

THE REASSESSMENT PROCESS



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

"A revaluation 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 Appraisal Systems, Inc. to provide a basic outline of the revaluation 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 judgement, each parcel of real property would sell for at a fair and bona fide sale."



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

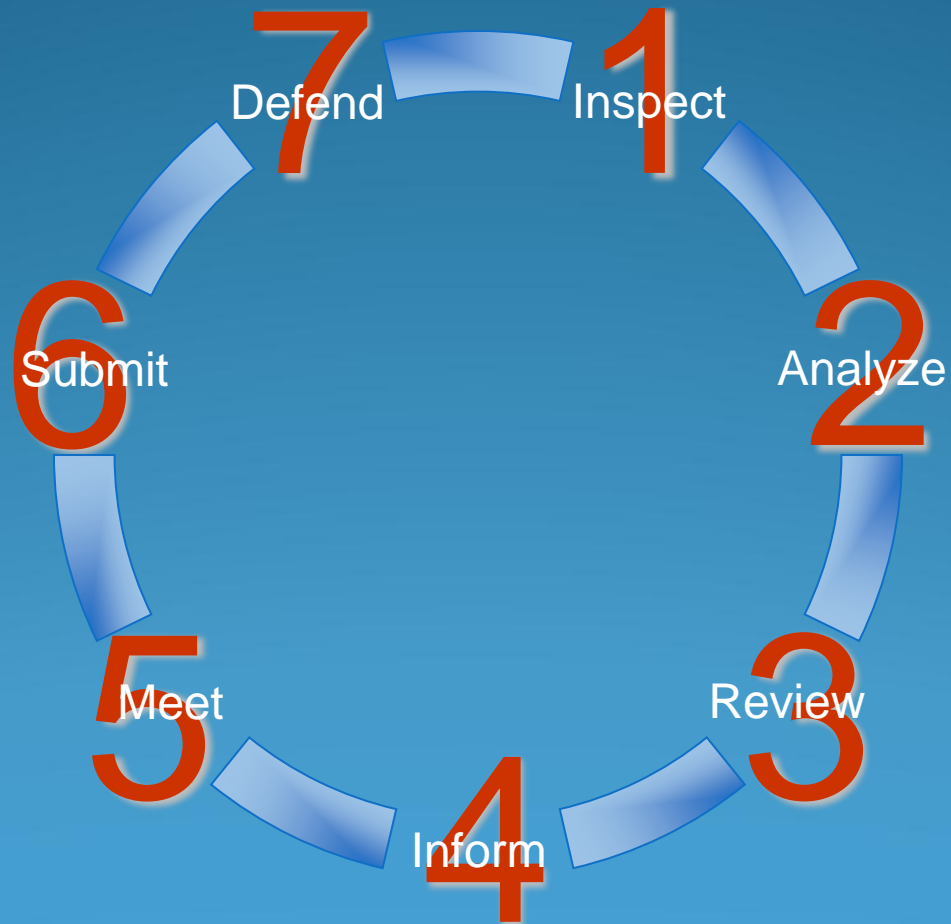
*Property A is assessed at \$15,000,000
at 90% ratio = \$16,666,700 FMV
New assessment = \$13,500,000 ($\$15,000,000 \times 0.90$)
 $\$1,500,000$ reduction $\times \$2.50 = \$37,500$*

