

NEW JERSEY ADMINISTRATIVE CODE
TITLE 18. DEPARTMENT OF TREASURY--TAXATION
CHAPTER 12A. COUNTY BOARDS OF TAXATION

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CHAPTER EXPIRATION DATE

Chapter 12A, County Boards of Taxation, expires on January 16, 2009.

RULES FOR THE COUNTY BOARD OF TAXATION

CHAPTER 119, LAWS OF 1973

(N.J.S.A. 54:3-14)

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18:12A-1.1 Offices

- (a) The permanent office of each county board of taxation shall be a place designated by the county board of taxation and shall be open each day during the regular prevailing hours of the respective county and/or as otherwise determined by the board.
- (b) In the event the board shall determine that its business shall extend beyond such office hours, the office of the board shall be open for the transaction of business and the convenience of the public during such extended hours, as shall be fixed by the board.

18:12A-1.2 Composition of county board of taxation; educational requirements; organization and meetings, annual report by board president

- (a) Each board shall be known as the county board of taxation, and be composed of three members, except as hereinafter provided, to be appointed by the Governor by and with the advice and consent of the Senate. Each member shall be a resident and citizen of the county in and for which he or she is appointed. Members shall be chosen because of their special qualifications, knowledge and experience in matters concerning the valuation and taxation of property, particularly of real property. At no time shall more than two of the members belong to the same political party. In counties having a population of more than 510,000, there shall be five members of whom no more than three shall belong to the same political party. "Population" means the State population according to the most recent Federal decennial census. Each member shall, within 24 months of appointment, furnish proof of receipt of certificates indicating satisfactory completion of training courses designated in Section 4 of P.L. 1967, c.44 (N.J.S.A. 54:1-35.28), or proof of possession of a tax assessor's certificate issued pursuant to P.L. 1967, c.44, as supplemented.
- (b) If any board, so required, does not furnish such proof within said 24-month period, the county tax administrator shall immediately notify the president of the board and the Director of the Division of Taxation who shall upon receipt of such notification declare the position to be vacant and shall notify the Governor of the existence of such vacancy. The Governor shall thereupon appoint with the advice and consent of the Senate, a different citizen and resident of the relevant county to fill such position for the unexpired term.
- (c) On or before June 1 of each year, the county tax administrator shall furnish the Director of the Division of Taxation with a certified report listing the members of the board in office at that time indicating whether the required courses have been satisfactorily completed by them and, if not, those courses that are still required to be taken. The report shall also indicate the appointment date and expiration date of the term of each member and any other information that the Director may request.
- (d) The board shall meet from time to time and may adjourn any meeting to another time or place in the county.
- (e) The board shall organize on the first business day in May of each year and elect from its members a president who shall hold office for one year, or until a successor is duly elected.

- (f) A majority of the members of the board shall constitute a quorum for transaction of business, and an adjustment agreed to by such majority shall be taken to be the action of the board as provided by N.J.S.A. 54:3-25.
- (g) Annually, on or before August 15, the president of the board shall report to the Director of the Division of Taxation in such form as prescribed by the Director, information and statistics as may be appropriate to demonstrate for the immediately preceding three-month period during which tax appeals were heard by the board. The report shall contain the number of appeals filed with the board, the disposition of the 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 in that period; the total amount of reductions and increases of assessed valuation granted by the board during that period; and, any other information deemed necessary by the Director.

18:12A-1.3 County tax administrator

- (a) The board shall appoint a county tax administrator who shall hold office for a term of three years.
- (b) The county tax administrator hereinafter shall be referred to as administrator.
- (c) The administrator shall, except as set forth in (d) below, subject to personnel policies adopted by the governing body of a county, appoint such clerical assistance as may be necessary. The administrator shall devote full time to his or her duties and shall be available during the prevailing hours of the respective county and/or as otherwise determined by the board.
- (d) The administrator holding the office of secretary at the time of enactment of Chapter 499, P.L. 1979, effective January 1, 1980 who served on a part-time basis, may continue to serve on that basis at the option of the board.
- (e) No person shall be newly appointed as administrator unless he shall hold a tax assessor certificate issued by the Director of the Division of Taxation pursuant to N.J.S.A. 54:1-35.25 et seq.
- (f) Each county tax administrator hereafter appointed who shall have received two consecutive appointments for full terms as county tax administrator, and each county tax administrator serving a full term as secretary, who shall thereafter be appointed to another consecutive full term as county tax administrator, and each county tax administrator who has heretofore acquired tenure as secretary pursuant to N.J.S.A. 54:3-9, shall hold office as county tax administrator during good behavior and efficiency, and shall not be removed for political reasons or for any cause other than incapacity, misconduct, or disobedience of just rules or regulations established by the Director of the Division of Taxation.
 - 1. Any person holding the position of county board secretary on January 1, 1980 shall be considered to be serving a full term as secretary if he or she was appointed to serve a full term of three or five years as the case may be, or to serve more than two years of an unexpired term.

- (g) No county tax administrator shall be removed from office except for just cause provided in N.J.S.A. 54:3-9. All charges preferred against an administrator must be in writing; signed by the person making the charge, and filed with the president of the county board of taxation. The charges must be publicly examined by the board after reasonable notice is given to the person charged, and the examination must be conducted in such manner as the rules of the board may prescribe.
1. Every administrator shall receive a fair trial upon the charge, and have every reasonable opportunity to make a defense thereto. An appeal from a determination of the county board of taxation may be taken to the Director of the Division of Taxation by filing a written petition for review within 45 days from the date of the board determination.
- (h) Each administrator under the supervision and control of the board shall be responsible for the administrative functions of the board, and pursuant to such supervision and control, shall direct all officers charged with the duty of making assessments for taxes in every district in the county.
- (i) Such officers shall be subject to and shall, in making assessments, be governed by directions issued by the administrator pursuant to such rules and orders as shall be issued by the county board of taxation. However, before making such rules or orders, the board shall submit them to the Director of the Division of Taxation, and no rule or order shall be considered adopted by the board until approved by the Director. The board shall be governed by the rules promulgated by the Director of the Division of Taxation, which rules shall be enforced by the board.
- (j) The county tax administrator shall annually prepare a county equalization table on or before March 1 of each year and submit to the board such table showing for each district the items required in the preparation of such table.
1. 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 court house, not later than March 1.
 2. The board shall meet annually for the purpose of reviewing the equalization table prepared by the county tax administrator and shall confirm or revise the table in accordance with the facts before them.
 3. The hearings may be adjourned from time to time but the equalization table shall be completed before March 10.
 4. 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 shall be made by the board without giving a three-day notice to the governing body and assessor of the taxing district affected.
- (k) Any qualified person appointed to the position of assessor shall within 30 days of such appointment notify the respective administrator of the appointment and shall note if the appointee is in a full-time position or is servicing more than one municipality and the names of such municipalities.

