

# THE REASSESSMENT PROCESS



The following is the definition of a Reassessment Program as described in the "Handbook for New Jersey Assessors" :

*A reassessment program seeks to spread the tax burden equitably within a taxing district by appraising property according to its true value and assessing it based upon such value. This is accomplished by the mass appraisal of all real property in the taxing district by an outside professional appraisal or revaluation firm."*

*The following power point presentation was created by Associated Appraisal Group, Inc. to provide a basic outline of the reassessment process. All rights are reserved.*

# THE REASSESSMENT PROCESS

There is an erroneous assumption by some that a reassessment is a means by which a municipality increases property taxes.

Reassessments do not increase the total amount of revenue to be raised by taxation. The municipality only collects the amount of tax dollars that the four units of local government (local school, regional school, county government and municipal government) determine is necessary to operate.



New Jersey's real property tax is ad valorem or a tax "according to the value." The State Constitution at Article VIII, Section 1, Par. 1 requires that all real property be assessed at the "same standard of value." New Jersey Statutes at N.J.S.A. 54:4-23 establish the standard of property value to be the "full and fair value" or "true value" which is defined as "the price at which, in the assessor's judgment, each parcel of real property would sell for at a fair and bona fide sale."

# THE REASSESSMENT PROCESS

## *Why a Rolling Reassessment?*

- Criteria used to determine need:
  - \*last reval / reassessment (2004?? / 2010)
  - \*average ratio (101.98)
  - \*coefficient of deviation (16.38)
  - \*number of appeals
- Other:
  - \*changes in characteristics in areas or neighborhoods within the municipality and in individual properties
  - \*economics (inflation and recession)
  - \*trends (home size, styles, etc...)
  - \*legislation (wetlands, pinelands, zoning, etc...)



# THE REASSESSMENT PROCESS

## *Why a Rolling Reassessment?*

- Eliminate Property Tax Shifts

*Set at true Market Value each year on October 1*

*to insure no property owner pays more or less than their fair share*

- Maintain 100% True Market Value at all times to avoid costly tax appeal losses

*Property A is assessed at \$15,000,000*

*at 90% ratio = \$16,666,700 FMV*

*New assessment = \$13,500,000 ( $\$15,000,000 \times 0.90$ )*

*\$1,500,000 reduction  $\times$  \$2.50 = \$37,500*

- Eliminate Costly Tax Revaluations

# THE REASSESSMENT PROCESS

*The Reassessment Process*



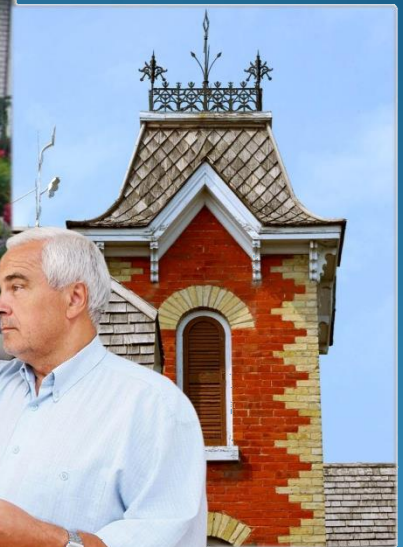


# THE REASSESSMENT PROCESS

## 1 Inspect

*First visit - Introduction of Field Rep. to property owner*

- First visit between 9:30am-5pm
- Each inspector is issued an ID authorized by the Police Dept.
- Do not allow anyone in your home without this identification.
- Call Police Department *before* allowing anyone in your home if you have any concerns.



**INSPECTOR**

**#20**  
Christopher Hendrickson



Associated Appraisal Group  
6 Commerce Drive  
Cranford, NJ 07016  
(908) 967-6272  
www.njaag.com



# THE REASSESSMENT PROCESS

## 1 Inspect

### *First visit – Site Inspection & Outside Influences*

- Economic loss due to outside influences (environmental nuisances and hazards.)
- Topography (land contours and grades.)



