

# Property Revaluation – An Overview and Frequently Asked Questions (FAQs)

## Property Revaluation – An Overview

A revaluation program has been ordered by the Camden County Board of Taxation and approved by the State of New Jersey Division of Taxation and will be implemented for the 2013 Tax Year. Cherry Hill Township has hired Professional Property Appraisers to conduct the revaluation.



The purpose of this revaluation is to ensure a fair and equitable redistribution of Cherry Hill Township's tax levy so all property owners are shouldering their fair share of the Township's tax burden. This will be the first property revaluation since 1993.

The property revaluation is being done for several reasons. The New Jersey Constitution requires that all real property be assessed according to the same standard of value; and such property shall be assessed for taxation under general laws and by uniform rules. According to state law, every property's fair share is based on its market value as of October 1, the pretax year.

Currently, most properties in Cherry Hill Township no longer reflect the assessed value that was assigned during the last property revaluation, which was conducted 18 years ago, in 1993.

During those 18 years many changes in the real estate market have taken place—new housing and commercial properties have been constructed while older structures have been torn down, rehabilitated or replaced. Prices have fluctuated. Houses that appear exactly the same from the street may be drastically different inside due to additions, renovation, repairs, deterioration or lack of maintenance, or a change of property class from residential to commercial.

When you compare the current true market value to the assessed market value (set in 1992) of many properties across the township, you can see that they are dramatically skewed and out of line with the average assessed market value of township properties as a whole.

This means that instead of each property paying its fair share of taxes based on its assessed value (which should be an accurate reflection of each property's value in today's real estate market), many properties are under and over assessed and are therefore not paying their fair share of taxes.



## FAQs

### What Is A Revaluation?

A revaluation is when a municipality appraises all real property within the municipality, according to its full and fair value. Full and fair value simply means current real estate market prices, or what that particular piece of property, in that condition, in that specific neighborhood, would currently sell for between a willing seller and a willing buyer. A revaluation will appraise each property based on its current market value. This will update housing valuations for the purpose of attaining uniformity in assessments.

### Who Is Doing The Revaluation?

Cherry Hill Township has contracted Professional Property Appraisals to conduct the revaluation. They can be reached at 856-764-6500 or on the web at [www.ppareval.com](http://www.ppareval.com)

### What Is The Purpose Of A Revaluation?

The purpose of the revaluation is **to redistribute** the existing tax levy so it is fairly distributed among all property owners in the township.

### What Is The Tax Levy?

A tax levy is simply the amount of taxes the township collects to pay salaries and services rendered.

### What Determines When It Is Time To Do A Property Revaluation?

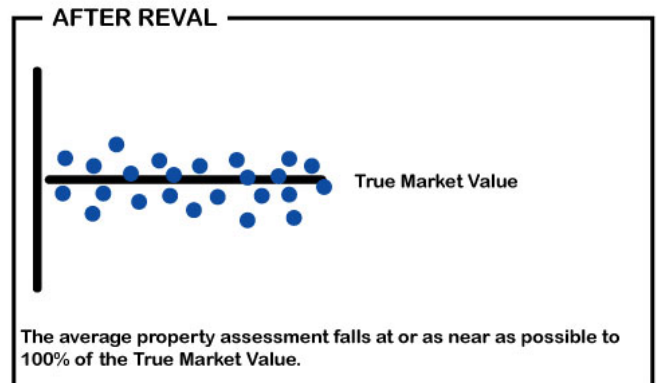
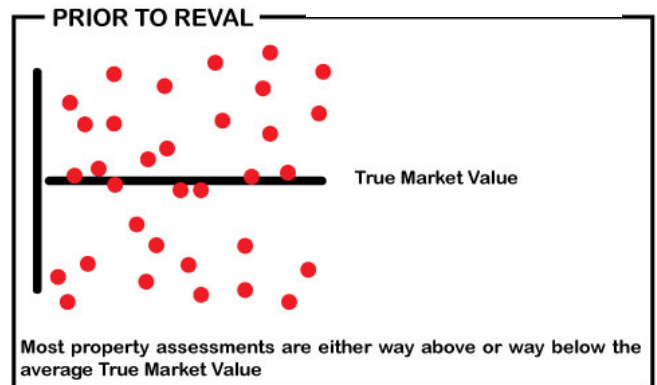
By law, the Tax Assessor conducts an annual sales study and submits it to the state. The study shows whether there is uniformity in assessments. When there is an absence of such a standard, a revaluation is undertaken to insure that all taxpayers pay **only** their fair share of the tax burden - no more, no less.

Since market conditions change, and property assessments may change over time, the relationship between assessments and market values becomes more skewed, and they must be brought into line with each other.