1. Any assessor who intends to terminate his or her position as assessor shall prior to 30 days of his or her termination date notify the respective administrator.
 2. The administrator shall immediately notify the Director of the Division of Taxation of any new appointments or terminations.
- (1) The assessor shall maintain predetermined and specific hours during which time he or she or a member of his or her staff will be available to the general public. Thereafter, at the request of a taxpayer or any member of the public, the assessor shall within five working days thereof, meet by personal appointment, with said taxpayer or member of the public or their representatives.
1. The assessor shall furnish his respective county tax administrator with a schedule of these hours together with the fact of his availability for appointment, and also have the same posted in the municipal building in a conspicuous place on or before January 25 of each year.
 2. The county tax administrator shall summarize these schedules and furnish the Director of the Division of Taxation with this summary on or before February 1 of each year.
 3. It should be noted that these hours are not to be construed to be the full working period for the assessor, but it is intended to assure that the assessor or a member of his staff will be available to the general public during predetermined and specific hours.
 4. Nothing herein shall be construed to supersede any agreement between the assessor and the municipality with regard to hours of work.

18:12A-1.4 Seal

The seal adopted as the official seal of the board shall be circular in shape, and around the outside margin thereof shall be the words "_____ County Board of Taxation" and shall be used upon all certificates, processes and necessary documents and papers issued and authorized by the board.

18:12A-1.5 Entitling of cause

All proceedings before each board shall be captioned "_____ County Board of Taxation" and shall be entitled in the cause in which said proceedings are held.

18:12A-1.6 Petitions of appeal; cross-petitions of appeal

- (a) All complaints concerning property tax assessments, whether by an individual or corporation, shall be by written petition of appeal on forms prescribed by the Director, Division of Taxation. A petition of appeal filed by a party respondent in a tax appeal shall be denominated as a "cross-petition of appeal" and shall be filed on the same form and subject to the same standards applicable to petitions of appeal. All petitions shall contain the name and address of the taxpayer, the block and lot number, qualification number, if any, or account number of the property, and the assessed value of the land and improvement respectively stated, and such other information as the Director may require.

- (b) A petition of appeal filed by a party respondent in a tax appeal shall be denominated as a "cross-petition of appeal" and shall be filed on the same form and subject to the same standards applicable to petitions of appeal. Where a petition of appeal is filed on April 1, or during the 19 days next preceding April 1, respondent shall have 20 days from the date of service to file a cross-petition with the county board of taxation or a counterclaim with the Tax Court in accordance with Tax Court rules.
- (c) A separate petition of appeal shall be received and filed with the county board of taxation on or before April 1 for each separately assessed property under appeal, or 45 days from the date the bulk mailing of notification of assessment is completed in the taxing district, whichever is later. If the assessed value of the property subject to the appeal exceeds \$750,000, a taxpayer or taxing district has the choice to file a petition of appeal with the county board of taxation or a complaint with the Tax Court in accordance with the Tax Court rules. 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. Where an appeal involves assessments of more than one property; separate petitions of appeal shall be filed for each property separately assessed unless prior permission has been obtained from the board.
- (d) A petition of appeal filed with the county board of taxation shall be duly signed by the taxpayer, by the taxpayer's attorney or, in cases of extreme hardship which shall include old age, illiteracy and the like, by an agent of the taxpayer who is either a family member or resident caregiver. Where all information on the petition is not supplied or the petition is otherwise incomplete, the board shall nevertheless accept said petition for filing but the petitioner shall be afforded 10 days from the date of filing unless additional time shall be granted by the county board of taxation within which to complete the petition. All parties shall be given at least five days notice of any additions of changes with respect to the petition of appeal. Failure to complete a petition within such time may result in its dismissal.
- (e) A taxpayer who shall file an appeal from an assessment against him shall pay to the collector of the taxing district no less than the total of all taxes and municipal charges due, up to and including the first quarter of the taxes and municipal charges assessed against him for the current tax year in the manner prescribed in N.J.S.A. 54:4-66. In the event a taxpayer who has filed a tax appeal has failed to pay the total of all taxes and municipal charges due and in the further event the municipality appropriately makes an application before the county board of taxation for a dismissal of the petition of appeal, the county board of taxation shall allow the taxpayer a 10-day period of time to pay such taxes prior to the entry of a judgment of dismissal. The 10-day period may be extended by the county board of taxation in the interest of justice. If such taxes are not paid within the 10-day period, then the county board of taxation shall enter a judgment dismissing the petition for failure to pay taxes. Such a 10-day period for the payment of taxes should be limited where necessary by the deadline for hearing and determining appeals set forth in N.J.S.A. 54:3-26, as extended pursuant to N.J.S.A. 54:3-26.1.