- Eliminate Costly Tax Revaluations



THE REASSESSMENT PROCESS

The Reassessment Process

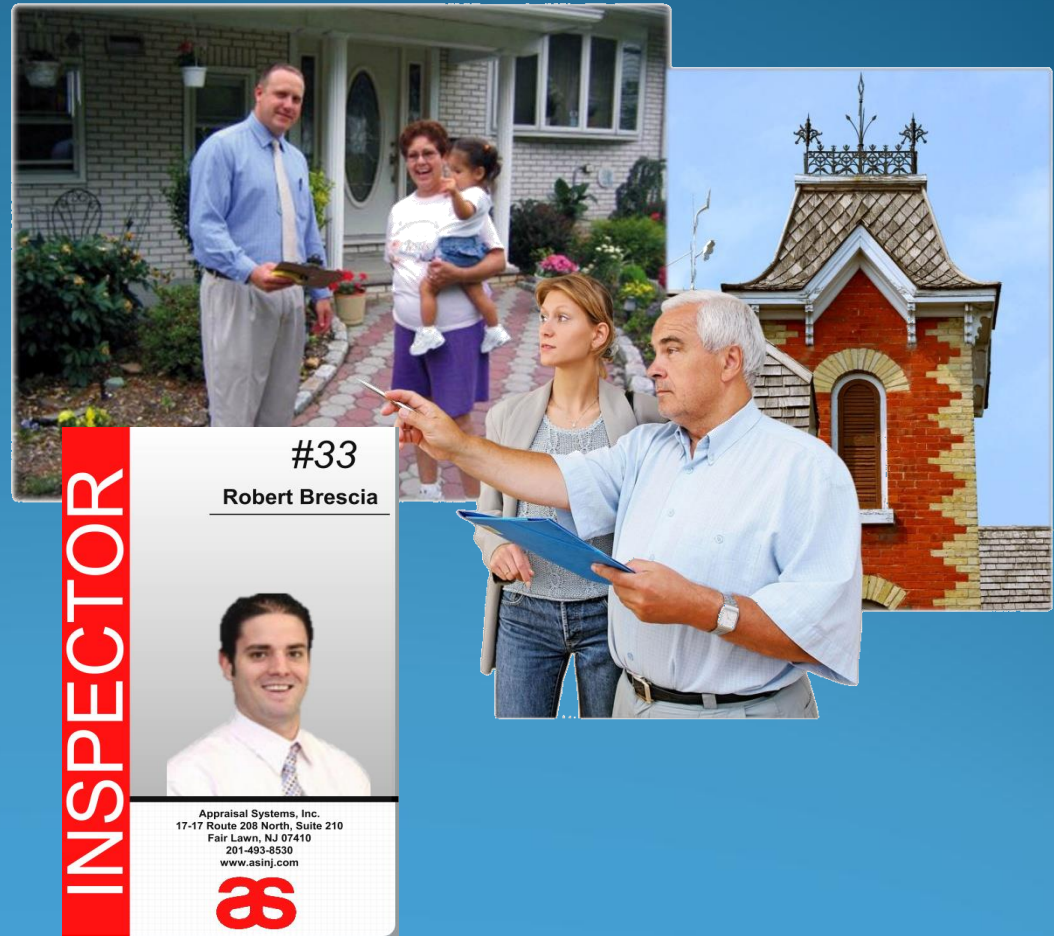


THE REASSESSMENT PROCESS

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.



THE REASSESSMENT PROCESS

First visit – Site Inspection & Outside Influences

1 Inspect

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



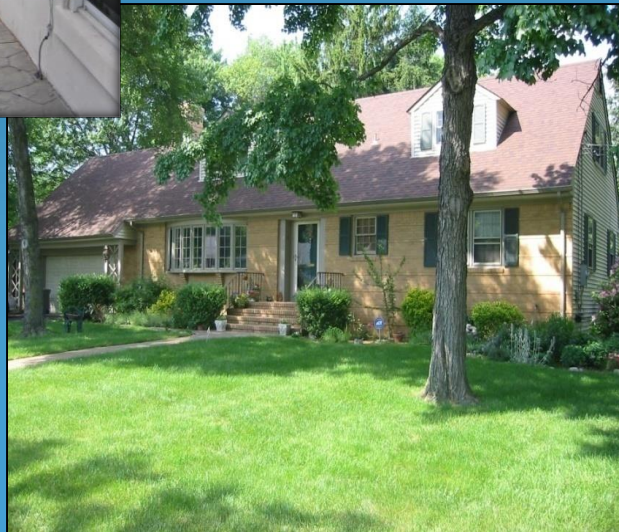
- View (positive and negative influences; views of water, mountains or valleys can produce positive values, conversely a poor view can produce a value penalty.)