### How Do Property Assessments that Are Significantly Different From The Current Real Estate Market *Really* Affect My Tax Bill?

The last township-wide property revaluation was conducted in 1993. At that time, your neighbor's house may have been assessed as having a fair and full market value of \$100,000.

Yet, 18 years later, common sense tells us that it is highly unlikely



that your neighbor's house is still worth \$100,000. It probably has gone up or down in value. Neighborhoods change over the years - stores come and go, transportation lines are added or taken away, apartments, condominiums and schools are built, some houses are renovated, some have no work done to them and some are torn down and replaced.



### **Great! So This Revaluation Means My Property Taxes Are Going To Increase, Doesn't It?**

**No!** Most people, when they hear the term "property revaluation" incorrectly believe that a revaluation raises all the taxes on all the properties in the township. A property revaluation is mandated by state law so that assessments of all properties in a **municipality are brought up to, or as near as possible to, 100% of market value.** This is the best way to insure that every property, based on its market value, pays its fair share of the municipal, school and county tax burden.

While all property revaluations are different, the general "rule of thumb" for a property revaluation is that **1/3 of the municipal properties will see their share of the tax burden go down, 1/3 will see their share of the tax burden go up, and 1/3 of assessed municipal properties will see no change at all.**

Remember - fairness and equity are the goals of any property revaluation.

### **A Revaluation Is Just An Excuse To Raise Everyone's Property Taxes, Isn't It?**

No. State law decrees that all property owners must pay **their fair share** of the municipal, school and county tax levy. The tax levy is nothing more than the amount of money collected every year to perform township services like resurfacing roads, cleaning streets, plowing snow, and collecting garbage and recyclables.

This pool of money also pays the salaries of township employees, like police, firemen and government employees. Taxpayers must also pay for schools and the municipality's share of Camden County's expenses. If state aid to the township is nonexistent or remains static, that also affects the municipality's budget, and therefore its tax rate. A revaluation in and of itself has no effect on the township's tax levy.

### **What Happens To The Tax Rate After A Revaluation?**

Because the ratable base (total assessed value of all properties in a municipality) goes up after a revaluation, the tax rate is adjusted downward. For example; a home currently assessed at \$100,000 and using a \$5.00 tax rate would pay \$5,000 in taxes. If after the revaluation this same home is assessed at \$200,000 and uses a new lower tax rate of \$2.50, taxes would still be \$5,000.

### **Why Does the Inspector Need To Come Into My Home?**

The state mandates that we attempt to inspect the interior of every dwelling and commercial, industrial, or apartment building in the township. Inspecting the interior of your dwelling helps the assessor and the revaluation company's appraiser make a more accurate valuation of your property.

### **I Have Not Made Any Improvements To My Property Since The Last Reval. Why Does My House Have To Be Inspected?**

Unless an interior inspection is made, we cannot determine the current interior condition of the property.

### **Who Will Inspect My Property?**

The person inspecting your property is a trained full-time property inspector. He or she will not be formulating a value of your house.

The inspectors are trained to measure the exterior of the property and to inspect both the exterior and interior and report their findings to the revaluation company's licensed appraiser.

### **What Kind Of Identification Do The Inspectors Carry With Them?**

These inspectors will be registered with the Cherry Hill Police and have two forms of identification: a company-issued badge with photograph, and also a Cherry Hill Police-issued ID badge. Please make sure to check their identification before allowing them into your dwelling.

### **I'm a Senior and Live Alone. I'm Nervous About Letting Strangers Into My House.**

If you are uncomfortable, then schedule an appointment (856-764-6500) and the inspector will come when you can have a friend or relative in the house with you while the house is being inspected. Having a friend or relative there while your property is being inspected is reassuring, particularly for senior citizens and stay-at-home parents.

### **Will Pictures Be Used?**

Yes. A picture of the exterior of your property will be taken by Facet Technology from the street using a vehicle similar to this one.



### **How Are The Revaluations Done?**

Licensed appraisers review the inspection data. They then analyze all recent property sales in each neighborhood, giving most weight to the sales that occur within one year of October 1 of the year the reval is being conducted. Those sales are used to formulate all of the valuations in that specific neighborhood.

### **What Is The Inspector Looking For Inside My Home?**

Contrary to popular belief, inspectors are not looking at your personal belongings, like furnishings, or your pets. They are counting rooms and baths, noting the type of heating system and how old or new it is, as well as checking out amenities such as fireplaces, decks, patios, etc. They also look at the condition of the property, the age of the fixtures, and any problems with the condition of the building you bring to their attention.