- View (positive and negative influences; views of water, mountains or valleys can produce positive values, conversely a poor view can produce a value penalty.)



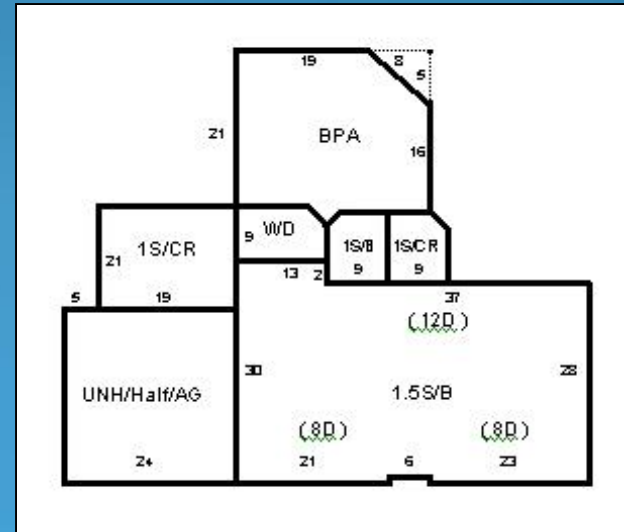


# THE REASSESSMENT PROCESS

## First visit – Measure exterior

### 1 Inspect

- The exterior of the residence is verified in detail, starting with the foundation, framing, exterior cover and roof.
- The inspector will verify the exterior dimensions of the main improvement and all other structures on the property by taking spot measurements.
- The architectural style of the main improvement is verified.





# THE REASSESSMENT PROCESS

## 1 Inspect

*First visit – Style, Condition and Quality of the house*

- Quality refers to the character of construction and the materials used, the manner of construction and the workmanship.
- The condition refers to the overall wear and tear, the extent of physical deterioration and the level of maintenance.



# THE REASSESSMENT PROCESS

## 1 Inspect

### *First visit – Call Back*



- If no one is home on the first visit, the inspector will leave a notice.
- The notice will have an appointment for return visit.
- The appointment will be in the evening (typically between 5pm-7pm.)
- Some Saturdays may also be available.
- The property owner can reschedule by calling the phone number on the card.

Associated Appraisal Group  
Real Estate Appraisal Services  
6 Commerce Drive, Cranford, NJ 07016

Block: \_\_\_\_\_  
Lot: \_\_\_\_\_  
Qual: \_\_\_\_\_  
Date: \_\_\_\_\_

Dear Property Owner:

A representative of Associated Appraisal Group was here to inspect your property in accordance with our contract to revalue all property located in the municipality. Since we were unable to make an interior inspection, we will return on:

Date: \_\_\_\_\_ Time: \_\_\_\_\_ Inspector: \_\_\_\_\_

If you cannot accommodate us at this time, **please call (908) 967-6272** between the hours of 10AM and 4PM Monday - Friday to reschedule to a mutually convenient time.

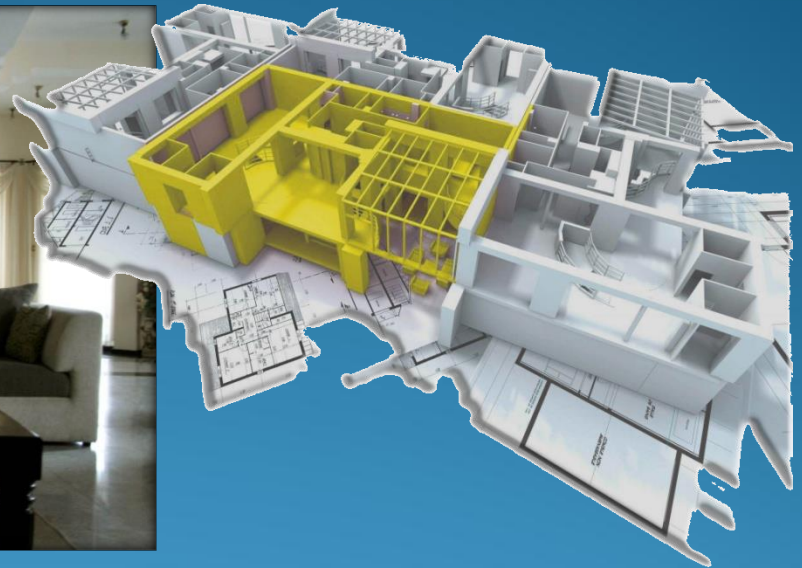
*In the event of inclement weather, this visit will have to be rescheduled.*



