

(c) An appeal of the Director's decision may be taken within 90 days of the date of decision to the Tax Court of New Jersey.

**18:12-4.4 Appraisal firm: required information to be submitted**

(a) A firm seeking approval from the Director shall initially provide the following information which shall be submitted annually thereafter:

1. Financial statements, including balance sheets and income statements for the past three years;
2. A list of municipalities in New Jersey and outside the State where revaluations have been performed during the past five years;
3. The names and addresses of the officers and the number of years each officer has been engaged in real property valuation;
4. A statement of whether any litigation involving the firm's performance or revaluation contract has occurred during the past five years and, if so, explain in detail the nature of such litigation and the results thereof;
5. Any additional information the Director deems pertinent to determine whether the firm has adequate staff and resources to undertake a municipal valuation project;
6. A written statement asserting that the firm shall meet State and Federal requirements with respect to Equal Employment Opportunity laws and minimum wage rates; and
7. The names and addresses of the firm's parent corporation and subsidiaries, if any, shall be submitted.

**18:12-4.5 Conflict of interest**

(a) A contract submitted to the Director shall include the following provisions with respect to officers, stockholders and employees of the firm:

1. No commissioner or employee of a county board of taxation within the county shall have any interest whatsoever, directly or indirectly, as an officer, stockholder, or employee or in any other capacity in the firm.
2. No company referred to in N.J.A.C. 18:12-4.4(a)7 shall represent any property owner or taxpayer filing a tax appeal with respect to a revaluation by the firm.

Amended by R.1994 d.81, effective February 22, 1994.  
See: 25 N.J.R. 4951(a), 26 N.J.R. 1110(a).

**18:12-4.6 Appraisal firm: qualifications of principals and employees**

(a) The principals of the firm and the employees of the firm directly engaged in municipal evaluation programs in this State shall meet the following minimum requirements:

1. Principals shall have five years of practical and extensive appraisal experience in the valuation of the four classifications of property;

2. Supervisors shall have four years of practical and extensive appraisal experience in the appraisal of the particular type of properties for which they are responsible. Two years of this experience must have been in the mass appraisal field and occurred within the past five years;

3. Field personnel, building enumerators and lists shall have received 150 hours of in-service training pertaining to their particular phase of work and shall be generally aware of all other phases of the revaluation project before starting actual field work;

4. Personnel determining final land values shall meet the qualification prescribed for supervisors in direct charge of the work; and

5. A resume shall be submitted in behalf of principals and supervisors.

**18:12-4.7 Municipality: conditions to be met**

(a) A municipality shall facilitate a firm's performance of the revaluation by providing the following:

1. An up-to-date tax map:

i. Prior to the municipality's execution of a contract for revaluation, the tax map shall be submitted to the Local Property and Public Utility Branch to determine if it is suitable for revaluation use.

ii. A letter from a licensed land surveyor shall be submitted with the tax map to said branch certifying that the map is up-to-date.

2. Official records and such other assistance required as an aid to the firm's performance;

3. Letters of introduction to facilitate the firm's representative access to property; and

4. The mailing addresses of all property owners in the municipality to enable the revaluation firm to maintain a current mailing list. Informational letters mailed by the revaluation firm to property owners may require the signature of the assessor.

**18:12-4.8 Standards for revaluation**

(a) Any firm engaged in the revaluation of all or a portion of the real property in a municipality shall comply with the standards and conditions set forth in this subchapter. The revaluation firm constitutes the agent of the assessor and all determinations made by the firm shall be submitted to the assessor.

1. Real property shall be valued in accordance with N.J.S.A. 54:4-1 et seq.;

2. With regard to real property being constructed or altered, the firm shall determine the percentage of completion and the appraised value of said property as of October 1 of the pretax year;

3. A separate list of exempt properties shall be provided indicating the values of said properties as if taxable;

4. Land qualified under the Farmland Assessment Act of 1964, N.J.S.A. 54:4-23.1 et seq. shall be valued in accordance with its qualified farmland value and its highest and best use value;

5. In determining taxable values of all real property, the firm shall employ the three approaches to value where applicable. The capitalization procedure shall be included with the property record card and reconciled with the other approaches to value;

