

Important Information about the Township Revaluation

Why Was Middletown Ordered to Conduct A Revaluation?

Middletown Township is currently conducting a revaluation of every property in the municipality in response to an order from the Monmouth County Board of Taxation. Revaluation is **not** optional. State law requires that all properties be assessed at 100% of their current market value. Market values in Middletown have far exceeded property assessments because of what has occurred in the real estate market since the last reassessment in 1991. Currently, the average township property is assessed at only 42.59% of its market value. It's also been almost 16 years since the last revaluation. Based on the disparity between assessed and market values, the length of time since the last revaluation, and other criteria, the Monmouth County Board of Taxation ordered a revaluation to bring assessed values back in line with market values. The order was issued with the approval of the state Division of Taxation.

Since 2001, every municipality in Monmouth County has completed or been ordered to complete revaluation of all property within their borders. Nine municipalities completed their revaluation for the 2007 tax year. Another 14 are scheduled to complete their revaluation for the 2008 and 2009 tax years. When Middletown's revaluation was ordered, real estate prices were accelerating at an unprecedented rate. Fortunately, Middletown is conducting the required revaluation at a time when the real estate market has stabilized and properties are appreciating at a more reasonable and historically consistent level. Therefore, the sales data that will be used to arrive at the new assessed values is less volatile than in the past five years. As a result, the firm retained to conduct the revaluation can develop new assessed values for the 2008 tax year that reflect current market values with greater confidence due to the stable real estate market.

Revaluation Factors Considered By County Board of Taxation	Middletown Statistics
Average Assessed Value is 85% or lower than average to Market Value	Average Assessed Value is 42.59% of Average Market Value
10 or more years Since Last Revaluation	16 Years since last revaluation in 1991

What is the goal of a revaluation?

The goal of the revaluation program is to redistribute the existing tax levy among property owners more fairly based on the true value of their property. All properties, whether residential or commercial, vacant or occupied, must be assessed at the same standard of value to insure that property owners are paying their fair share of the property tax. Two properties having essentially the same market value should be paying approximately the same amount in property taxes.

Does a revaluation make my property taxes go up?

Not necessarily. Depending on the value of your property, your taxes may increase, decrease, or remain stable. Although a revaluation usually results in a change of every

individual assessment, it does not mean that all property taxes will increase. Assessments are the base used to apportion the tax levy. The tax levy is the amount that must be raised by taxation to support school, county and municipal government.

What will happen to the tax rate?

The tax rate will go down proportionately in 2008 to compensate for the increase in the assessed values. The new tax rate for a municipality is developed by the dividing the tax levy by the value of the real property in the municipality. A property owner's tax rate is calculated as follows: (Assessed value divided by 100) x Tax Rate = Amount of Taxes.

Does an overall increase in property values mean the government will collect more tax money?

No. The revaluation **DOES NOT** bring in more tax money – not even one penny more. It is a revenue neutral program. The township cannot collect more taxes than the amounts defined in the annual county, municipal and school budgets. The amount of funds to be raised by taxation is approved annually in the legally adopted budget. The Monmouth County Board of Taxation issues an annual tax rate based on these budgets.

What has occurred since the revaluation order was issued?

The revaluation order was issued on December 8, 2004. After several revisions, the state Division of Taxation approved the township's tax maps for use in the revaluation in March 2006. The municipality, based on a request for proposal, awarded a contract to Realty Appraisal Company to conduct the revaluation of more than 25,000 residential, commercial and industrial properties. Realty Appraisal Company is highly skilled in mass appraisal techniques with over 50 years of experience. As of January 23, 2007, the revaluation firm has mailed notification letters, plotted sales and zoning maps, calculated all lot sizes, more than 8,521 homes and 361 commercial properties have been measured and inspected, and 10,000 photographs have been taken.

What occurs during the revaluation process?

The inspectors will take measurements of the exterior of all houses and structures. Pictures will be taken of the exterior of all houses and structures at a separate time. Inside inspectors will examine the condition of kitchens, bathrooms and basements. No measurements or photographs are taken inside houses and structures.

In addition, the sales of properties in your neighborhood are analyzed, and the sales prices and sales listings are studied so that current value trends within the municipality can be determined. Property, typically purchased for investment purposes is studied in terms of its income-producing capability. Land sales are also gathered, verified and analyzed according to the zone they are in and their use.

