

THE REVALUATION OF OUR COMMUNITY

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

WHAT IS A REVALUATION?

A revaluation is a program undertaken by a municipality to appraise all real property inside its borders according to its "full and fair value" at the same point in time. The goal of a revaluation 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?

A revaluation is warranted when properties in a taxing district are being assessed substantially below or above true market value. In recent years the Burlington County Board of Taxation advised the Borough to prepare for a revaluation since we are statistically in need. The last revaluation conducted was in 1991. According to New Jersey Division of Taxation records, the average property in the Borough is assessed at only 48.42% of market value for 2007.

WHO WILL CONDUCT THE REVALUATION?

The Borough has entered into an agreement with Vital Computer Resources Incorporated, a certified revaluation firm in the State of New Jersey, to complete the revaluation. The revaluation, has been approved by both the New Jersey Division of Taxation and the Burlington County Board of Taxation.

WHAT OCCURS DURING THE REVALUATION PROCESS?

During a revaluation, 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 during the revaluation.

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 data collector should have a photo identification visibly displayed. It should show the name of the company as well as the individual's name. The inspector should provide a Letter of Introduction on Borough 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 data collectors.

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

Property owners have a stake in the outcome of the revaluation 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, please inform the data collector. We will make every effort to cause property owners the least possible inconvenience.

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

WHAT WILL DATA COLLECTORS LOOK FOR?

Data collectors 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, and lawn furniture.

WHAT IF I'M NOT HOME?

If you're not home when the data collector visits your property, a notice will be left asking you to call for an appointment. Appointments can be scheduled on weekdays, evenings as well as Saturdays if need be. If the representative is unable to inspect your home or if you refuse entry, the interior information will be estimated which may cause your home's valuation to be at the highest level for your property type, so your cooperation will be greatly appreciated.

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 the revaluation will result in an increase of nearly every individual assessed value, it does not necessarily 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 governments as well as the fire and school districts.

A revaluation does not necessarily mean an increase in taxes for every homeowner. The tax rate will go down significantly in 2009 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?

A notice of the new assessed values for each property will be mailed in the fall of 2008. The impact of the new assessments will not affect the property owner's tax bill until the 2009 tax year.

WHAT IF A TAXPAYER IS DISSATISFIED WITH THE PROPOSED ASSESSMENT?

The notice of the new 2009 assessed value will explain how to arrange for a personal informal meeting with a representative from the revaluation firm 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 OR SHE IS NOT SATISFIED AS A RESULT OF THE INFORMAL MEETING?

If for any reason a taxpayer is not satisfied with his or her assessed value for any given year the taxpayer has the right to file a formal appeal with the Burlington County Board of Taxation on or before April 1st of that given year. The county board of taxation may be reached at:

Burlington County Board of Taxation

49 Rancocas Road

Mt. Holly, New Jersey 08060

Phone – 609-265-5056

Fax – 609-265-8074