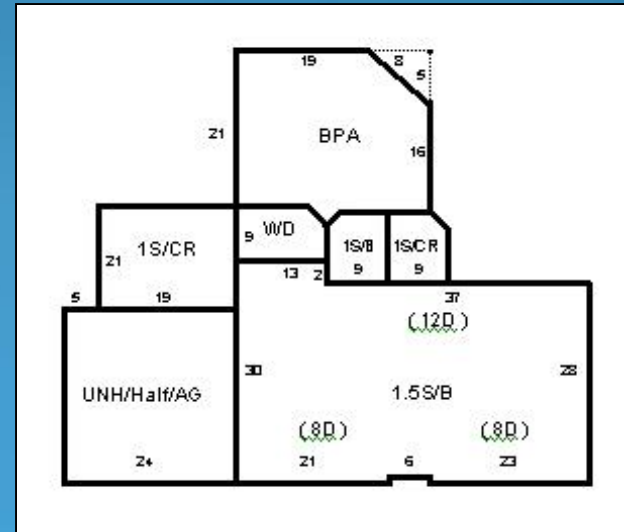
THE REASSESSMENT PROCESS

1 Inspect

First visit – Measure exterior



- 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 – Exterior quality of the house

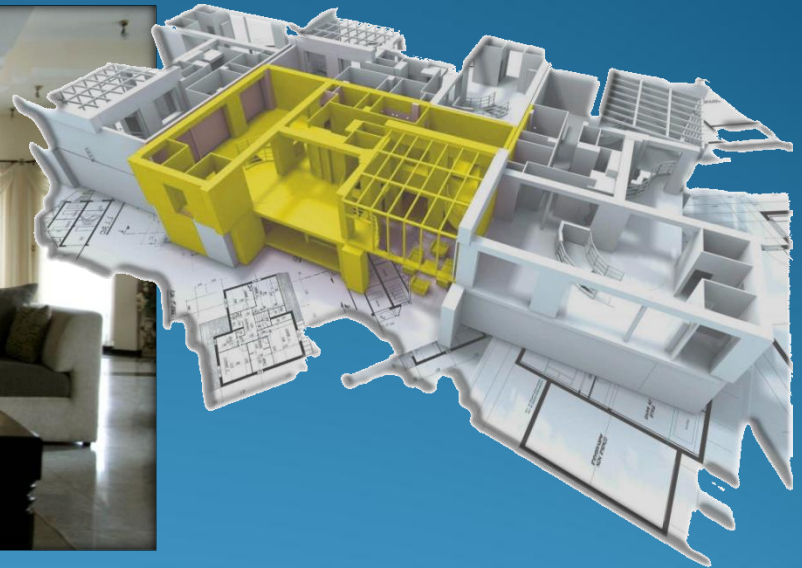
- Quality refers to the character of construction and the materials used, the manner of construction and the workmanship.
- The condition refers to the overall wear and tear, the extent of physical deterioration and the level of maintenance.



THE REASSESSMENT PROCESS

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.

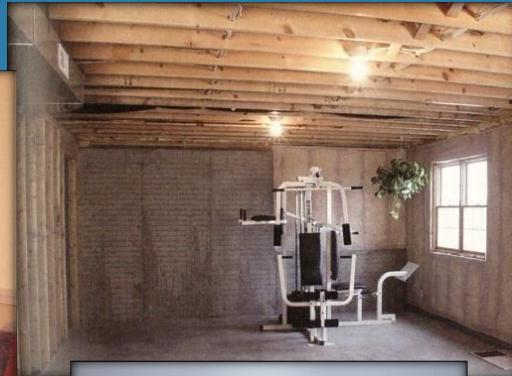
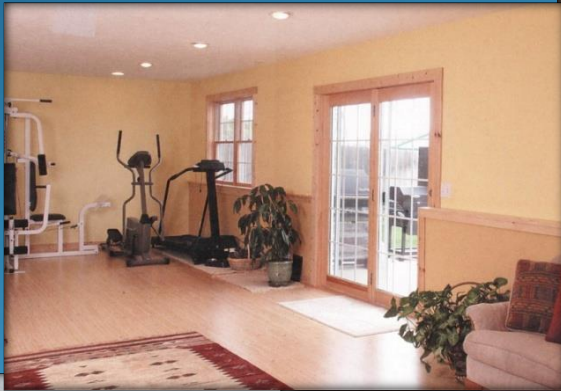


