

FREQUENTLY ASKED QUESTIONS

- *How can the value of my home grow so much without me doing any enhancements to it?*

Property tax assessments are based upon the market value. Trends in the real estate market are a driving factor as to the value of any type of property. The residential real estate market is, and has been in recent years, seeing strong appreciation in Northern New Jersey. This means that a residence might experience a substantial increase in value even if no renovations or additions were constructed on the property.

- *If the Borough does not increase spending from one year to the next, will my taxes go up?*

It is very possible that your taxes may still increase. There are three governmental components as to where your taxes go: the municipality, the schools, and the county. While the Borough budget may stay flat, there is still a likelihood of the school and/or county budget might increase, meaning that the tax levy would need to be increased, hence more taxes be collected.

- *What does a commercial property's income have to do with how its taxes are calculated?*

Commercial properties tend to be viewed as investment assets. As such, the accepted methodology for appraising these types of properties considers the market income that the commercial property could generate, minus allocations for vacancy, non-collection, and operating expenses.

- *Is there an appeal process to the tax assessment of my property?*

Yes, there is. We recommend that you meet with the reassessment company first to speak to their representative to discuss the new assessment of your property. If you are still dissatisfied with the result of this meeting, you can file a formal tax appeal with the Bergen County Board of Taxation no later than May 1st. This step is similar to the informal interview. However, your comments will be heard by a Commissioner of the Board of Taxation. You will be given an opportunity to state the reasons you believe your assessment is inaccurate. After reviewing the facts presented, the Board will render a decision as to whether an adjustment is in order.

In the event you are not satisfied with the decision from the Board of Taxation, you have the right to file an appeal with the Tax Court of the State of New Jersey. This must be done within 45 days of your notification. This step in the process is formal, taking place in a courtroom setting before a Tax Court Judge.

- *What is the value of doing an annual property tax reassessment verse doing it every five or 10 years?*

Trends in the real estate market are constantly changing. These changes in market conditions can occur quickly and swings in market value can be substantial. Municipalities that only periodically reassess will have portions of their tax base that will be largely over assessed or under assessed over time. Neglecting these changes in the market leaves the municipality with inequitable assessments and in turn, taxpayers paying either more or less than their fair share. For instance, the industrial market in the greater Meadowlands area has been seeing unprecedented appreciation in value while the office market is at an all-time low in North Jersey. If the Borough were unable to react to these market fluctuations each year, then the industrial properties would be vastly underassessed and not paying their share of location taxation while the office properties would be over assessed and susceptible to a successful tax appeal and large tax refund. More and more municipalities in Bergen County and beyond are being proactive about maintaining a fair and equitable tax base and are moving to the same approach that Hasbrouck Heights has taken.