

Small relative size of New Jersey revenue generated by Missouri corporation did not preclude imposition of business tax. *Mark Andy, Inc. v. Taxation Div. Director*, 8 N.J.Tax 593 (1986).

Missouri corporation that actively solicited New Jersey customers was "doing business" in New Jersey for tax purposes. *Mark Andy, Inc. v. Taxation Div. Director*, 8 N.J.Tax 593 (1986).

#### 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 board without cost upon request.

#### 18:12A-1.11 Record of proceedings

The board 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 board 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, county boards 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's disposition, as appropriate.

##### 3. Written memorandum of judgment.

i. The President of the Board shall have the responsibility for overseeing the writing of the written memorandum of judgment required pursuant to R.S. 54:3.26, and each memorandum shall be under his 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 \_\_\_\_\_, 19\_\_\_\_  
 or  
 “Dated: (state date)”.

5. Size and reproduction.

i. The judgment shall be uniform size 8½ x 11 inches and be such that it is capable of reproduction on a copier machine.

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  
 Hughes Justice Complex  
 Trenton, New Jersey 08625  
 Mailing Address:  
 CN 972  
 Trenton, New Jersey 08625.

6. County boards should endeavor to send out judgments at the time decided or as soon thereafter as practical, and not hold them until November 15. Earlier disposition will assist the Tax Court in the processing of its case load.

(c) Upon entry of any judgment involving the appeal of a homestead tax rebate, veteran’s 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 shall, within 10 days from the date of such entry, forward a copy of said judgment to the Division of Taxation, Local Property and Public Utility Branch.

As amended, R.1979 d.385, eff. September 28, 1979.  
 See: 11 N.J.R. 595(b).  
 As amended, R.1980 d.40, eff. January 17, 1980.  
 See: 12 N.J.R. 97(b).  
 As amended, R.1981 d.478, effective December 21, 1981.  
 See: 13 N.J.R. 621(a), 13 N.J.R. 948(c).

(c) added.  
 As amended, R.1984 d.580, effective December 17, 1984.  
 See: 16 N.J.R. 2760(a), 16 N.J.R. 3480(b).  
 Changed address.

**Case Notes**

Time for seeking review in tax court did not commence where county board failed to serve attorney of record for property owner. Estate of Frankel v. Borough of Hillsdale, 10 N.J.Tax 213 (1988).

Rules do not provide any procedure concerning the method of transmitting memoranda of judgments of the county boards of taxation to taxpayers; service by mail held sufficient; presumption of service by mail not rebutted in instant case. Tolentino v. Oxford Tp., 4 N.J.Tax 173 (Tax Ct.1982).

**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 Board.

(b) If the taxing district alleges that there has been a change in the value of the property occurring since the date of such assessment, 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 the 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 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.

(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.

(e) A taxpayer may apply to the county board 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.

As amended, R.1984 d.330, effective August 6, 1984.  
 See: 16 N.J.R. 1330(a), 16 N.J.R. 2153(a).  
 New (c) through (e).  
 As amended, R.1984 d.580, effective December 17, 1984.  
 See: 16 N.J.R. 2760(a), 16 N.J.R. 3480(b).  
 Substituted “54:51A-8” for “54:2-43”.

## Law Review and Journal Commentaries

Taxes—Freeze Act—Reassessments. Steven P. Bann, 136 N.J.L.J. No. 5; 74 (1994).

## Case Notes

"Final" judgments under Freeze Act can be either after trial on the merits or pursuant to settlement. *Union City Associates v. City of Union City*, 223 N.J. Super. 316, 538 A.2d 836 (A.D.1988), certification granted 111 N.J. 607, 546 A.2d 527, reversed 115 N.J. 17, 556 A.2d 769.

Judgment entered as housekeeping matter after appeal filed is not "final" under Freeze Act. *Union City Associates v. City of Union City*, 223 N.J. Super. 316, 538 A.2d 836 (A.D.1988), certification granted 111 N.J. 607, 546 A.2d 527, reversed 115 N.J. 17, 556 A.2d 769.

Freeze Act; revaluation or reassessment programs. *Ennis v. Alexandria Tp. (Hunterdon County)*, 13 N.J. Tax 423 (1993).

## 18:12A-1.14 Revaluations; reassessments

(a) Regarding voluntary revaluation, when a taxing district proposes to revalue real property in said district voluntarily it must notify the Board 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. and N.J.A.C. 18:12-4.1 et seq.).