- (f) A petitioner who alleges discrimination, except where discrimination is claimed pursuant to P.L. 1973, c.123, as amended, and uses comparable sales on other properties as comparisons must affix a schedule to the petition of appeal and to the copy of said petition, giving the name of the owner, block and lot number, qualification number, if any, and assessed valuation as shown in the current tax list and sales price. This rule may be waived in individual cases at the discretion of the county board of taxation.
- (g) A separate petition of appeal shall be received and filed with the board on or before December 1 for each assessment under appeal on the Added Assessment List, or 30 days from the date the collector of the taxing district completes the bulk mailing of tax bills for added assessments, whichever is later.
- (h) A separate petition of appeal shall be received and filed with the county board of taxation on or before December 1 for each assessment under appeal on an assessor's Omitted Assessment List, or 30 days from the date the collector of the taxing district completes the bulk mailing of tax bills for omitted assessments, whichever is later pursuant to N.J.S.A. 54:4-63.39.
- (i) All other appeals from actions or determinations of tax assessors where no time is fixed by statute or by this chapter shall be filed within 60 days from the date of the action or determination appealed from.
- (j) A petitioner must file a copy of each petition with the assessor and municipal clerk personally or by regular mail. The clerk shall immediately notify the collector and such other municipal officials as the governing body shall direct. In case of appeal by the taxing district, a copy of the petition must be served on the record owner of the subject property and on the assessor, unless the tax collector has received written notice that the taxpayer is a person, partnership or corporation other than the record owner, in which event a copy of the petition must also be served on the taxpayer. Where a petitioner files a petition with respect to another owner's property, he or she shall furnish a copy of the petition to such owner in addition to all other parties.
- (k) Proof of filing may be by receipt stamp of the taxing district or affidavit of service.
- (l) If the last day for filing a petition falls on a Saturday, Sunday or a legal holiday, the last day for filing shall be extended to the first succeeding business day.
- (m) In the event a county board of taxation cannot hear and determine any one or more appeals within the time prescribed in N.J.S.A. 54:3-26 or 54:4- 63.39, pursuant to N.J.S.A. 54:4-63.11a, the board may at any time apply to the Director of the Division of Taxation for extension of the time within which the appeal or appeals may be heard and determined. The application shall be granted upon a showing by the board that the number of appeals before it is disproportionate to the number of members hearing said appeals, or that the number of appeals has increased sufficiently to warrant an extension of time or for other good cause shown. If the application is granted, the Director of the Division of Taxation shall indicate the amount of tax, if any, a taxpayer shall pay during the period of such extension.

- (n) A taxpayer who shall file an appeal from an added or omitted assessment shall, in order to maintain an action contesting the added or omitted assessment, pay to the collector of the taxing district all unpaid prior years' taxes and all of the taxes for the current year as said taxes become due and payable, exclusive of the taxes imposed under the added or omitted assessment.
- (o) If an appeal involves Class 3B (Farm Qualified) or Classes 15A, B, C, D, E, and F (Exempt Property as defined in N.J.S.A. 54:4-52) and the subject of the appeal is statutory qualification, the taxpayer shall not be required to meet the payment requirements specified herein.
- (p) Notwithstanding the foregoing, the county board of taxation may relax the tax payment requirement and fix such terms for payment of the tax as the interests of justice may require. If the county board of taxation refuses to relax the tax payment requirement and that decision is appealed, the Tax Court may hear all issues without remand to the county board of taxation as the interests of justice may require.

18:12A-1.7 Filing fees

- (a) A filing fee in the amount determined by N.J.S.A. 54:3-21.3 must accompany each petition of appeal filed by the taxpayer and shall be computed on the basis of the total assessment including both lands and improvements, if any.
- (b) The filing fee for added assessment appeals shall be based upon the apportioned valuation indicated on the tax list and duplicate as the prorated assessment.
- (c) No filing fee shall be required to contest the denial of an application for:
 - 1. A veteran's property tax deduction;
 - 2. A property tax deduction for the surviving spouse of a veteran;
 - 3. A property tax deduction for persons of the age of 65 or more years, or less than 65 years of age who are permanently and totally disabled and certain surviving spouses; or
 - 4. An exemption of a 100 percent permanently disabled veteran or surviving spouse of a disabled veteran.
- (d) Where an appeal involves assessments of more than one property, separate petitions of appeal shall be filed for each property separately assessed unless prior permission has been obtained from the county board of taxation and a separate fee shall be paid for each property for which an appeal has been filed. Where permission is granted pursuant to N.J.A.C. 18:12A-1.6 for the filing of one petition for appeals involving more than one property the filing fee payable shall be an amount equal to the amount that would have been payable had individual petitions been filed separately for each parcel of property.

18:12A-1.8 Petitions; commercial, industrial properties or multi-dwelling appeals

- (a) There shall be annexed to a petition of appeal from an assessment of a commercial, and industrial property or a multi-dwelling (that is, more than a four-family dwelling) an itemized statement showing all sources of income and expenses with respect to such property for the most recently completed accounting year and for such additional years as the board may request.
- (b) No appeal shall be heard from the assessor's valuation and assessment with respect to income producing property where the owner has failed or refused to respond to such written request or to testify on oath when required, or shall have rendered a false or fraudulent act.
- (c) The county board of taxation may impose such terms and conditions for furnishing the requested information where it appears that the owner, for good cause shown, could not furnish the information within the required time.

18:12A-1.9 Hearings

- (a) The administrator, with the approval of the county board of taxation, shall prepare a calendar assigning dates and times for hearings and shall not grant adjournments except for good cause shown.
- (b) The board shall give at least 10 days' notice of the time and place of hearing of the appeal to the petitioner, assessor and attorney of the taxing district.
- (c) The board may continue hearings from time to time, if necessary.
- (d) The board shall permit a petitioner (other than a corporation or a taxing district) to appear in an appeal in his own behalf. No person shall be permitted to appear in an appeal in a representative capacity unless said person is duly licensed to practice law in this State; provided, however, that an attorney of any other jurisdiction of good standing there, may appear at the discretion of the board in any matter subject to the provisions of rule 1:21-2 of the Rules Governing the Courts of New Jersey. This rule may be waived in cases of extreme hardship, such as old age and illiteracy.
- (e) A petitioner shall be prepared to prove his case by complete and competent evidence. In the absence of some evidence, the board may dismiss the petition. In the case of failure to appear, the board may dismiss the petition for lack of prosecution.
- (f) When a case is set down for hearing, the assessor of the taxing district involved shall attend said hearing together with counsel for the taxing district, unless the board shall in individual cases decide otherwise.
- (g) Where the assessed valuation is determined by the "capitalization of income" method, the assessor shall produce at the hearing a copy of the property record card for the property under appeal, showing his computation of the capitalization of income.
- (h) A party intending to rely on expert testimony shall furnish to the county board of taxation three copies of a written appraisal report and shall furnish one copy of the appraisal report to