# THE REASSESSMENT PROCESS

## *First visit – Interior Inspection*

1  
Inspect



- The interior of the residence is inspected next and takes approximately 5-15 minutes depending on the size of the house.
- All levels of the home including the main floor, upper levels, attics (with fixed stairs) and basements will be inspected.
- The inspector will also note the number of rooms, heat type, air conditioning, number/type of fireplaces, plumbing, and the percent of finish in attics and basements.

# THE REASSESSMENT PROCESS

## 1 Inspect

### *First visit – Interior Inspection - Kitchens & Baths*

- The quality and condition of the kitchen and bathrooms will be examined.



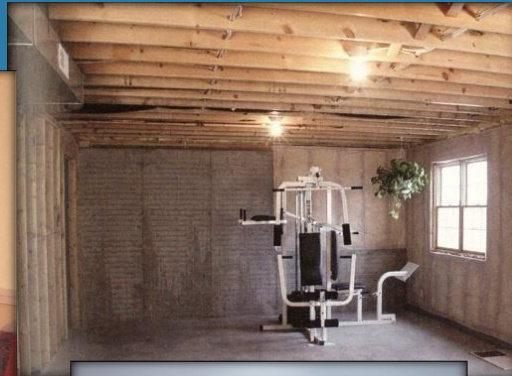
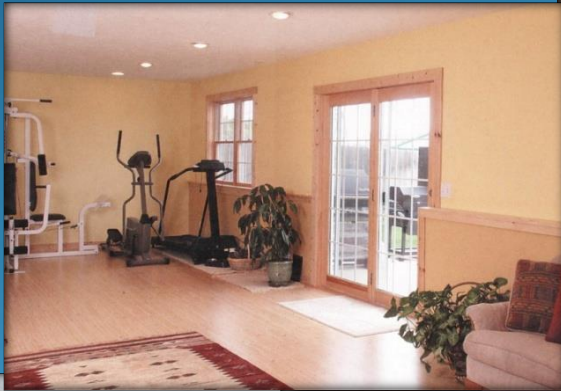


# THE REASSESSMENT PROCESS

## 1 Inspect

*First visit – Interior Inspection – Basements/Attics*

- The quality and condition of the basement and attic areas will be examined.



# THE REASSESSMENT PROCESS

## 1 Inspect

*First Visit – Interior Inspection – COVID 19 Concerns*

**Due to ongoing COVID-19 concerns, inspectors will be supplied with protective gear while performing inspections**

There are 2 ways an interior inspection can be performed:

1) A physical inspection where the inspector enters the premises and does a complete walk through.

2) A contactless interior inspection using a video conference either during the first visit or a mutually convenient scheduled time

If an inspector is not given the opportunity to do an interior inspection, interior information will be estimated which may result in an inaccurate assessment of your home.

# THE REASSESSMENT PROCESS

## 1 Inspect

### *First Visit – Interior Inspection – COVID 19 Concerns*

- If no one is home at the time of the second visit, the inspector will estimate the interior.

The inspector will estimate the interior information.