6. To facilitate the use of the approaches to value the most recent edition of the Real Property Appraisal Manual for New Jersey Assessors shall be used. The use of any other appraisal manual as a basis for valuing real property shall require approval by the Director;

7. The firm shall include real property identification material on properly labeled individual property record cards similar in form and content to those illustrated in the Real Property Appraisal Manual. Distinct property record cards for each of the four classifications of real property shall be provided;

8. The real property identification material to be entered on property record cards shall include, but not necessarily be limited to, the following:

i. A scaled sketch of the exterior building dimensions;

ii. Notations of significant building components as ascertained from both an interior and exterior inspection;

iii. Entries on the property record cards respecting the values of each lot and building including such items as age, construction, condition, depreciation, obsolescence, additions and deductions, appraised value, recent sales prices, rental data and all other pertinent information pertaining to the valuation of the property;

iv. Where more than one property card is required in the description of a property, all cards shall be assembled in a standard file folder and properly labeled;

v. Each property record card shall identify the individual making the inspection and set forth the date when the interior inspection was made.

9. The inspection of each property shall be performed in the following manner:

i. No less than three attempts shall be made to gain entry to each property;

ii. If successful entry has not been made after the first attempt, a card shall be left at the property indicating a date when a second attempt to gain entry will be made;

iii. The card shall include a phone number and address to permit the property owner to contact the firm to make other arrangements, if necessary;

iv. If entry is not possible upon the second visit, written notice shall be left advising that an assessment will be estimated unless a mutually convenient arrangement is made for a third visit to gain access to the property;

v. The firm shall schedule inspections during reasonable hours which shall include evenings and Saturdays;

vi. The assessor shall be notified in writing of each failure to gain entry to a property and a list of all non-entries and reasons for same shall be provided to the assessor prior to the mailing of values.

10. Every contract shall include the following items respecting progress and control of operations:

i. A commencement date and a completion date, the latter not later than October 1, except for completion of taxpayer's reviews which shall be not later than November 1;

ii. A requirement providing for the submission to the assessor of a work schedule or plan of operations;

iii. The firm shall provide written monthly progress reports to the assessor for his review. The assessor shall forward the reports to persons designated by contract to receive the same;

iv. Each progress report shall indicate the status or work progress which shall serve as a basis for proportional payments by the municipality. In no event shall more than 90 percent of the total contract price be billed until full completion and performance of the contract, except any requirements for defense of tax appeals;

v. Any change in personnel shall be submitted in writing to the assessor and county board of taxation.

11. A provision committing the firm to conduct and/or assist the municipality in a program of taxpayer orientation and education regarding the revaluation program including, but not necessarily limited to, the following:

i. Press releases describing the purpose and nature of the revaluation program;

ii. Meetings with public groups in the community;

iii. Mailings approved by the assessor, at the firm's expense, to all property owners explaining the nature and purpose of the revaluation and setting forth a proposed date for the commencement of inspections in the municipality.

12. The firm shall provide its representatives with photographic identification cards;

13. Following the formulation of land valuations, a land value map shall be prepared for the assessor for his review which will indicate all unit values and underlying data used to derive unit values;

14. The firm shall provide all office space, furniture, equipment, machines, and other items required in connection with this project unless otherwise provided by contract;

15. The firm shall assist by providing expert witnesses in the defense of all valuations rendered to the municipality which are appealed to the county tax board. The firm's obligation with respect to this requirement is limited to the initial appeal of an assessment filed during the year in which the revaluation is implemented or the following tax year. Such assistance shall include a qualified expert from the firm who is knowledgeable with regard to challenged assessments. In the event the municipality elects to utilize the defense services of the firm for appeals beyond the county board of taxation level and which are filed during the year in which the revaluation is implemented or the following tax year, an hourly rate for such services shall be set forth by the firm. Said hourly rate shall apply to services rendered by the firm in connection with preparation, reinspections, consultations and actual appearances at appeal proceedings.