each opposing party at least one week prior to the hearing. If the municipality intends to rely on its tax assessor or a representative of a revaluation company as its expert and if such testimony will involve data and analysis which is not reflected on the property record card, the municipality shall furnish to the board three copies of a written report reflecting such data and analysis and shall furnish one copy of the report to each opposing party at least one week prior to the hearing. At the request of a taxpayer-party, the municipality shall also furnish that party with a copy of the property record card for the property under appeal at least one week prior to the hearing. The board in its discretion and in the interest of justice may waive the requirements for the submission of written reports.

- (i) Any settlement agreed upon between the parties shall be in writing, on a form approved by the Director, Division of Taxation, signed by the parties or their attorneys and shall indicate if the assessor is in agreement with the settlement. Such proposed settlement shall include the basis for the settlement and shall be submitted to the county board of taxation for approval without the necessity for an appearance by the parties or their attorneys unless the board requests such an appearance by the parties or their attorneys. If the board approves the settlement, the board shall enter judgment in accordance with the terms thereof. If the board disapproves the settlement, the board shall notify the parties of such disapproval and schedule a hearing date for the appeal.
- (j) The board may, as occasion shall require, by order, refer any appeal or other matter pending before it to one or more of its members for the purpose of taking testimony and reporting thereon to the board for appropriate action.
- (k) No person shall testify at a hearing of the board concerning an assessment unless he shall have inspected the property.
- (l) No assessor shall appear before the board as an expert witness against another assessor or taxing district within the State except to defend the assessment of his taxing district.

18:12A-1.10 Subpoenas

Subpoenas to compel the attendance of witnesses and the production of books and records at hearings shall be furnished by the county board of taxation without cost upon request.

18:12A-1.11 Record of proceedings

The county board of taxation may record all proceedings before it involving tax appeals, and, if recorded, shall furnish a transcript of the record of any appeal to any party to that appeal upon request, and upon payment of a reasonable fee to be fixed by the board.

18:12A-1.12 Determination; judgments

- (a) A majority of the members of the county board of taxation shall constitute a quorum for the transaction of business, and any action or determination agreed to by such majority shall be taken as the action of the board.

(b) In order to provide for a more orderly appeal procedure, the county board of taxation shall, effective immediately, institute the procedures herein described with respect to the issuance of judgments.

1. Valuation appeals.

- i. The judgment shall indicate separately the assessed value of the land, improvements and the total of same.
- ii. The judgment shall also indicate the determination of the county board of taxation separately for land, improvements and total.
- iii. In the case of affirmance or dismissal and there is no change in valuations, the judgment shall indicate, in lieu of (b)1ii above, the words "Affirmed" or "Dismissed", or any phrase indicating an appropriate disposition.

2. Other appeals. In all appeals not involving property valuations, the judgment shall indicate the county board of taxation's disposition, as appropriate.

3. Written memorandum of judgment.

- i. The president of the county board of taxation shall have the responsibility for overseeing the writing of the written memorandum of judgment required pursuant to N.J.S.A. 54:3-26, and each memorandum shall be under his or her signature as well as the signature of any other member of the board who participated in the rendering of the county board judgments on appeal.
- ii. Judgments must be considered to be the action of the board and must be agreed upon by the majority of such board.
- iii. The board shall transmit a written memorandum of its judgment to the assessor of the taxing district and to the taxpayer setting forth the reasons on which such judgment was passed on the form prescribed by the Director of the Division of Taxation, and the procedures set forth by him.

4. Date of judgment. All judgments must indicate the date determined, as follows:
"Judgment filed this _____ day of _____, 20____." Or "Dated: (state date)."

5. Size and reproduction.

- i. The judgment shall be uniform size 8 1/2 x 11 inches and be such that it is capable of reproduction on a photocopier.
- ii. Judgments must contain the following statement:

"The action of the county board of taxation may be reviewed by filing a complaint with the Tax Court within 45 days of the service of the judgment of the county board of taxation."

Address:
Tax Court of New Jersey
Richard J. Hughes Justice Complex
25 Market Street
Trenton, New Jersey 08625

Mailing Address:
PO Box 972
Trenton, NJ 08625-0972
Telephone Number: (609) 292-5082

6. The county board of taxation should endeavor to send out judgments at the time decided or as soon thereafter as practical, and not hold them until the time for hearing and determining appeals has expired pursuant to N.J.S.A. 54:3-26, as extended by N.J.S.A. 54:3-26.1. Earlier disposition will assist the Tax Court in the processing of its caseload.
- (c) Upon entry of any judgment involving the appeal of a veteran's property tax deduction, or a property tax deduction for persons of the age of 65 or more years, or less than 65 years of age who are permanently and totally disabled and certain surviving spouses, the county board of taxation shall, within 10 days from the date of such entry, forward a copy of said judgment to the Division of Taxation, Property Administration.