(b) Regarding revaluation orders by 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 following criteria shall be utilized by a board when it is considering a proposal to order a taxing district to conduct a 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: This is an average deviation from average assessment 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 ratios for all usable sales of each property class from 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 as among property classes.

iii. Segmented coefficient of deviation: This is an average deviation of assessment ratios for all "usable sales" of each property class from 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.

(1) For the above purpose, a coefficient of deviation above 15 generally denotes lack of uniformity in assessments.

iv. Assessment-sales ratios: 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 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.

v. Individual assessment-sales ratios: The individual sales are listed in order of ratios established 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.

vi. Class weighted ratios: The weighted ratio of a property class basis is found by dividing the total ratables of a property class by the total true value of that property class. Uniformity between property classes is indicated when the class weighted ratios are in conformity with each other. Wide variances in class weighted ratios are an indication of a lack of uniformity in assessments between property classes.

vii. District weighted ratio: The district weighted average 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.

viii. 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 change relates to assessments.

ix. 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.

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.

(c) An assessor proposing to revise and update assessments shall submit an application to perform a reassessment with the county board of taxation.

1. The application shall be completed on Form AFR (Application for Reassessment) as prescribed by the Director of the Division of Taxation.

2. The county board shall review the application within 30 days of its submission and forward a copy to the Director of the Division of Taxation with a recommendation of approval or disapproval. In the case of a recommendation of disapproval, the Director shall be advised of the reason.

3. Within 30 days of receipt of the application and the board's recommendation, the Director shall advise the county tax administrator 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.

(d) The assessor of a district that has received approval of a contract for revaluation or an application to perform a 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, as the case may be, 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.

1. 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;

iii. The overall anticipated starting and completion date of each listed activity or function;

iv. 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;

v. 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

vi. Any revision or change in schedule from the previously submitted plan of work or progress report.

(e) 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.

(f) In case of an approved reassessment, the provisions of N.J.S.A. 54:3-22f shall be applicable with respect to the year in which the program becomes effective.

(g) 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.

As amended, R.1979 d.217, effective June 4, 1979.

See: 11 N.J.R. 263(b), 11 N.J.R. 359(b).

Amended by R.1990 d.339, effective July 16, 1990.

See: 22 N.J.R. 1350(a), 22 N.J.R. 2183(b).

Assessor required to file plan, schedule and monthly status reports; county taxation board and Division approval required for reassessment initiated at municipality.

**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.

As amended, R.1984 d.330, effective August 6, 1984.  
See: 16 N.J.R. 1330(a), 16 N.J.R. 2153(a).  
(b) added.

#### Case Notes

Direct appeal to tax court did not preempt jurisdiction of county tax board. *Union City Associates v. City of Union City*, 223 N.J.Super. 316, 538 A.2d 836 (A.D.1988), certification granted 111 N.J. 607, 546 A.2d 527, reversed 115 N.J. 17, 556 A.2d 769.

Time for seeking review by tax court never commenced running due to failure to serve attorney of record. *Estate of Frankel v. Borough of Hillsdale*, 10 N.J.Tax 213 (1988).

Letter to county board constituted motion for reconsideration. *Ipine Borough v. Gilbert*, 10 N.J.Tax 537 (1989).

Untimely motion for reconsideration failed to toll time for taking appeal. *Alpine Borough v. Gilbert*, 10 N.J.Tax 537 (1989).

#### 18:12A-1.16 Tax assessment lists and duplicates; EDP

(a) All tax assessment lists and duplicates shall be typewritten unless an accounting machine is used. The tax list shall be the original and the tax duplicate shall be an exact copy of the tax list.

(b) With respect to counties employing electronic data processing, all tax assessment lists and duplicates shall be prepared in accordance with the specifications incorporated in the electronic data processing program as developed by the State of New Jersey, Division of Taxation, as modified.

(c) The tax list shall be the original and the tax duplicate (now designated as the intermediate tax duplicate) shall be an exact copy of the tax list.

(d) There shall be an additional list produced which shall be designated as the extended tax duplicate. The extended tax duplicate shall contain the identical information as that which is 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.

(e) All tax lists must comply with the specifications and contain all related reports as set forth by the Local Property and Public Utility Branch.

(f) The administrator of each county board of taxation shall designate the critical dates as to the submission of change forms to effectuate the electronic data processing program, in keeping with the administrative procedure now in force with respect to the EDP program used for the construction of the tax rolls and satellite reports.