# of Units  
# of Baths  
HVAC  
Attic / Bsmnt Finish  
Kitchen Quality  
Condition

Associated Appraisal Group  
Real Estate Appraisal Services  
6 Commerce Drive, Cranford, NJ 07016

Block: \_\_\_\_\_  
Lot: \_\_\_\_\_  
Qual: \_\_\_\_\_

Dear Property Owner:  
A representative of Associated Appraisal Group has made a second visit to your property and found no one at home. Since we were unable to make an interior inspection, an estimate has been made as follows:

# of units: \_\_\_\_\_ # of Baths: \_\_\_\_\_ HVAC: \_\_\_\_\_  
Bath Quality: \_\_\_\_\_ Kitchen Quality: \_\_\_\_\_ 1/2 Story: \_\_\_\_\_  
Basement: \_\_\_\_\_ Overall Condition: \_\_\_\_\_

**Please call (908) 967-6272** between the hours of 10AM and 4PM Monday - Friday to arrange for an interior inspection.

Inspector: \_\_\_\_\_ Date: \_\_\_\_\_ Time: \_\_\_\_\_

- If the information is incorrect, the homeowner can call the number on the card to reschedule another interior inspection to correct any inaccuracies.



# THE REASSESSMENT PROCESS

## *Neighborhood Development*

### 2 Analyze

- The neighborhood is the immediate environment of the subject property. A neighborhood is defined by certain characteristics that are homogenous and differentiate it from other areas in the community.
- Elements of homogeneity or similarity
  - Similar style houses
  - Houses of similar utility
  - Similar age and size of houses
  - Similar quality of houses
  - Similar price range of houses
  - Similar land uses (zoning)



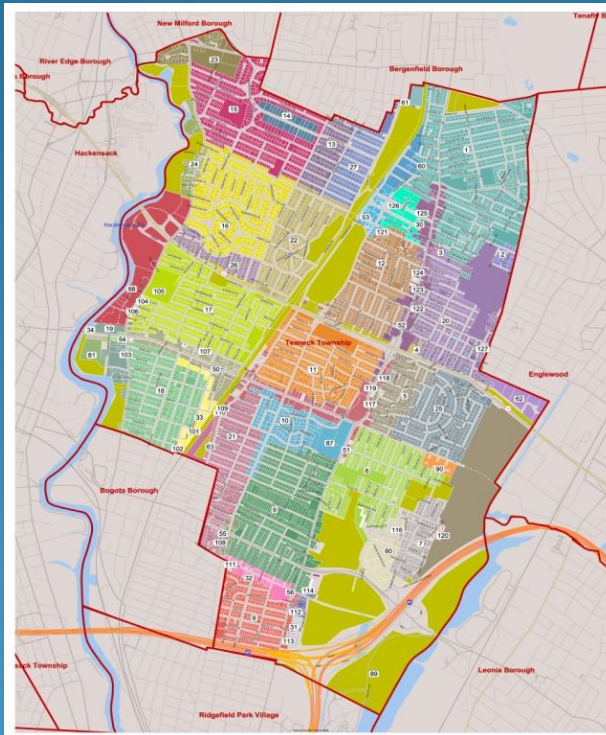


# THE REASSESSMENT PROCESS

## *Neighborhood Development cont....*

# 2 Analyze

- Neighborhoods are delineated for purposes of analysis and eventual establishment of land values.
- Neighborhood boundaries are often established by:



-Natural barriers (rivers, lakes, hills, etc.....)

-Political barriers (city limits, zone boundaries, school districts, etc.....)

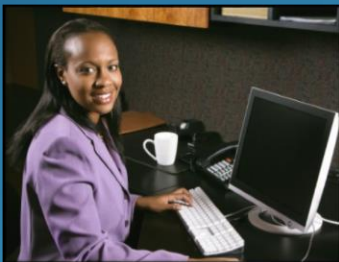
-Man made obstacles (streets and highways, rail lines, major utility rights of way, "green belts", etc.....)