#### Case Notes

For taxation purposes, fair market value is the price which could be obtained for the property, in money, at a fair sale between a willing seller not obliged to sell and a willing buyer not obliged to buy; the original cost of construction should be considered but is not controlling; value determined (citing former rule). *Dworman v. Boro. of Tinton Falls*, 1 N.J.Tax 445 (Tax Ct.1980) aff'd 3 N.J.Tax 1, affirmed 3 N.J.Tax 1, 180 N.J.Super. 366, 434 A.2d 1134 (App.Div.1981), certification denied 88 N.J. 495, 443 A.2d 709 (1981). *RCA Corp. v. East Windsor Tp.*, 1 N.J.Tax 481 (Tax Ct.1980).

The Real Property Appraisal Manual for New Jersey Assessors is required to be used in connection with real property valuation by appraisal firms (citing former N.J.A.C. 18:26-4.9); fair market value defined (citing former rule); assessment of bank held proper but remanded for further findings. *Bostian v. Franklin State Bank*, 167 N.J.Super. 564, 401 A.2d 549 (App.Div.1979) on remand 1 N.J.Tax 270, affirmed 2 N.J.Tax 391, 179 N.J.Super. 174, 430 A.2d 1140 (App.Div.1980).

Revaluation firm's appraisal of property, in and of itself, has absolutely no legal status; firm's value estimate has legal significance only if it becomes assessment. *Calton Homes, Inc. v. Tp. of West Windsor*, 15 N.J.Tax 231 (1995).1995205677;;15;591;231;

On appeal by township of 1984 county equalization table, held that, as of the date of the sale in question, the sale price of the parcel could not be related to an identical parcel that had been assessed for the 1982 tax year, and that the sale, therefore, could not be used in arriving at

the equalization ratio for the township. *Cranbury Tp. v. Middlesex Cty. Bd. of Taxation*, 6 N.J.Tax 501 (Tax Ct.1984), affirmed 7 N.J.Tax 667 (App.Div.1985).

#### 18:12-4.9 Taxpayer review procedure

(a) The firm shall provide each taxpayer with an opportunity to review the proposed assessment of his property.

(b) The firm, at its expense, shall mail a written notice, approved by the assessor, indicating the appraised value of the property and advising the taxpayer of his right to attend an individual informal review.

(c) Informal reviews shall be held at a designated location within the municipality and shall be scheduled so as to allow the firm sufficient time to fully review and discuss the proposed assessment with the taxpayer.

1. Each taxpayer attending a review shall be afforded an individual meeting with a qualified person employed by the firm;

2. Sufficient time shall be allotted to hear and conclude reviews on or before November 1;

3. A written record of each review shall be provided to the assessor in a format approved by the assessor;

4. Suggested revisions by the firm resulting from the taxpayers' reviews shall be made with the consent of the assessor;

5. Each taxpayer shall be informed in writing by the firm of the results of their assessment review within four weeks of the conclusion of all reviews.

#### 18:12-4.10 Surety and insurance

(a) Prior to the commencement of a contract, the firm shall provide assurance that the municipality will be adequately protected and saved harmless from any lawsuit, litigation, demand, or claim arising out of the revaluation contract. In support of the foregoing, the firm shall provide the following coverages:

1. Workers' compensation insurance coverage in accordance with the standards of this State as set forth in N.J.S.A. 34:15-1 et seq.;

2. Public liability and automobile liability in amounts not less than those provided for by law for any one person and any one occurrence respecting property damage;

3. A performance surety bond in the amount of the contract, executed by a reputable bonding company authorized to do business in this State, subject to reduction to 10 percent of the contract amount upon acceptance of the completed revaluation by the assessor. Said reduced amount shall remain in effect until the firm has discharged all obligations respecting the defense of the contract;

4. The terms and conditions of all the foregoing may be in greater amounts if required by the municipality and

copies of all policies shall be provided to the municipality prior to the commencement of any portion of the contract.

#### 18:12-4.11 Delivery and summary

(a) A firm shall provide the assessor with completed property record cards filed in sequence by block and lot numbers for all taxable and exempt properties. All supporting data, documentation and special procedures used in deriving values shall also be provided to the assessor.

(b) A firm shall make available qualified personnel for the purpose of giving full explanation and instructions to the assessor and his staff with regard to all materials submitted in all phases of the final revaluation.

