county assessor and deputy county assessors shall be reported on or before February 1 of the sixth year next following the effective date of P.L.2009, c.118 (C.54:1-86 et al.).

b. Based on its findings pursuant to paragraph (3) of subsection a. of this section, the commission shall develop criteria to serve as the basis for recommending the consolidation of specific municipalities, the merger of specific existing autonomous agencies into the parent municipal or county government, or the sharing of services between municipalities or between municipalities and other public entities. Recommendations for sharing services may result from a study focusing exclusively on the sharing of services or may result from a study examining potential consolidation. Municipalities to be considered for consolidation shall be within the same county and shall also be situated within the same legislative district.

The criteria to govern a study to examine consolidation or the sharing of services shall include, but need not be limited to:

(1) a consideration of geographic factors, such as a shared boundary, or in the case of the recommended consolidation of more than two local units, that the consolidated local unit will have a contiguous boundary;

(2) an analysis of the economic costs and benefits of consolidation or the sharing of services, as the case may be, including potential tax savings and reductions in government costs through economies of scale;

(3) measures to ensure that costs and benefits of consolidation or service sharing are distributed equitably across the entire community; and

(4) measures to safeguard the interests of communities in the municipalities for which consolidation is recommended.

The commission shall give priority to local units that volunteer to be studied.

c. When a municipal consolidation is recommended by the commission, the commission shall substitute for a joint municipal consolidation study commission that would be formed pursuant to section 7 of the "Municipal Consolidation Act," P.L.1977, c.435 (C.40:43-66.41) or any other statute governing municipal consolidation, and no voter approval shall be required to create the study commission.

d. When a consolidation or shared service is recommended by the commission, the commission shall recommend State funding for any extraordinary expenses necessitated by the consolidation plan or shared service agreement. The commission shall recommend that this funding be provided either by funds made available to the commission for that purpose or by the Legislature or State Treasurer as part of the annual State budget process.

17. This act shall take effect immediately.

Approved August 18, 2009.