18:12A-1.13 Freeze Act

- (a) When an assessment is subject to the "freeze" provisions of N.J.S.A. 54:51A-8 or 54:3-26, there shall be no increase in the assessment for any tax year subject to such "freeze" except upon petition first filed with and granted by the county board of taxation or the Tax Court.
- (b) If the taxing district alleges that there has been a change in the value of the property since the date of a county board of taxation judgment is subject to the Freeze Act, the taxing district shall file a petition with the board together with proof of service thereof upon the owner of the property to increase the amount of the assessment. Such petition shall specifically set forth the nature of the changes relied upon as a basis for the claim that there has been a change in value of the property. A copy of the petition shall be served upon the owner of the subject property prior to the filing of the petition with the board.
- (c) A judgment entered by a county board of taxation which is not further appealed by a party shall be deemed to be binding and conclusive upon the municipality and municipal tax assessor for the tax year in question and the two tax years immediately thereafter unless a revaluation, reassessment or change in value has occurred subsequent to the assessing date. If as of October 1 of the pretax year, the property in question has been the subject of an addition qualifying as an added assessment, a condominium or cooperative conversion, a subdivision or a zoning change, the conclusive and binding effect of such judgment shall terminate with said pretax year.
 1. If the assessor increases the assessment or fails to reflect on the tax duplicate a county board of taxation or Tax Court judgment issued prior to the final preparation of the tax duplicate in either of the two years following the year for which the judgment of the county board of taxation was rendered, and if said judgment is a final judgment not

further appealed, the burden of proof shall be on the taxing district to establish that the assessor acted reasonably in increasing the assessment. If the county board of taxation finds that the assessor did not act reasonably in increasing the assessment or failed to reflect said judgment on the tax duplicate, the county board of taxation shall award to the taxpayer reasonable counsel fees, appraisal costs and other costs which shall be paid by the taxing district.

- (d) A taxpayer may waive the application of the Freeze Act for one or both of the tax years affected and such waiver of the freeze shall be reflected in a judgment entered by the county board of taxation.
- (e) A taxpayer may apply to the county board of taxation within a reasonable period of time upon proper notice to the municipality seeking the enforcement of the Freeze Act with regard to a judgment previously entered by the county board of taxation.

18:12A-1.14 Revaluations; reassessments, compliance plans

- (a) Regarding voluntary revaluation, when a taxing district proposes to revalue real property in said district voluntarily, the taxing district must notify in writing the assessor and the county board of taxation of such intent and must obtain approval of the revaluation contract from the Director, Division of Taxation as prescribed by law (N.J.S.A. 54:1-35.35 et seq., N.J.A.C. 18:12-4 and N.J.S.A. 54:4-23 as amended P.L. 2001, c.101).
- (b) Regarding revaluation orders by a county board of taxation, when a board determines the need to order a taxing district to revalue its real property, it shall submit the proposed order to the Director, Division of Taxation, for his or her approval outlining the reasons that warrant such action. Upon approval of such order, the board shall take appropriate action to implement same.
 - 1. The criteria utilized by a board when it is considering a proposal to order a taxing district to conduct a revaluation shall include the following. However, a board may consider any other criteria that relate to the need for revaluation. The results of a board's findings with respect to these criteria and all other bases for issuing a revaluation order shall be attached to the written order when it is submitted to the Director of the Division of Taxation for approval.
 - i. General coefficient of deviation: A coefficient of deviation greater than 15 percent generally indicates a need for revaluation. If it is 15 percent or less, then other factors must also be used to justify a need for a revaluation. This is an average deviation from the average assessment sales ratio expressed as a percentage of average assessment ratio for each taxing district, for all properties included in "usable sales." It is a measure of variation in assessment-sales ratio of all properties sampled without regard to property class, property size, or any other property characteristic.
 - ii. Stratified coefficient of deviation: This is an average deviation of assessment sales ratios for all usable sales of each property class from the average assessment ratio for the class. It provides a measure of assessment uniformity for properties within each class, but provides no insight into comparability of assessment levels among property

- classes. A stratified coefficient of deviation of greater than 15 percent may indicate a need for revaluation.
- iii. Segmented coefficient of deviation: This is an average deviation of assessment sales ratios for all "usable sales" of each property class from the average assessment ratio for all properties of all classes expressed as a percentage average assessment ratio for all properties of all classes. It provides a measure of uniformity or lack thereof of one property class compared to other property classes. A segmented coefficient of deviation of greater than 15 percent may indicate a need for revaluation.
 - iv. In analyzing the coefficient of deviation, consideration should be given to the size of the sales sampling. For the above purpose, a coefficient of deviation above 15 percent generally denotes lack of uniformity in assessments.
 - v. Director's Ratio: The Director's Ratio is the average ratio of assessed to true value for each taxing district as determined by the Director, Division of Taxation, in the Table of Equalized Valuations promulgated annually pursuant to N.J.S.A. 54:1-35.1. A source of information for ascertaining assessment-sales ratios is the data gathered in the equalization program for the distribution of State school aid. A Director's Ratio of 85 percent or lower generally denotes noncompliance where, as is the norm, the adopted percentage level of assessment established by the county board of taxation is 100 percent. A continual decline of assessment-sales ratios in a district from the percentage level of taxable value established by a board is an indication of a lack of maintenance of the assessment list. However, a declining ratio does not provide any insight into the level of uniformity of assessment and in and of itself does not imply any automatic judgment with respect to lack of uniform assessments.
 - vi. Individual assessment-sales ratios: The individual sales are listed in order of ratios from the lowest to the highest. A wide divergence of ratios as opposed to a clustering of ratios at a common level would be indicative of a lack of uniformity in assessments. Ratios above and below the common level range of P.L. 1973, c.123 (N.J.S.A. 54:1-35a.b) are also indicative of a lack of uniformity in assessments.
 - vii. Class weighted ratios: The weighted ratio of a property class is found by dividing the total ratables of a property class by the total true value of that property class. Conformity in the class weighted ratios is an indication of uniformity between property classes. Wide variances in class weighted ratios are an indication of a lack of uniformity in assessments between property classes.
 - viii. District weighted ratio: The district weighted ratio is found by adding the total ratables for each of the four property classes and dividing the sum by the total true value for all classes of real property. A district weighted ratio, which is based on usable sales for the most recent sample period, is indicative of whether there is compliance with the adopted percentage level of assessment established by a county board of taxation.
 - ix. Neighborhood and zoning changes: The need for a revaluation program may be indicated by neighborhood and zoning changes which affect value in part or all of a taxing district. Changes in uses permitted by zoning may substantially increase or

decrease the value of property. A revaluation order citing changes in zoning as its basis must delineate the impact of zoning changes as the changes relate to assessments.