THE REASSESSMENT PROCESS

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 no one is home at the time inspection, the inspector will leave an inspection card notice.

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 inspection, the inspector will leave an inspection card notice .



APPRAISAL SYSTEMS, INC.
REAL ESTATE APPRAISAL SERVICES
www.asinj.com

BLOCK: _____
LOT: _____
QUAL: _____

A representative of Appraisal Systems has made a visit to your property and conducted an exterior inspection. There will be 2 options to perform an interior inspection. Onsite, where the Inspector will enter the premises or via a "Virtual", contactless interior inspection using a Zoom video conference. Please call **(201) 493-8530** between 10AM and 4 PM to schedule a mutually convenient time for this inspection and to receive more information about the process. If no interior inspection is conducted, the following information will be recorded for your property:

of units: _____ # of Baths: _____ HVAC: _____
Kitchen Quality: _____ Attic: Y / N Attic Finished: Y / N / Partial
Basement: Y / N Basement Finish: Y / N / Partial
Exterior Condition: _____ Interior Condition: _____
Inspector #: _____ Date: _____ Time: _____

Include options for the interior inspection

The inspector will estimate the interior information.

of Units

of Baths

HVAC

Attic / Bsmnt Finish

Kitchen Quality

Int. Condition

Ext. Condition



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....*

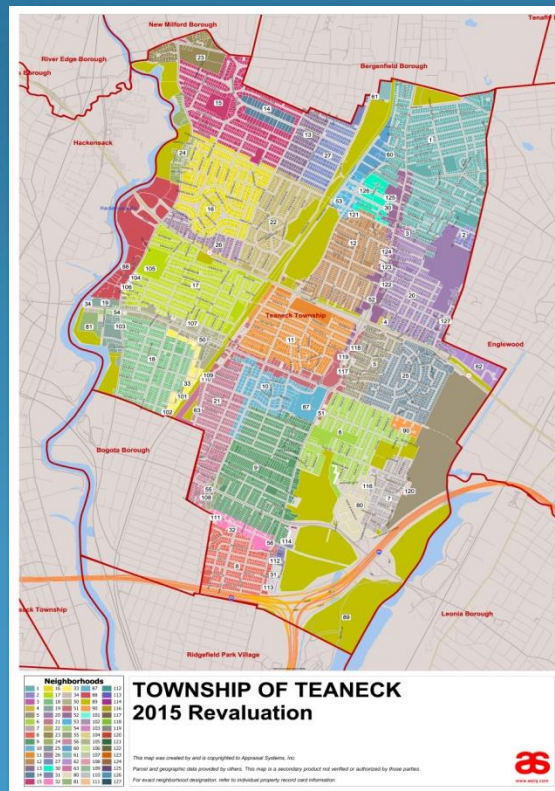
2 Analyze

- 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.....)