# THE REASSESSMENT PROCESS

## Market Analysis & Review cont....

### Review

- Reports are generated based upon information realized from the inspection of properties and the market sales analysis.
- Assists in applying all market value indicators into a uniform standard that produces equitable values.



Max: 0.00 Min: 0.00

Re-Calc: N SPRING LAKE

SUMMARY REPORT 2

11/12/99 Page 1

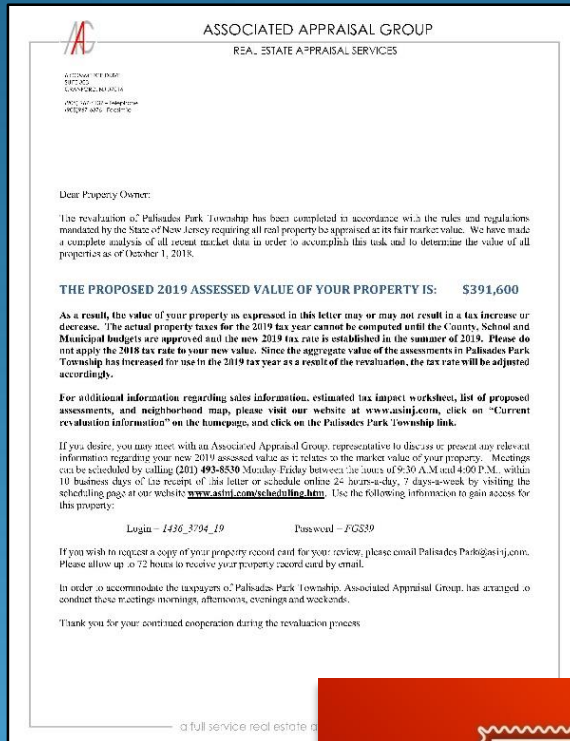
STYLE/NEIGHBORHOOD ANALYSIS - SORTED BY STYLE

Block	Lot	Qual	Cl	Nei	Land	Bldg	Totl	11/12/99	Block	Lot	Qual	Cl	Nei	Land	Net	Impr	Total	Neigh	VCS	St	Qual	Blt	Ef	Co	NS	Area	Inpr	Sale	Sale	Ratio					
Page 1																																			
8	10	2	203	350800	224600	575400																													
8	14, 01	2	203	411000	320200	731200																													
18	4, 01	2	102	689300	478000	1167300																													
18	6, 01	2	102	689300	504500	1193800																													
18	8	2	203	350800	116900	467700																													
19	3, 01	2	102	718700	521000	1239700																													
19	8	2	203	350800	130700	481500																													
31	9	2	203	333300	211400	544700																													
31	10	2	203	350800	198700	549500																													
32	6	2	101	724900	783100	1508000																													
32	23	2	202	451400	287600	739000																													
54	10	2	205	724800	879900	1604700																													
56	5	2	101	599000	395200	994200																													
58	3	2	205	790400	1529100	2319500																													
60	3	2	207	349200	175500	524700																													
60	7	2	207	350800	175200	526000																													
66	4	2	100	920700	799700	1660400																													
66	13	2	201	615900	1698800	2314700																													
69	15	2	206	549300	233400	782700																													
78	10, 01	2	207	350600	482200	832800																													
78	4, 01	2	100	563300	289500	852800																													
88	1	2	100	2532000	1161200	3713200																													
107	9, 01	2	200	616500	942300	1558800																													
108	1	2	100	748700	442100	1190800																													
122	2	2	100	664400	163300	819700																													
136	1	2	300	476500	404000	970400																													
144		2	300	714200	272600	986800																													
144		2	300	714200	272600	986800																													
144		2	300	714200	272600	986800																													
144		2	300	714200	272600	986800																													
144		2	300	714200	272600	986800																													
144		2	300	714200	272600	986800																													
144		2	300	714200	272600	986800																													
144		2	300	714200	272600	986800																													
144		2	300	714200	272600	986800																													
144		2	300	714200	272600	986800																													
144		2	300	714200	272600	986800																													
144		2	300	714200	272600	986800																													
144		2	300	714200	272600	986800																													
144		2	300	714200	272600	986800																													
144		2	300	714200	272600	986800																													
144		2	300	714200	272600	986800																													
144		2	300	714200	272600	986800																													
144		2	300	714200	272600	986800																													
144		2	300	714200	272600	986800																													
144		2	300	714200	272600	986800																													
144		2	300	714200	272600	986800																													
144		2	300	714200	272600	986800																													
144		2	300	714200	272600	986800																													
144		2	300	714200	272600	986800																													
144		2	300	714200	272600	986800																													
144		2	300	714200	272600	986800																													
144		2	300	714200	272600	986800																													
144		2	300	714200																															