(c) In the event a magnetic tape containing the new values is provided by the firm, said tape shall be in a format consistent with the New Jersey Property Tax System MOD IV so that entry of the data can be made directly into the taxing district's Master File.

#### Case Notes

Private company providing access to real estate tax assessment records was entitled to obtain from county copy of master computer tape. *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, opinion affirmed and remanded 141 N.J. 35, 660 A.2d 1163.

### SUBCHAPTERS 5 THROUGH 6. (RESERVED)

### SUBCHAPTER 7. HOMESTEAD PROPERTY TAX REBATE

#### Authority

N.J.S.A. 54:4-8.57 et seq. and 54:50-1.

#### Source and Effective Date

R.1994 d.136, effective March 21, 1994.  
See: 26 N.J.R. 109(b), 26 N.J.R. 1370(a).

#### 18:12-7.1 Extension of time to file homestead property tax rebate applications

(a) No homestead rebate shall be allowed pursuant to the Homestead Property Tax Rebate Act of 1990 except upon written application therefor, in a manner and on a form prescribed by the Director of the Division of Taxation in the Department of the Treasury.

(b) Every claimant seeking a rebate shall file the rebate application form as part of a gross income tax return.

(c) Every claimant shall file the rebate application form pursuant to the filing deadlines provided in the New Jersey Gross Income Tax Act; in the case of calendar year claimants, April 15 of each year. The filing deadline for the rebate applications will be extended as follows:

1. For claimants who have properly prepared and timely filed for a Federal and/or New Jersey extension of time to file their New Jersey gross income tax return pursuant to the New Jersey Gross Income Tax Act, N.J.S.A. 54A:1-1 et seq., and, in particular, N.J.S.A. 54A:8-1(b) and N.J.A.C. 18:35-1.18, the rebate application must be filed with their NJ-1040 on or before the extended due date. The rebate application will be considered timely filed, even though the request for the extension of time to file the NJ-1040 is subsequently denied by the Division of Taxation for any reason other than untimely filing or the gross income tax return itself is considered to be untimely filed pursuant to law.

2. For claimants who are not otherwise required to file a gross income tax return pursuant to the New Jersey Gross Income Tax Act, N.J.S.A. 54A:1-1 et seq., the rebate application must be filed no later than January 15 following the date of payment and distribution of rebates for the prior tax year, pursuant to N.J.S.A. 54:4-8.63. If the fifteenth day falls on a weekend or holiday, then the application must be filed on or before the next business day.

(d) Paragraphs (c)1 and (c)2 above shall apply to claimants for homestead property tax rebates for tax year 1992 and thereafter.

#### Case Notes

Legislative classification in homestead rebate statute distinguishing homes used as a principal residence as against those used for a less essential purpose is legitimate for allocating tax burdens and is not an unconstitutional violation of equal protection of the privileges and immunities clause; taxpayers found ineligible for rebates on taxes paid on summer homes (citing former rule). *Rubin v. Glaser*, 166 N.J.Super. 258, 399 A.2d 984 (App.Div.1979), affirmed 83 N.J. 299, 416 A.2d 382 (1980) appeal dismissed 101 S.Ct. 389, 449 U.S. 977, 66 L.Ed.2d 239 (1980).

Court declined to toll deadline for filing of a 1983 homestead rebate claim on either the basis of the property owner's physical and mental condition or because the deadline fell between the death of the homeowner and the appointment of the executor of the homeowner's estate. *Olsson v. Director, Div. of Taxation*, 6 N.J.Tax 430 (Tax Ct.1984).

Taxpayer's age, hospital confinement and subsequent incapacity did not provide a basis for extending the deadline for filing of a homestead tax rebate application. *Perrine v. Taxation Div. Director*, 4 N.J.Tax 335 (Tax Ct.1982).

No abuse of discretion by the Director found in refusal to grant an additional homestead rebate filing extension to a homeowner, after blanket extension given to all homeowners; lack of tax bill held insufficient reason for homeowner's delay in filing for rebate. *Horrobin v. Director, Division of Taxation*, 1 N.J.Tax 213, 172 N.J.Super. 173, 411 A.2d 479 (Tax Ct.1979).