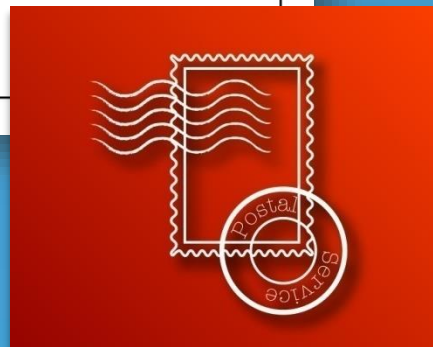
THE REASSESSMENT PROCESS

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



The screenshot shows the homepage of Appraisal Systems, Inc. The header features the company logo (a red stylized 'AS' symbol) and the text 'Appraisal Systems A PROFESSIONAL CORPORATION'. Below the header is a grid of small images related to real estate and appraisal. A red navigation menu on the right lists: 'OUR OFFICES', 'REVALUATION', 'APPRAISAL SERVICES', 'OTHER SERVICES', 'OUR STAFF', 'RELATED LINKS', and 'FAQs'. The main content area includes a vertical banner for 'APPRAISAL SYSTEMS, INC.' and several text blocks. The first text block states: 'Since 1981, when Ernest F. Del Guercio Sr. founded Appraisal Systems, Inc., the firm has earned the confidence and respect of New Jersey assessors, administrators and elected officials.' The second text block states: 'The firm has been successful in providing a full spectrum of mass appraisal, professional real estate valuation, and consulting services with a Reputation for providing the highest quality, result driven appraisal services to our municipal and individual clients.' Below this is an aerial photograph of a residential neighborhood. The third text block states: 'The management team of Appraisal Systems, Inc., with an average of thirty years of broad and extensive experience, coupled with the use of the latest computer technology enmeshed in the analysis and appraisal process have been instrumental in the firm's success.' The fourth text block states: 'With over a quarter century of trust and professionalism that marks the history of ASI, you can be assured that you are in the hands of a team that prides itself on outstanding performance.....year after year. Appraisal Systems' team is comprised of seventeen full time State Certified Real Estate Appraisers.' The fifth text block states: 'High standards have been established for quality and integrity. The qualifications, experience and expertise represented on the following pages encompass those criteria which must be considered when engaging competent real estate appraisers.' At the bottom left, there are two buttons: 'Click here for our current revaluations' and 'Click here for our updated powerpoint presentation'.




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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

AS APPRAISAL SYSTEMS, INC.
REAL ESTATE APPRAISAL SERVICES

Montclair, NJ



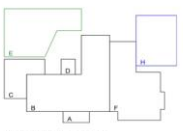
Block: 103
Lot: 7
Qual:
NBHD: 01
Zone: R1

Sale Price
\$1,039,000
11/12/2006
Book: 19003 Page: 701
Sale Details

LOCATION: 167 EAGLE ROCK WAY

Land
LOT SIZE (sq. ft.): 20,110
LAND INFLUENCE(s):

Improvements
TYPE/USE: Single Family
STYLE: Colonial
YEAR BUILT: 1925
EXTERIOR FINISH: Stucco
LIVABLE AREA (sq. ft.): 3,054
BEDROOMS: 4
BATHROOMS: 3
OTHER ITEMS: Fireplace (2), Shed, 126 SF
IMPROVEMENTS AFTER SALE:



A: 15 B: 25 C: 15 D: 25 E: BPA
F: 15/0/48 G: AD

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INFORMAL HEARING
Hearing Officer: _____
Hearing Date: _____
Position: _____

AS APPRAISAL SYSTEMS, INC.

HEARING CONDUCTED WITH OWNER OTHER: _____
Telephone (W): _____ (H): _____

NATURE OF INQUIRY
1. Feels value too high 2. Feels value should be _____ Does not know value
3. Wanted information only - satisfied with explanation - no further notification needed
4. Comparing Assessments
5. Notes _____

PROPERTY LISTING
1. Property record card is correct
2. Property record card needs review/change in the following areas (detailed on PRC):

SITE INFLUENCES
1. Topography _____
2. Floodwet _____
3. Economic _____
4. Traffic _____
5. Easements _____
6. Neighborhood _____
7. Other _____

MARKET
1. Will provide market evidence - market evidence provided and attached
2. Comparable sales provided by property owner _____

ACTION TAKEN (office use only)
1. No change Changed Reviewed by _____ date: _____
Changes made _____
2. Send new letter of value - No new letter required



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:

WHERE:

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)

MAILING ADDRESS _____ Daytime Telephone Number: _____
(____)

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/Servicemember'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.
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