### **Do I Have To Let The Inspector Into My House?**



No. You are not required to allow an inspector to enter your home. If you decide not to allow an inspection, however, it is possible that your valuation could be higher than if you allowed the inspector into your house.

Here's an example. You and your neighbor own houses that are for the most part identical. You have the same number of rooms and baths, same layout, same number of fireplaces. Your house, however, has the furnace you replaced in 1994 and your kitchen was last remodeled in 1983. Your neighbor, however, replaced her furnace two years ago and redid her kitchen earlier this year.

If you choose not to allow inspectors into your building and your neighbor

does, it is possible your assessment will be based in part on your neighbor's improvements and your property will come in at a higher assessment than would be fair for your property, had it been inspected.

In fact, after we mail out our valuation letters at the end of a reval, the first people to call us for an appointment are often those who did not allow an inspection. Before we can discuss the new valuation with them, they will be required to allow us an interior inspection of the dwelling.

### **I Return Home Late From Work. How Will My Home Be Inspected?**

Our inspectors will make three attempts to inspect your property. If after the second attempt they are unable to gain entrance, they will leave a card at the door with a telephone number you may call to arrange an appointment.

### **I Successfully Appealed My Assessment Last Year And Was Told That The New Assessment Would Be Frozen For 2 Years. How Will The Reval Affect My New Reduced Assessment?**

Your reduced assessment will not be applicable in the Reval year. However, if you disagree with your new revaluation assessment, you may file an assessment appeal with the Camden County Board of Taxation. If successful with this appeal, the new reduced assessment is frozen for 2 years. So, for example, if an appeal is settled and frozen for either 2011 or 2012, the settlement would not apply for the 2013 tax year if the reval goes into effect that year.

### **Is There Anything I Should Do Before The Revaluation Takes Place to Ensure My Property Is Properly Assessed?**

Other than being aware that a reval is underway and making sure your property exhibits its correct street number, which the township requires for correct geographical location in the event of an emergency, no, there is nothing more you need to do.

### **When Will I Be Notified About My New Assessment?**

Once all of the values have been determined by the revaluation firm, the Tax Assessor will conduct a review, and either approve the values, or modify them. After the review and modification are completed, the revaluation firm will mail a notification letter to each property owner in the township. By regulation, this letter cannot be mailed before November 10 of the year the reval is conducted.

### **What Should I Do When I Receive The Value Notification Letter?**

Read the Value Notification Letter carefully. In it you will find not only the new valuation of your property, but instructions on how to proceed, depending on whether or not you agree with your property's assessment. If you believe the new valuation is an appropriate assessment of your property's value, and in line with recent sales in your vicinity, you don't need to take any action.

If, however, you disagree with the appraisal or would just like to review it with the revaluation firm, you should call the phone number provided in the Value Notification letter and schedule an appointment to discuss your new valuation.



### **How Are The Reviews Conducted?**

Informal reviews will be held in a convenient location in Cherry Hill Township. They will be scheduled on a variety of days, including Saturdays. They will also be held from early mornings to the evenings, in order to accommodate a variety of schedules.

A member of the revaluation firm will meet with you at the review. He or she will review the property record card, make sure the data is accurate. They can also show you a list of sales in your neighborhood used

in determining your valuation, and listen to anything you wish to tell them about your property.

If you have any information that might lead to a revision of your property's valuation, the informal review is the time to present it to the representative of the revaluation firm.

After your informal review, you will receive a second letter informing you as to whether or not your valuation has been revised.

### **What Is My Recourse After The Informal Review?**

If you are not satisfied with the result of the informal review, you may file an assessment appeal with the Camden County Board of Taxation. This appeal must be filed on or before May 1 of the tax year.

### **When Will I Know What My New Taxes Are?**

The new assessments will become effective on January 1 of the tax year following the receipt of your change of assessment. For example, if you receive your Value Notification Letter on November 10, 2012, then your new assessment becomes effective on January 1, 2013.

However, the new tax rate is not determined until the municipal, county, school and fire budgets are established in the late spring/early summer of the year. The third-and-fourth quarter tax bills will be adjusted to account for any under-or-over payment made in the first two quarters of the year.

### **If I'm Not Happy With My Assessment After My Informal Review, How Do I Appeal My Taxes?**

You can't appeal **your taxes**. You can only appeal **your assessment**.

An appeal before the Camden County Board of Taxation or the Tax Court concerns **only** your assessment (i.e. the market value of your property). The County Tax Board commissioners cannot change the amount of taxes you pay, short of determining that your assessment does not reflect the market value.

Market value is proved by presenting to the Board evidence of sales of properties that are comparable to your property in size, age, condition and location.

So for example, all the property sales that you bring to the board as evidence must have occurred on or before October 1 of the pre-tax year.