# THE REASSESSMENT PROCESS

## 4 Inform

### Notification of Value



- Mailed to address of record for all property owners.
- Date of mailing depends on the project schedule.
- Mailings usually occur at the end of the year or early into the next year.
- Contains total assessment for property.
- Contains instructions for setting up a meeting to review assessment.



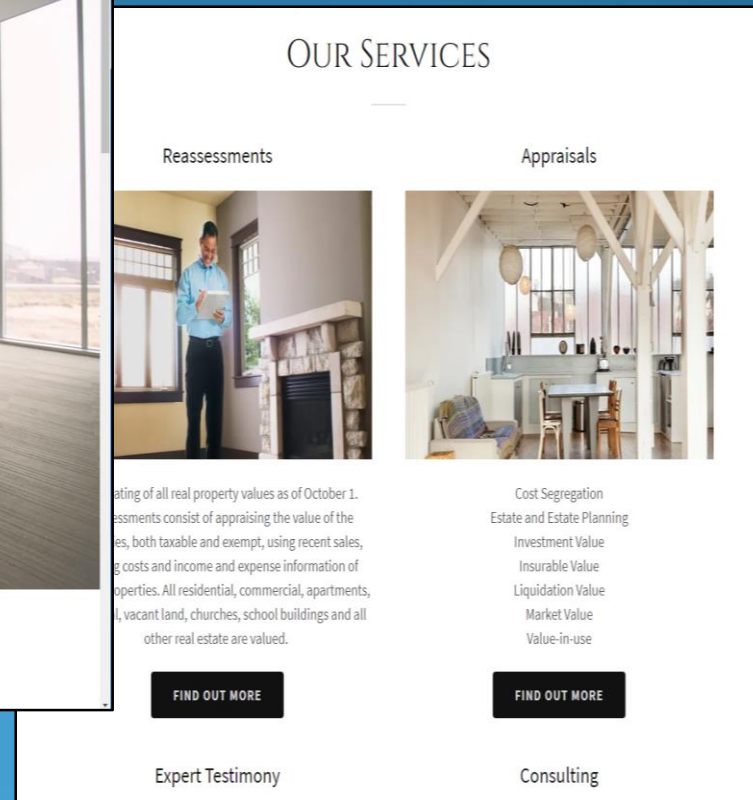
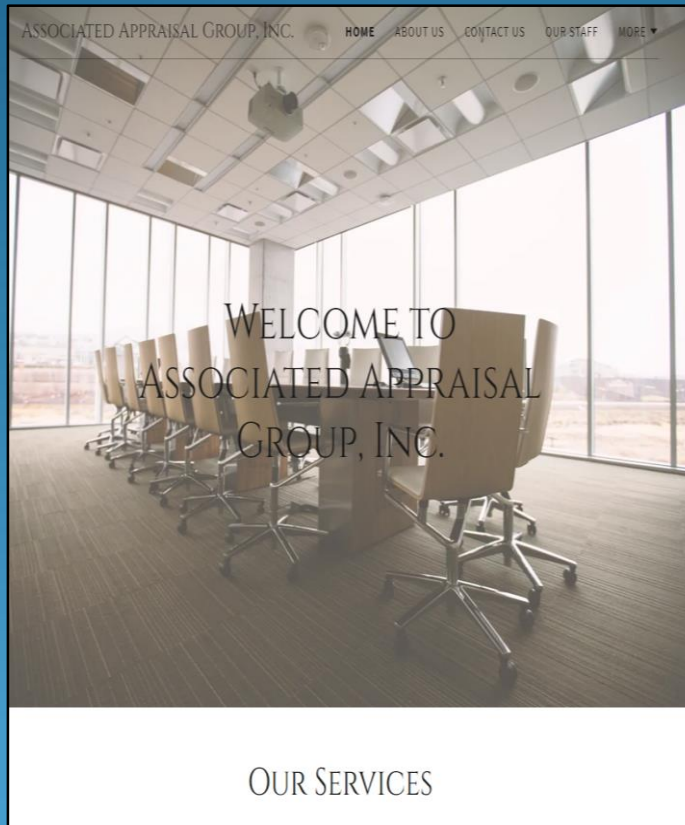


