

THE REVALUATION OF OUR COMMUNITY

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

QUESTIONS AND CONCERNS

All property owners can contact the Haddon Township Tax Assessor's Office regarding any questions or concerns they may have. The Tax Assessor is Martin Blaskey and the Assessor's Secretary is Shirley Johnson. Our phone number is (856)-854-1176 ext: 4124; office hours are Monday through Friday 8:30 am to 4:30 pm and Tuesday and Wednesday nights from 6:30 to 8:30 pm. The Company conducting the revaluation is also available to answer questions. Its name is Professional Property Appraisers Inc. PO Box 905 Delran, NJ 08075 (856) 764-6500. They also welcome your questions. For the latest information, please review information on our township website related to revaluation at http://www.haddontwp.com/?page_id=109.

WHAT IS A REVALUATION?

A revaluation is a program undertaken by a municipality to appraise all real property by a state certified revaluation firm within 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 REVALUE 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 Camden County Board of Taxation advised the Township to prepare for a revaluation since we are statistically in need. The last revaluation conducted was in 1993. According to New Jersey Division of Taxation records, the average property in the township is assessed at only 47.73% of market value for 2010.

DOES A REVALUATION MAKE MY PROPERTY TAXES GO UP?

Not necessarily. Property revaluations do not automatically result in higher property taxes. This is because while property values go up, the tax rate used to calculate your tax bill will go down.

HOW DOES A REVALUATION IMPACT DISTRIBUTION OF TAXES AND WHEN?

A district-wide revaluation is undertaken when there is a lack of uniformity in the distribution of the local tax burden. The goal of the revaluation is to ensure that all properties pay only their fair share of the tax burden no more and no less. Inasmuch as the new assessment figures are effective January 1st of the year of implementation, evidence of the redistribution of the tax burden will not be seen until the third-quarter billing. It is often said that as a "general rule of thumb" that the revaluation process will result in 1/3 of the properties experiencing an increase in tax, 1/3 a decrease and 1/3 will remain approximately the same.

IS THE GOAL OF THE REVALUATION TO INCREASE TAXES?

Revaluations are "revenue neutral". The correction of an inequitable distribution of the tax burden does not mean more taxes are going to be collected, it simply means that there will be a shift as to who is paying how much tax. The process focuses on the distribution of the burden, not the amount being collected. Factually, some people will pay more taxes while others may pay less but there will not be a total tax increase unless the budgets submitted are larger than they were previously. The revaluation is an adjustment to assessments, not the total amount to be raised by taxation.

WHO WILL CONDUCT THE REVALUATION?

The revaluation, approved by both the New Jersey Division of Taxation and the Camden County Board of Taxation, is under direct supervision of the municipal tax assessor. The township has entered into an agreement with Professional Property Appraisers, Incorporated to perform the Township-wide revaluation.

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 data collector will also photograph the exterior of the property. 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 be a Professional Property Appraisers badge with 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 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.

WHEN WILL THE INSPECTIONS TAKE PLACE?

Inspectors will visit properties on weekdays and weekends during the day and early evening. The first attempt to inspect will be unannounced. Inspections take only a few minutes. The inspectors' goal is to get the information they need with the least intrusion on residents and property owners.

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.

DO THE INSPECTORS APPRAISE MY PROPERTY?

Inspectors do not appraise property. They simply gather information.

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 2011 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 2010. The impact of the new assessments will not affect the property owner's tax bill until the 2011 tax year.

DOES ONE HOUSE ASSESS HIGHER IF IT IS IN BETTER CONDITION OR MORE ATTRACTIVELY MAINTAINED?

The key terms in this question are "condition" and "maintained." A structure's "level of depreciation" does affect the market value of that structure. The furniture and drapery do not affect value however, an updated kitchen and bath does.

WHAT IF A TAXPAYER IS DISSATISFIED WITH THE PROPOSED ASSESSMENT?

The notice of the new 2011 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 Camden County Board of Taxation on or before April 1st of that given year. (Extended to May 1st for the first year after the revaluation.)