

THE REASSESSMENT OF OUR COMMUNITY

Questions That Are Often Asked When A Municipality Is Undertaking A Reassessment

WHAT IS A REASSESSMENT?

A reassessment is a program undertaken by a municipality to appraise all real property inside its borders according to its "full and fair value." A revaluation and a reassessment are synonymous, the difference between them is that a reassessment is completed by the municipal Tax Assessor and a revaluation is completed by an outside firm.

The goal of a reassessment program is to spread the tax burden equitably throughout a municipality. Real property must be assessed at the same value standard to ensure that every property owner is paying his or her fair share of the property tax. For example, two properties having essentially the same market value should be paying essentially the same amount in property taxes.

WHAT IS MEANT BY "FULL AND FAIR VALUE?"

"Full and fair value" is the price at which the municipal assessor believes a property would sell for at a fair and bona fide sale by a private contract on October 1 of the pretax year. The sale must be between a willing buyer and a willing seller where the buyer is not obligated to buy and the seller is not obligated to sell. New Jersey courts have held "full and fair value", "true value" and "market value" to be the same.

WHY REASSESS NOW?

Reassessment may be needed when properties in a taxing district are being assessed substantially below or above true market value. The Ocean County Board of Taxation ordered the township to conduct a revaluation in December of 2017 to be completed by tax year 2020. The last reassessment in the township was in 2013. According to New Jersey Division of Taxation records, the average township property is assessed at only 85% of its market value.

WHO WILL CONDUCT THE REASSESSMENT?

The reassessment will be completed by the municipal assessor's office. An additional property inspector has been hired to assist in the inspection of Manchester's 16,500 homes. The inspections will be completed between April 30, 2018 and October 1, 2019.

WHAT OCCURS DURING THE REASSESSMENT PROCESS?

During a reassessment, both the interiors and exteriors of each property are physically inspected and building dimensions are noted. The exterior of the property may also be photographed by the inspector.

In addition, recent sales of comparable properties are analyzed and may be adjusted to estimate the value of property that has not been sold. Property, typically purchased for investment purposes, is studied in terms of its income-producing capability.

The Real Property Appraisal Manual for New Jersey Assessors, prepared by the New Jersey Division of Taxation, is used in estimating replacement cost values, especially for residential properties.

All information believed to influence value will be gathered, reviewed and analyzed in order to make a proper determination of each property's full and fair value.

A word of caution: Each property inspector should have a photo identification visibly displayed. It should show the name of the municipality as well as the individual's name. The inspector should provide a Letter of Introduction on municipal letterhead that contains a telephone number for questions or concerns. Ask to see the credentials of anyone seeking to enter your home and **do not admit anyone who cannot produce this identification.**

WHAT IS EXPECTED OF PROPERTY OWNERS?

Equitable reassessment depends on the cooperation of property owners.

Interior inspections, especially, require that residents cooperate with the property inspectors.

The validity of a market value depends on the collection of accurate data.

Property owners have a stake in the outcome of the reassessment program.

Any assistance a taxpayer can provide will aid in the total data collection process. If there is information you believe should be considered in the valuation, tell the inspector. Better yet, write it down and give the inspector a copy. We will make every effort to cause property owners the least possible inconvenience.

Remember, the property inspectors are not necessarily responsible for developing the market value estimate. Their job is usually to collect pertinent information to be used later to develop the property's value.

WHAT WILL INSPECTORS LOOK FOR?

Inspectors will record such items as the type of interior wall construction, the number of bathrooms, type of heat, central air conditioning, size, and the percentage of finished attic and/or basement areas, in ground pools and number of fireplaces. The exterior inspection includes measurements of each structure, such as garages or other accessory buildings, determination of story height, roof structure, and type of foundation and exterior wall construction. The physical condition of the structure is noted to establish depreciation factors. All factors relative to market value are considered.

Examples of what would not be noted would be interior decorations, fences, window air conditioners, gas grills, driveways and lawn sprinklers.

WHAT IF I'M NOT HOME?

If you're not home on the inspector's first visit, a notice will be left asking you to call for an appointment. If the representative is unable to inspect your home or if you refuse entry, the interior information will be estimated. This may cause your home's valuation to be at the highest level for your property type.

WILL MY TAXES GO UP?

Depending on the value of your property and relative tax levies, your taxes may increase, decrease or remain stable. Although a reassessment usually results in a change of nearly every individual assessment, it does not mean that all property taxes will increase. Assessments are the base used to apportion the tax burden. The tax burden is the amount that your municipality must raise for the operation of county and local government and the support of the school system.

A reassessment does not necessarily mean an increase in taxes for every homeowner. The tax rate will go down in 2020 to compensate for the increase in the assessed values. Since not all properties have appreciated in value at the same rate, some tax bills will go up, some will stay the same and others will go down.

WHAT IS A TAX RATE?

The tax rate is determined by dividing the tax levy (annual amount to be raised through taxation by the county government, schools and the municipality) by the total assessed value within the municipality.

HOW ARE TAXES CALCULATED?

$(\text{Assessed value} \div 100) \times \text{Tax Rate} = \text{Amount of Taxes}$

WILL TAXPAYERS BE INFORMED OF THEIR PROPOSED ASSESSMENT?

The notice of the new assessed values for each property will be mailed in the fall of 2019. The impact of the new assessments will not affect the property owner's tax bill until the 2020 tax year.

WHAT IF A TAXPAYER IS DISSATISFIED WITH THE PROPOSED ASSESSMENT?

The notice of the new appraised value will explain how to arrange for a personal informal hearing with a representative from the tax assessor's office to review the proposed assessment. Taxpayers attending the review should be prepared to support any disagreement regarding the appraised value of their property. For example, recent sales of similar or comparable properties are an indication of value. A recent purchase of the property may also help to support a view as to value. Also, the cost of recently constructed comparable buildings could support a belief of fair market value.

WHAT CAN A TAXPAYER DO IF HE IS UNSUCCESSFUL IN HAVING THE VALUATION OF HIS PROPERTY REVISED AT THE INFORMAL HEARING?

If the valuation dispute is not resolved prior to the filing and certification of the tax list on January 10, a formal appeal may be filed with the Ocean County Board of Taxation on or before May 1 of the tax year. The county board of taxation may be reached at:

Ocean County Board of Taxation
118 Washington Street
PO Box 2191
Toms River, New Jersey 08754-2191
<http://www.tax.co.ocean.nj.us/>

Voice – 732.929.2008
Fax – 732.506.5197