**REASSESSMENT FAQs**

**WHAT IS A REASSESSMENT?** It is the annual process of maintaining assessed values at 100% of their FAIR MARKET VALUE.

**HOW WILL THE 5-YEAR ANNUAL REASSESSMENT BE CONDUCTED?** As part of the effort to ensure fair and equitable property tax bills for all residents, the Borough is continuing with the second year of its five year program of revaluing all properties. The process calls for 20% of the town’s properties to be inspected each year and the remaining of all properties to be revalued through an analysis of the real estate market. This year, the assessor plans to conduct the inspections around September. If your property is in the selected area, you will receive a letter in advance from our inspection company Profession Property Appraisers, Inc (PPA) notifying when they expect to be in your neighborhood. Inspectors will follow CDC guidelines when inspecting properties. The annual reassessment program helps to preserve values of properties in town close to 100% of market value ensuring equality of taxation throughout the town. This will prevent the Borough from being in a position it was in 2016 when the State mandated a town-wide revaluation, which proves to be expensive, and impactful to taxpayers who are not appropriately assessed in a program such as the one the Borough has structured.

**WE JUST HAD A TOWN-WIDE RE-EVALUATION IN 2018, WHY ARE WE CONDUCTING ANNUAL REASSESSMENT NOW?** The Borough has decided to enter into the annual assessment program for the reasons listed previously. Meaning, the town did not conduct any revaluations for 40+ years causing inequities in taxation and forcing the State to mandate the costly 2018 Revaluation. We are starting this program now because under the guidelines set by the State, you can only skip one year from the Revaluation to start up the program. If we did not begin in 2020 and if we wanted to reassess again in any way, we would have to begin with another Full Revaluation, which means paying for 100% of inspections again and paying to update and certify the tax map again.

**WHAT CAUSES INEQUITABLE ASSESSMENTS?** Fluctuations in the economy, changes to the property, neighborhood changes, improvements without permits, changes in style, changes in the market, and zoning changes.
WHO WILL BE CONDUCTING THE REASSESSMENT? The reassessment program that we have selected is actually a Hybrid program by which an outside company is hired to do the inspections and our Assessor will review the sales that happen during the year and adjust the values accordingly. The assessor will also at times rely on and consult with other experts such as Commercial Appraisers, engineers or other assessors as needed.

WHAT IS DONE DURING A REASSESSMENT? An inspector hired by the Borough conducts an exterior and interior inspection of each property. The purpose of the inspection is to maintain accurate information on each property which is important in maintaining equity and uniformity. The exterior of each structure on the property is measured and pictures will be updated and the interior inspected to determine what amenities exist, such as how many bathrooms, bedrooms, finished basements or attics and general condition. A property owner may deny the inspector access to the interior which will result in the interior amenities being estimated. The Assessor and staff then analyze market data (sales, rental rates, etc.) to determine the fair market value of each property.

WHO IS THE INSPECTION COMPANY CONDUCTING THE REASSESSMENT? Professional Property Appraisers, Inc (PPA) is a licensed revaluation company, which has been committed to serving municipalities throughout New Jersey in mass appraisal of properties for over 25 years and one of only six State approved revaluation companies. More information about this company and inspectors ID pictures can be found at http://www.ppareval.com/

CAN I DISCUSS THE VALUE OF MY PROPERTY WITH THE INSPECTOR? The inspector is only responsible for performing inspections and gathering information and cannot answer questions regarding the value of your property.

WHEN WILL MY PROPERTY BE INSPECTED? Property owners will be notified by letter when an inspector will be working in their neighborhood. We estimate the inspection will take place in September of 2021. If you are not home when the inspector comes to your property, a notification will be left with a contact number so an appointment may be made for him/her to return to your property to conduct the interior inspection. The inspector will carry identification.

HOW WILL THIS BE HANDLED DURING COVID-19? This past year during Covid-19, the State relaxed its regulations to allow exterior only inspections. During 2021, it
has yet to be determined if interior inspections will once again be required. Therefore, we are holding off to later in the year to begin inspections again. The inspectors will follow CDC guidelines at all times and you can deny or allow access to your home as you wish but as stated before, without an actual interior inspection, your home’s amenities will be estimated. Whether or not, you allow the interior inspection, it is in your best interest to speak with the inspector to ensure accurate information.


**HOW CAN MY ASSESSMENT OR VALUE CHANGE WHEN I HAVEN’T DONE ANYTHING TO MY PROPERTY?** While a property may not have been updated and characteristics remain the same, the property value is based on what it would sell for as of the prescribed appraisal date (October 1, 2020 for 2021). Real estate values are influenced by numerous external economic, social, governmental, and physical factors. For example, general economic conditions such as interest rates, inflation rates, supply and demand, changes in tax laws, new highways, and a number of other factors can change and affect the value of property. As property values change in the market place, those changes must be reflected on the assessment roll.

**MY PROPERTY DOESN’T COMPARE TO THE EXPENSIVE HOME DOWN THE STREET THAT JUST SOLD. ARE YOU VALUING MY PROPERTY BASED ON THAT SALE?** Although location is very important in the valuation of real estate, it is not the only factor. Other characteristics to be considered in choosing good comparable sales are similarity in size, quality, style, and condition of the residential improvements.

**HOW IS ACTUAL SQUARE FOOTAGE DETERMINED?** The Assessor’s Office uses exterior measurements of homes and buildings, which is an appraisal industry standard. This may cause the Assessor’s calculation of square footage to differ from that estimated by a builder or realtor since they frequently use interior measurements. This measuring technique is applied consistently to all improvements, which results in uniform data collection.
HOW WILL AN ASSESSMENT AFFECT TAXES? The Assessor’s responsibility is to establish the total assessed value of all properties in the borough. Although a reassessment may result in an increase in the assessed value, it does not mean that all property taxes will necessarily increase. Assessments (or ratables) are a base utilized to apportion the budget (or tax burden). A tax levy is the amount your Municipality must raise for the operation of County, Open Space, Library, Local Government and support of the school system. The ratable base is multiplied by a tax rate to equal the budget.

EXAMPLE:

Prior to Revaluation (Y2020):
Total of all assessments (ratable base): $650,278,700
Amount to be raised by Taxation (budget): $21,120,885
Tax rate (per $100 of assessed value): 3.248

After Revaluation (Y2021):
Total of all assessments (ratable base actual): $695,204,400
Amount to be raised by Taxation (budget estimated): $21,120,885
Tax rate (per $100 of assessed value): 3.038

It would be inaccurate to calculate the current tax rate against your new assessed value. Once the new tax rate is calculated based upon the tax levy, the new tax rate would be the appropriate number to calculate with the new assessment to get a better calculation of your property taxes.

WHEN WILL PROPERTY OWNERS BE INFORMED OF THEIR NEW ASSESSMENT? Property owners will receive an Annual Notice of Assessment during the month of February which will show the updated values.

CAN I DISCUSS THE NEW ASSESSMENT WITH THE TAX ASSESSORS OFFICE IF I HAVE QUESTIONS OR DISAGREE WITH THE REASSESSMENT? Yes, the Assessing staff will meet with residents upon request. Email: dguttschall@dunellenborough.com | Phone: (732) 968-3323.