- x. Lack of adequate records: A lack of adequate records, such as property record cards, which cause difficulty for the assessor in arriving at a sound assessment, is indicative of the need for a revaluation. The absence of essential information which may affect assessments is detrimental to the valuation process and may impede the maintenance of an assessment list. The absence of information relating to changes made to improvements such as failure of property owners to secure building permits or copies of building permits not being furnished to an assessor is a contributory factor resulting in the lack of uniform assessments.
 - xi. Year of last revaluation or reassessment: If a revaluation or reassessment has not taken place in a municipality for 10 years or more, this can be a factor in ordering a revaluation.
 - xii. Amount of revenue lost due to appeals. The county tax board can consider the amount of revenue a municipality has lost due to appeals as indicating a need for a revaluation.
- 2. The assessor of a municipality directed to undertake a revaluation shall file with the county tax administrator a written plan detailing measures that are being taken or have been accomplished to comply with the terms and provisions of the approved revaluation order issued by the county board of taxation. The assessor shall submit the report on Form RCR (Revaluation Compliance Report), prescribed by the Director of the Division of Taxation, within 30 days of notice of the order and the first of each month thereafter, until approval of a contract for revaluation has been obtained from the Director of the Division of Taxation.
 - 3. It is recommended that the boards using the Director's Ratio for county equalization for non-revalued and non-reassessed municipalities, use the Page 8 Formula developed by the Division of Taxation for equalization for municipalities implementing a revaluation/district-wide reassessment approved by the Director.
 - 4. Ordinarily revaluations will involve adjustments to 100 percent of the line items.
 - i. The exterior of all properties in a municipality must be inspected.
 - ii. Interior inspection of 100 percent is to be attempted. No less than three attempts shall be made to inspect the interior of each property. If a property owner refuses to permit an interior inspection, then no further attempts to inspect need to be made.
- (c) Reassessment: An assessor proposing to implement a district-wide reassessment shall submit an application to perform the reassessment with the county board of taxation and Director of the Division of Taxation.
- 1. The application for district-wide reassessment shall be completed on Form AFR (Application for Reassessment) as prescribed by the Director of the Division of Taxation.

2. Prior to filing Form AFR, an assessor must notify, in writing, the mayor and local governing body, Division of Taxation, county board of taxation, and the county tax administrator of the basis for the assessor's determination that the proposed reassessment is needed.
 3. Ordinarily district-wide reassessments will involve adjustments to 100 percent of the line items.
 - i. The exterior of all properties in a municipality must be inspected.
 - ii. The interior of all properties must be inspected within the four years immediately preceding year of implementation of the proposed district-wide reassessment. This may be done in a four-year ongoing assessment cycle. Attempt to inspect the interior of all properties must be made in the four-year period.
 4. The county board shall review the application and within 45 days of its submission, forward a copy to the Director of the Division of Taxation and the assessor with a notation of approval or disapproval. In the case of a disapproval, the Director and the assessor shall be advised of the reason.
 5. Within 45 days of receipt of the application from the assessor, the Director shall advise the county tax administrator and assessor of his or her determination as to whether the assessor may proceed with the reassessment program. In the case of disapproval, the Director shall specify the reason for his or her determination.
 6. Notwithstanding (c)1 through 5 above, the Director may, after due investigation, pursuant to N.J.S.A. 54:1-26 through 30, order or make a reassessment of any or all property, including the property of railroad and canal companies, which is under or overvalued, in the taxing district, when the Director has reason to believe that any property has been assessed at a rate lower or higher than is consistent according to law for the uniform taxation of property, or that the assessment of property according to law in 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.
- (d) The assessor of a district that has received approval from the Director of a contract for revaluation, approval from both the Director and county board of taxation, or an application to perform a district-wide reassessment, shall submit a plan of work to the county tax administrator within 30 days of such approval. Thereafter, a report on the status of the revaluation or reassessment shall be filed with the county tax administrator every 30 days until the program has been completed and the tax list has been filed with the county board of taxation.
- (e) The plan of work and revaluation progress report shall be completed on Form POW/RSR (Plans of Work/Revaluation Status Report) as prescribed by the Director of the Division of Taxation, and include the following information:
- i. A listing of all major activities and functions to be performed during the course of the revaluation or reassessment;

- ii. An indication, in the case of a revaluation, as to whether the assessor or the revaluation firm will be responsible for the performance of each listed activity or function;
 - iv. The overall anticipated starting and completion date of each listed activity or function;
 - v. The breakdown of units, portion or percentage of work activities or functions that are targeted to be started and completed during each month of the revaluation or reassessment program;
 - vi. The breakdown of units, portion or percentage of work activities or functions that have been completed during the month for which the progress report is being submitted; and
 - vii. Any revision or change in schedule from the previously submitted plan of work or progress report.
- (f) The board shall require that the assessor of a taxing district shall actively participate in any such revaluation program and shall be familiar with all facets of such program.
- (g) In case of an approved revaluation or district-wide reassessment, neither the provisions of N.J.S.A. 54:3-22 (as amended by P.L. 1973, c.123) nor 54:3-26 (Freeze Act) shall be applicable with respect to the year in which the program becomes effective. No revaluation or district-wide reassessment will be approved by the Director where less than 50 percent of the line items have changed. Ordinarily revaluations or district-wide reassessments involve adjustments to 100 percent of the line items.
- (h) Where a contract for a revaluation under (a) or (b) above has been entered into by a municipality with an appraisal company, the Director of the Division of Taxation, before approving or disapproving said contract, shall forward a copy thereof to the county tax administrator for his or her review and comment. The county tax administrator shall submit his or her comment respecting the contract to the Director within two weeks. In the event that the county tax administrator fails to respond to said request within the prescribed period, the Director shall proceed with his or her review and approve or disapprove the contract, as provided by law.
- (i) Assessment maintenance: An assessor proposing to revise and update assessments because he or she has reason to believe that property comprising a 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 is not in substantial compliance with the law, and that the interests of the public will be promoted by reassessment of such property, shall make a reassessment of the property in the taxing district not in substantial compliance, provided that:

1. The assessor must first notify, in writing, the mayor, municipal governing body, Division of Taxation, county board of taxation, and the county tax administrator of the basis for the need for a reassessment.
2. The assessor must submit a compliance plan (Form CP) by November 1 of the pretax year. The compliance plan with all supporting documents must be submitted to the county board of taxation and to the Division of Taxation, simultaneously, for their approval. Extensions of the November 1 deadline may be granted by the Director for good cause shown, but in no event beyond December 31 of the pretax year.
 - i. The compliance plan submitted on Form CP must be completed in its entirety. All supporting documents should be included with this form.
 - ii. The county tax board and Division of Taxation have 45 days from their receipt of the compliance plan to approve or disapprove the plan. Failure of either entity to respond within the 45 day period shall be deemed an approval by that entity.
 - iii. If either entity denies, the compliance plan is denied and the proposed action cannot be undertaken by the assessor.
3. The following are the criteria to be considered by the county board and Division of Taxation in determining whether to approve a compliance plan.
 - i. Director's Ratio: The Director's Ratio should be greater than 75 percent. A municipality with the Director's Ratio greater than 75 percent will have the benefit of adjusting the parts of sections of the town up or down to the Director's Ratio promoting uniformity within the municipality and the best interests of the public.
 - ii. General Coefficient of Deviation: This should be 15 percent or less generally showing that there is some uniformity in assessments within the municipality.
 - iii. Ordinarily neighborhoods with average weighted ratios within the common level range should not be reassessed unless that neighborhood's general coefficient of deviation is over 15 percent.
 - iv. The criteria in (i)3i through iii above may be relaxed by the county board of taxation or the Division of Taxation where circumstances warrant as documented by the assessor.
 - v. The same standard for selecting areas to be included in the compliance plan must be applied uniformly. Assessment maintenance cannot be used to perform a piecemeal district-wide reassessment or revaluation. No part of a municipality can be arbitrarily selected for adjustment pursuant to assessment maintenance.

Example 1:

Municipality's Director's Ratio is 84 percent

Municipality's Coefficient of Deviation is 10 percent

Municipality's Common Level Range is 71.40 percent to 96.60 percent

A particular part or neighborhood of the municipality is below the lower limit of common level range and has an average ratio of 65 percent and a Coefficient of Deviation of eight percent. This area may be reassessed using 84 percent as the common level of assessment to true value. Value should not be brought up to 100 percent because the remainder of the municipality is assessed at 84 percent of true value, using the Director's Ratio.

Example 2:

Municipality's Director's Ratio is 77 percent

Municipality's Coefficient of Deviation is 12 percent

Municipality's Common Level Range is 65.45 percent to 88.55 percent

A neighborhood of the municipality has an average ratio of 64 percent and a Coefficient of Deviation of 15 percent. Another neighborhood of the municipality has a Director's Ratio of 92 percent and a Coefficient of Deviation of 10 percent. These areas are not within the 15 percent common level range. The remaining neighborhoods are within the common level range. A compliance plan would need to be used to make changes to these neighborhoods. If changes to these two neighborhoods are made, the values in one neighborhood would be brought up to 77 percent and not 100 percent because the remainder of municipality is assessed as 77 percent of true value. The values in the second neighborhood would be brought down to 77 percent for purposes of assessment uniformity.

Example 3:

Municipality's Director's Ratio is 102 percent

Municipality's Coefficient of Deviation is eight percent

Municipality's Common Level Range is 86.70 percent to 117.30 percent

A neighborhood of the municipality has an average ratio above the upper limit of 120 percent and Coefficient of Deviation of 11 percent. This area may be reassessed using 100 percent of true value. True value times the county percentage level will equal the assessment. As of July 2003, all 21 counties have a county percentage level of 100 percent as the level of taxable value. Value should not be brought down to only 102 percent because the reassessment cannot be in excess of 100 percent of true value.

- vi. No more than 25 percent of the total number of line items can be changed except in extraordinary circumstances. These circumstances need to be documented in the compliance plan. Extraordinary circumstances may include, but not be limited to, natural disasters.
- vii. All areas of the municipality must be reviewed. No neighborhood or part of a municipality can be overlooked for consideration for adjustment pursuant to assessment maintenance solely because there are no sales in that neighborhood or part. If there are no sales, the assessor must submit an explanation, analysis and supporting documentation from whatever other information or professional judgment is available, to support why that neighborhood or part is being selected, or not, for adjustment pursuant to assessment maintenance. Exterior inspection of 100% of all properties must be completed in the areas of the municipality being changed. Interior inspection may also be required by the county board of taxation or the Director of the Division of Taxation.
- viii. Assessed value changes due to clerical, typographical, transpositional, physical descriptive or mathematical errors, added assessments, omitted assessments, omitted

added assessments, exemptions, demolitions, governmentally imposed restrictions, planning board and/or zoning board of adjustment approvals, approved revaluations, site contamination, removal of contaminated soil and property remediation; and storm, cyclone, tornado, earthquake, fire, flood, hurricane, vandalism, or other casualty, qualified farmland, subdivisions, mergers and changes resulting from appeals or settlement agreements, do not require the filing of a compliance plan.

- ix. Submission of Form CP is not required for districts with an approved reassessment application or approved revaluation contract.
- x. Notwithstanding the above, the Director may, after due investigation, pursuant to N.J.S.A. 54:1-26 through 30, order or make a reassessment of any or all property, including the property of railroad and canal companies, which is under or overvalued, in the taxing district, when the Director has reason to believe that any property has been assessed at a rate lower or higher than is consistent according to law for the uniform taxation of property, or that the assessment of property according to law in 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.