The results of the inspections and land sales research along with any other information believed to have some bearing on the value of a piece of property are then used to determine the value of a given piece of property.

Who will inspect my property?

Property inspections will be made by trained inspectors from Realty Appraisal Company. Inspectors will be wearing photo I.D. Badges, and have been provided with a letter identification signed by the Tax Assessor. Inspections will take only a few minutes. They visit properties on weekdays and Saturdays during the day and early evening. You do not have to answer the door if the inspectors come at an inconvenient time. If no one answers the door, inspectors will leave a card on your door. The card tells you who to call to schedule an inspection for a more convenient time.

A word of caution: Do not permit anyone without this identification to enter the premises. Inspectors will only enter a house if an adult is present, and will not enter houses where only children are at home.

What will the inspectors look for?

Inspectors will record items such 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, inground pools and number of fireplaces. The exterior inspections includes design and style, measurements of each structure, such as garages or other accessory buildings, determination of story height, roof structure, type of foundation and exterior wall construction. The physical condition of the structure is noted to establish depreciation factors.

What is not included in the inspector's report?

Interior decorations, fences, window air conditioners, gas grills, lawn furniture, swing sets, television and other electronics, appliances, portable hot tubs, landscaping, sheds under 120 square feet, electric garage door openers and the location of fire hydrants are **not** recorded in the field inspector's report.

What if I made improvements and upgrades to my home over the years?

Inspectors are only interested in getting the information needed to properly appraise your property. They do not get involved in local zoning or building codes.

Do the inspectors appraise my property?

Inspectors **do not** appraise property. They simply gather information. Certified appraisers licensed by the State of New Jersey perform property appraisals.

Can a property owner refuse entry to the field inspector?

Yes, you may refuse entry into your home. However, it is in your best interest to see that as much information as possible is gathered to help ensure an accurate assessment. If the field inspector cannot inspect the inside of a building, it is possible an excessive assessment may result. The law provides that a property shall be assessed at the highest and best use value if the field inspector is denied entry.

When will the property owner be notified of the preliminary assessment?

The revaluation is expected to be completed this fall. Barring any unforeseen delay, Realty Appraisal Company will begin to notify each property owner after November 10, 2007 regarding the preliminary assessment of his or her property.

If you have any questions or if you disagree with the preliminary valuation, you may schedule an appointment for an informal hearing to discuss your concerns. Taxpayers attending the hearings should be prepared to support any disagreement regarding the new assessed value of their property. For example, recent sales of similar or comparable properties are an indication of value.

What if the property owner is dissatisfied with the results of the hearing?

If you are dissatisfied with the results of your hearing, you may file a formal appeal with the Monmouth County Board of Taxation. This step is similar to the informal hearing; however, a Commissioner of the Monmouth County Board of Taxation will hear your testimony and evidence regarding the valuation of the property under appeal. After reviewing the facts presented, the Board will render a decision as to whether an adjustment to the assessment is in order.

In the event that you are not satisfied with the decision of the Monmouth County Board of Taxation, you have the right to file an appeal with the Tax Court of the State of New Jersey. This must be done within 45 days of the date that the County Board judgment was issued. This step in the process is formal, taking place in a courtroom setting, before a Tax Court Judge.

When will the new assessed values go into effect?

The new assessed values will serve as the basis for the 2008 tax billing, which will be mailed to property owners in the summer of 2008. The tax bill will be retroactive to January 1, 2008, using the new tax rate and new assessments, as provided by State Law.

Why Should I Cooperate with the Revaluation Program?

The revaluation program should not be seen as an adversarial situation. Property owners have a vested interest in the outcome of the project and cooperation is vital to achieve an equitable revaluation. If one person's property is assessed too low, all other property owners in the township will pay higher taxes to make up for the discrepancy. Conversely, if property owners deny access to the field inspector, they could wind up being over assessed and pay more than their fair share of taxes.

The validity of the market value estimate depends on the collection of accurate data. Any assistance a taxpayer can provide will aid greatly in the total data collection. The Township Assessor and Realty Appraisal Company will make every effort to cause taxpayers the least possible inconvenience.

Questions? Comments? Concerns? - Please contact Township Tax Assessor's Office at 1 Kings Highway, Middletown, NJ 07748, or at 732-615-2089 during regular business hours, Monday through Friday, 8:30 AM to 4:30 PM. (except holidays). In addition, the tax assessor will be able available to answer questions about the revaluation at this year's neighborhood meetings.