# THE REASSESSMENT PROCESS

4  
Inform

Website

njaag.com





# THE REASSESSMENT PROCESS

## 5 Meet

### *Informal Hearings*

- Opportunity to discuss your proposed assessment with a representative of Appraisal Systems.
- Meetings are held Monday-Saturday; Mornings, afternoons & evenings.
- Typically takes place in the municipal building



# THE REASSESSMENT PROCESS

## 6 Submit

### Transmit Final Values to Municipality & County

FIRST CLASS MAIL  
U.S. POSTAGE PAID  
TRENTON, NJ  
Permit No. 41

TWP  
COUNTY = ESSEX

NOTICE OF PROPERTY TAX ASSESSMENT FOR  
THIS NOTICE IS REQUIRED UNDER N.J.S.A. 54-4.3.1.1

MAILED:

BLOCK: LOT: QUAL:

PROPERTY LOC:

THE ASSESSMENT SHOWN REPRESENTS THE ASSESSMENT WHICH WILL APPEAR ON THE MUNICIPAL TAX LIST FOR 2006 FOR THE PROPERTY IDENTIFIED.

LAND:	BUILDING:	TOTAL:
NET PROPERTY TAXES BILLED FOR	2005 ASSESSMENT	TOTAL:

THIS IS NOT A BILL.  
SEE OTHER SIDE FOR  
APPEAL INFORMATION.

- Final values sent to Town and County
- All information (data collection forms, property record cards, photographs, neighborhood map, correspondence, database, etc....) is given to Town.
- Official notification of final value from Municipality (via postcard.)



#### APPEAL INSTRUCTIONS:

If you agree with the assessed value shown, no further action by you is required.

If you disagree with the assessed value shown, an appeal may be filed with the County Board of Taxation. Forms and instruction for filing an appeal may be obtained by contacting the Board at:

Essex County Board of Taxation  
50 South Clinton Street  
Suite 5200  
East Orange, NJ 07018

If the assessed value exceeds \$750,000, you have the option of filing your appeal directly with the Tax Court. Information for filing a complaint with the Tax Court may be obtained by contacting the Tax Court of New Jersey at PO Box 972, Hughes Justice Complex, Trenton, New Jersey 08625.

Assessment appeals must be filed on or before April 1 of the current tax year, or 45 days from the date mailed, as it appears on the front of this notice, whichever date is later.

#### ADDITIONAL INSTRUCTIONS:

Do not multiply last year's property tax rate by the current year's assessed value to determine taxes for the current year.

