

New Jersey Administrative Code Title 18 Chapter 12
Subchapter 1. Categories of Non-usable Deed Transactions

18:12-1.1 Categories enumerated:

(a) The deed transactions of the following categories are not usable in determining assessment-sales ratio pursuant to N.J.S.A. 54:1-35.1 et seq.:

1. Sales between members of the immediate family;6
2. Sales in which "love and affection" are stated to be part of the consideration;7
3. Sales between a corporation and its stockholder, its subsidiary, its affiliate or another corporation whose stock is in the same ownership;8
4. Transfers of convenience; for example, for the sole purpose of correcting defects in title, a transfer by a husband either through a third party or directly to himself and his wife for the purpose of creating a tenancy by the entirety, etc;9
5. Transfers that did not occur within the sampling period. Sampling period is defined as the period from July 1 to June 30, inclusive, preceding the date of promulgation of the Director's Table of Equalized Valuation, except as otherwise stated. The recording date of the deed within this period is the determining date since it is the date of official record.
 - i. Where the date of deed or date of formal sales agreement occurred prior to January 1 next preceding the commencement date of the sampling period and the recording date was within the sampling period, the sale shall be deemed outside the sampling period and nonusable. 10
6. Sales of property conveying only a portion of the assessed unit, usually referred to as apportionments, split-offs or cut-offs; for example, a parcel sold out of a larger tract where the assessment is for the larger tract;12
7. Sales of property substantially improved subsequent to assessment and prior to the date of sale, and for which an Added Assessment has been or will be imposed; 14
8. Sales of an undivided interest in real property; 17
9. Sales of properties that are subject to an outstanding Municipal Tax Sales Certificate, a lien for more than one year in unpaid taxes on real property pursuant to N.J.S.A. 54:5-6, or other governmental lien; 18
10. Sales by guardians, testamentary trustees, executors and administrators; .19

11. Judicial sales such as partition sales;	21
12. Sheriff's sales;	22
13. Sales in proceedings in bankruptcy, receivership or assignment for the benefit of creditors and dissolution or liquidation sales and short sales;....	23
14. Sales of doubtful title including, but not limited to, quit claim deeds;.....	25
15. Sales to or from the United States of America, the State of New Jersey, or any political subdivision of the State of New Jersey, including boards of education and public authorities;	26
16. Sales of property assessed in more than one taxing district;	27
17. Sales to or from any charitable, religious, or benevolent organization;	29
18. Transfer to banks, insurance companies, savings and loan associations, mortgage companies when the transfer is made in lieu of foreclosure where the foreclosing entity is a bank or other financial institution;.....	30
19. Sales of property whose assessed value has been substantially affected by demolition, fire, documented environmental contamination, or other physical damage to the property subsequent to assessment and prior to the sale thereof;	31
20. Acquisitions, resale or transfer by railroads, pipeline companies or other public utility corporations for right-of-way purposes;	32
21. Sales of low/moderate income housing as established pursuant to the "New Jersey Fair Housing Act", N.J.S.A. 52:27D-302 to -329.20;	33
22. Transfers of property in exchange for other real estate, stocks, bonds or other personal property;	34
23. Sales of commercial or industrial real property which include machinery, fixtures, equipment, inventories, or goodwill when the values of such items are indeterminable;	35
24. Sales of property, the value of which has been materially influenced by zoning changes, planning board approvals, variances or rent control subsequent to the assessment and prior to the sale;.....	37
25. Transfers in which the full consideration is less than or equal to \$ 100.00, as the term "consideration" is defined in the "Realty Transfer Fee Act" at N.J.S.A. 46:15-5;	39

26. Sales which for some reason other than specified in the enumerated categories are not deemed to be a transaction between a willing buyer, not compelled to buy, and a willing seller, not compelled to sell;40
27. Sales occurring within the sampling period but prior to a change in assessment practice resulting from the completion of a recognized revaluation or reassessment program, i.e. sales recorded during the period July 1 to December 31 next preceding the tax year in which the result of such revaluation or reassessment program is placed on the tax roll;43
28. Sales of properties which are subject to a leaseback arrangement;45
29. Sales of properties subsequent to the year of appeal where the assessed value is set by court order, consent judgment, or application of the "Freeze Act;"46
30. Sales in which multiple parcels are conveyed collectively in one transaction and those parcels are not part of a single economic unit;54
31. First sale after foreclosure by a Federal or State chartered financial institution;55
32. Sales of a property for which the assessment is based on a property record card description that deviates substantially from the actual property as sold but would not be subject to an Added Assessment. These errors in records must result in a substantial change in assessment in the subsequent tax year;56
33. Sales of qualified farmland or currently exempt property or abated property.57
34. Sales of property in which its designated property class on the tax list is not reflective of the actual use of the parcel,58
35. Sales of property subject to an exception, reservation for the grantor's benefit, restriction, or that otherwise transfer less than the full rights of ownership;59
36. Sales of property for which:
 - i. the assessment is not reflective of the municipality's assessment practice; or
 - ii. the individual sale to assessment ratio is excessively high or low; and its individual sale to assessment ratio is so disproportionate to the ratios of other usable sales that its inclusion in the sales-ratio study would distort the overall municipal ratio.....60

- (b) Transfers that meet the criteria enumerated in paragraphs 1, 3, 9, 10, 15, 17, 26, 28, 30, and 35 of (a) above, should generally be excluded but may be used if after full investigation it clearly appears that the transaction was a sale between a willing buyer, not compelled to buy, and a willing seller, not compelled to sell, with all conditions requisite to a fair sale with the buyer and seller acting knowledgeably and for their own self-interests, and that the transaction meets all other requisites of a usable sale.61