(g) 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 board may adopt such procedure as it deems necessary to implement the specifications in the EDP program as adopted by the Director, Division of Taxation.

(h) An approved household improvement exemption (chapter 104, Laws of 1975) shall be indicated on the assessors' tax list and duplicates by the symbol "H". The symbol "H" and the amount of the exemption shall be shown in column seven of the assessors' tax lists and duplicates.

(i) There shall be an additional list produced which shall be designated as the "Chapter 104 Record List". This list shall contain the following data:

1. Name and code numeral of county and taxing district;
2. Name and address of owner;
3. Block number, lot number and qualification code, if any, as shown on the official tax map of the taxing district;
4. Effective date(s) of the exemption(s);
5. Total of exemption(s) for each tax year;
6. Expiration date of each exemption.

Amended by R.1974 d.242, effective August 30, 1974.  
See: 6 N.J.R. 327(a), 6 N.J.R. 414(c).  
Amended by R.1977 d.131, effective April 14, 1977.  
See: 9 N.J.R. 146(a), 9 N.J.R. 245(b).

#### Case Notes

Development property represented as single lot on tax map, but divided into multiple assessment line items to accommodate taxpayer, treated as having one aggregate assessment in application of average ratio of assessed valuation to true value. *Hull Junction Holding Corp. v. Princeton Borough*, 16 N.J.Tax 68 (1996).

Seller of municipal tax assessment data and commercial real estate appraiser were entitled to computer copies of county's property tax-assessment list. *Higg-A-Rella, Inc. v. County of Essex*, 141 N.J. 35, 660 A.2d 1163 (1995).

Private company providing access to real estate tax assessment records was entitled to obtain from county copy of master computer. *Higg-A-Rella, Inc. v. County of Essex*, 276 N.J.Super. 183, 647 A.2d 862 (A.D.1994), certification granted 139 N.J. 440, 655 A.2d 443, certification granted 140 N.J. 277, 658 A.2d 301, certification granted 140 N.J. 326, 658 A.2d 726, affirmed 141 N.J. 35, 660 A.2d 1163.

**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.

**Case Notes**

Expiration of time for taking appeal requires that school aid table be fixed. *Fort Lee Borough v. Director, Div. of Taxation*, 12 N.J.Tax 299 (1992), affirmed 13 N.J.Tax 323, certification denied 134 N.J. 563, 636 A.2d 521.

Expiration of time for challenging school aid table precludes challenge to previous year component. *Fort Lee Borough v. Director, Div. of Taxation*, 12 N.J.Tax 299 (1992), affirmed 13 N.J.Tax 323, certification denied 134 N.J. 563, 636 A.2d 521.

**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.

Amended by R.1994 d.81, effective February 22, 1994.

See: 25 N.J.R. 4951(a), 26 N.J.R. 1110(a).

**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.

Amended by R.1981 d.44, effective February 4, 1981. See: 13 N.J.R. 44(d), 13 N.J.R. 165(a).

Effective date material deleted and material concerning appeal to a county board of taxation added.

Amended by R.1984 d.330, effective August 6, 1984.

See: 16 N.J.R. 1330(a), 16 N.J.R. 2153(a).

"or cross-petition" added.

Amended by R.1988 d.110, effective March 7, 1988.

See: 19 N.J.R. 2264(a), 20 N.J.R. 547(b).

Added (b).

Amended by R.1993 d.481, effective October 4, 1993.

See: 25 N.J.R. 2653(a), 25 N.J.R. 4604(b).

## Case Notes

Direct appeal to tax court did not preempt jurisdiction of county tax board. *Union City Associates v. City of Union City*, 223 N.J.Super. 316, 538 A.2d 836 (A.D.1988), certification granted 111 N.J. 607, 546 A.2d 527, reversed 115 N.J. 17, 556 A.2d 769.

Taxing districts held required to take appeals challenging their own assessments as too low by the August 15 deadline; proceeding with appeals beyond deadline through alternative pleadings not allowed; failure to make a timely appeal results in the original assessments standing, where the taxpayers' appeals challenge assessments based on true value, and discrimination cannot be an issue. *F.M.C. Stores Co. v. Boro. of Morris Plains*, 195 N.J.Super. 373, 479 A.2d 435 (App.Div. 1984), affirmed 100 N.J. 418, 495 A.2d 1313 (1985).