# THE REASSESSMENT PROCESS

## 7 Defend

### Tax Appeal

- County appeal/State appeal.
- Can not appeal comparing assessments.
- Can not appeal taxes.
- Must prove value by use of comparable sales
- Appeal deadline:
  - May 1 (newly revalued municipalities)
  - April 1 (all others)



Form A-1 (4-02) Petition of Appeal  
Essex County Board of Taxation  
84 South Clinton Street, Suite 2300  
East Orange, New Jersey 07013  
(973) 999-9225 Appeal Number  
\_\_\_\_\_

Property Class: \_\_\_\_\_ Filed \_\_\_\_\_  
Checked \_\_\_\_\_  
Fee Paid \_\_\_\_\_  
Notified \_\_\_\_\_  
Heard \_\_\_\_\_

NAME OF PETITIONER \_\_\_\_\_ (Please type or print) Daytime Telephone Number:  
(\_\_\_\_) \_\_\_\_\_

MAILING ADDRESS \_\_\_\_\_

BLOCK \_\_\_\_\_ LOT \_\_\_\_\_ QUALIFIER \_\_\_\_\_ Lot Size \_\_\_\_\_  
Municipality \_\_\_\_\_ Property Location \_\_\_\_\_  
Name, telephone no., fax no. and address of person or attorney to be notified of hearing and judgment if different than above: \_\_\_\_\_

---

**SECTION I APPEAL OF REAL PROPERTY VALUATION (FILING DEADLINE-SEE INSTRUCTION SHEET)**

TAX YEAR \_\_\_\_\_

<u>CURRENT ASSESSMENT</u>	<u>REQUESTED ASSESSMENT</u>
Land \$ _____	Land \$ _____
Improvement \$ _____	Improvement \$ _____
Abatement \$ _____	Abatement \$ _____
Total \$ _____	Total \$ _____

Purchase Price \$ \_\_\_\_\_ Tax Court Pending: YES NO  
Date of Purchase \_\_\_\_\_

REASON FOR APPEAL: \_\_\_\_\_

---

**SECTION II COMPARABLE SALES (See Instruction 9B)**

Block/Lot/Qualifier	Property Location	Sale Price	Sale/Deed Date
1. _____	_____	\$ _____	_____
2. _____	_____	\$ _____	_____
3. _____	_____	\$ _____	_____
4. _____	_____	\$ _____	_____
5. _____	_____	\$ _____	_____

---

**SECTION III APPEAL FOR DENIAL OF:**

1. <input type="checkbox"/> Veteran's Deduction	5. <input type="checkbox"/> Veteran 100% Disabled or Surviving Spouse of Veteran
2. <input type="checkbox"/> Veteran's/Serviceperson's Surviving Spouse Deduction	6. <input type="checkbox"/> Farmland Assessment Classification
3. <input type="checkbox"/> Senior Citizen Deduction	7. <input type="checkbox"/> Abatement or Exemption -Religious, Charitable, etc. (Specify) _____
4. <input type="checkbox"/> Disabled Person/Surviving Spouse Deduction	8. <input type="checkbox"/> REAP Property Tax Credit

MUNICIPALITY'S REASON FOR DENIAL: \_\_\_\_\_  
(Attach copy of Denial Notice)

WHEREFORE, Petitioner seeks judgment reducing/increasing (circle one) the said assessment(s) to the correct assessable value of the said property and/or granting the requested Deduction, Credit, Farmland Assessment Classification, Exemption or Abatement.

Date \_\_\_\_\_ Petitioner or Attorney for Petitioner \_\_\_\_\_

**CERTIFICATION OF SERVICE**

On \_\_\_\_\_, 2006 I, the undersigned, served upon the Assessor and the Clerk of \_\_\_\_\_ (Municipality) or upon the taxpayer, personally or by regular mail or certified mail, a copy of this appeal. I certify that the foregoing statement made by me is true. I am aware that if the foregoing statement is willfully false, I am subject to punishment.

Date \_\_\_\_\_ Signature \_\_\_\_\_

The Director of the Division of Taxation has prescribed this form. No other form will be accepted.  
Reproduction of this form is permitted provided it is the same size and content.