18:12A-1.15 Practice and procedure

- (a) In the absence of a rule covering any matter at issue, the rules of the Tax Court insofar as they may be applicable, shall govern.
- (b) The rules applicable to the Tax Court regarding pretrial discovery shall be applicable to the county boards of taxation except as follows:
 - 1. Initial interrogatories shall be served within 10 days following the deadline for filing petitions of appeal with the county board of taxation.
 - 2. The party served with interrogatories shall serve his answers thereto upon the party propounding them within 20 days after service of such interrogatories upon him.
 - 3. All discovery shall be completed at least seven days before the scheduled hearing date.
 - 4. Upon motion by any party to an appeal and for good cause shown, the county board of taxation may make any order which justice requires either to protect a party or person from annoyance, embarrassment, oppression or undue burden or expense or to require a party or person to comply with specific discovery demands.

18:12A-1.16 Tax assessment lists and duplications: data processing

- (a) All tax assessment lists and duplicates shall be produced using the data processing system, currently known as MOD IV, as developed, maintained and distributed by the State of New Jersey, Division of Taxation.
- (b) The tax list shall be the original and the intermediate tax duplicate shall be an exact copy of the tax list.

- (c) There shall be an additional list produced, which shall be designated as the extended tax duplicate. Owner and billing information may be updated subsequent to the production of the tax list. All other information shall be identical to the information on the tax list filed on January 10, reflecting the results of any corrections, revisions and additions by the county board of taxation pursuant to N.J.S.A. 54:4-46. In addition, the extended tax duplicate shall reflect the appropriate extensions after having the tax rate applied to the taxable ratables.
- (d) All tax lists must comply with the specifications and contain all related reports as set forth by the Property Administration, Local Property Section of the Division of Taxation.
- (e) The administrator of each county board of taxation shall designate the critical dates as to the submission of data to the MOD IV program, in keeping with the administrative procedure now in force, with respect to the construction of the tax rolls and associated reports.
- (f) All tax lists must comply with the specifications of the Director, Division of Taxation, as promulgated in N.J.A.C. 18:12-1 through 18:12-3. Each county board of taxation may adopt such procedures as it deems necessary to implement the specifications in the MOD IV program as adopted by the Director, Division of Taxation.
- (g) All limited exemptions and abatements, approved under P.L. 1991, c.441, shall be indicated on the assessors' tax lists and duplicates by the appropriate symbol. Each symbol and the amount of the exemption shall be shown in column seven of the assessors' tax lists and duplicates.
- (h) There shall be an additional list produced which shall be designated as the Limited Exemption/Abatement Audit Trail. This list shall contain the following data:
 1. Name and code numeral of county and taxing district;
 2. Name and address of owner, property, location, bank code;
 3. Block number, lot number and qualification code, if any, as shown on the official tax map of the taxing district;
 4. Land description, building description, additional lots, property class;
 5. Total for each exemption and the total amount of exemption(s); and
 6. Effective dates of each exemption, and the beginning and ending years.

18:12A-1.17 Filing of sales ratio data

- (a) The sales ratio data is required by the Director of the Division of Taxation to fulfill certain statutory responsibilities. The following time schedule concerning the filing of sales ratio data shall be followed.
 1. Flow of SR-1A form:

- i. Within 10 days after receipt of an abstract of deed, the board shall prepare an SR-1A form and forward same to the tax assessor of the taxing district within which the property sold is located;
 - ii. The tax assessor shall complete section 2 of the SR-1A form and return the original and two copies to the board within three weeks after the receipt of said form;
 - iii. Upon receipt of the SR-1A form from the tax assessor, the board shall forward the SR-1A form to the Local Property and Public Utility Branch within one week.
2. Flow of SR-6 form: Each tax assessor within the county shall examine the preliminary grantor listings which summarized the SR-1A information previously submitted. A tax assessor shall forthwith file an informal petition of correction (SR-6 form) with the Local Property and Public Utility Branch if he obtains additional information concerning whether the sale is usable or nonusable for sale ratio purposes.
3. Flow of SR-3A form: Each tax assessor shall submit to the board the real property classification form (SR-3A) in accordance with N.J.S.A. 55:4-26 not later than January 10 of the tax year.
4. Each board shall submit said forms to the Local Property and Public Utility Branch, Division of Taxation, not later than April 15 of the tax year.

18:12A-1.18 Conflict of interest

No commissioner or employee of a county board of taxation shall have any interest whatsoever, directly or indirectly, as an officer, stockholder or employee, or in any other capacity, in a revaluation firm engaged in revaluing properties in any taxing district within that county.

18:12A-1.19 Posting of rules and regulations

- (a) A copy of these rules and regulations, as prescribed by the Director, Division of Taxation, and as they may be amended, shall be posted in a permanent place in the office of each county board of taxation and in the office of the assessor of each taxing district.
- (b) Copies of these rules, as provided by the Division of Taxation, shall be made available by the board to any person who may request them.

18:12A-1.20 Appeals; late filing

- (a) Where a petition or cross-petition of appeal to a county board of taxation is actually received by the board after April 1 of the tax year (except if April 1 shall fall on a Saturday, Sunday or holiday, then after the first business day immediately thereafter), the county board of taxation or the county tax administrator, if authorized by the board by resolution, shall not accept said petition or cross-petition of appeal for filing but shall forthwith return the same to the person filing it, together with the filing fee, if the filing fee accompanied said petition or was otherwise paid. The petition or cross-petition to be returned shall have endorsed thereon the date of receipt and a statement "Petition or cross-petition is returned by reason of late filing",

and shall be accompanied by a judgment of dismissal by the county board of taxation for late filing.

- (b) Where a cross-petition of appeal to a county board of taxation is actually received by the board after the 20th day following the date of service noted on the petition of appeal (except if the 20th day shall fall on a Saturday, Sunday or holiday, then after the first business day immediately thereafter), the county board of taxation or the county administrator, if authorized by the board by resolution, shall not accept said cross-petition of appeal for filing but shall forthwith return the same to the person filing it, together with the filing fee, if the filing fee accompanied said cross-petition or was otherwise paid. The cross-petition of appeal to be returned shall have endorsed thereon the date of receipt and a statement "Cross-petition is returned by reason of late filing" and shall be accompanied by a judgment of dismissal by the county board of taxation for late filing.