

ANNUAL PROPERTY REASSESSMENT PROGRAM

West Amwell Township is committed to providing clear and complete information regarding the reassessment process and its tax implications.

We believe keeping you informed of the Township's Reassessment Program will result in greater confidence of the system through public awareness and understanding. Our number one goal is to establish an assessment function focused on uniformity and accuracy.

Reassessment is similar to a formal Revaluation in that it seeks to maintain an equitable tax distribution throughout the taxing district, yet different in that it does so annually without waiting for a formal Revaluation directive from the County or State which would otherwise take place once every ten years or so.

SUMMARY:

New Jersey State requires a revaluation of 100% of houses, as determined by Hunterdon County's Board of Taxation. As an alternative, municipalities may enter into an approved Reassessment Program. West Amwell has been participating in the Reassessment Program since 2011 where 20% of homes are reassessed annually in five-year cycles (100% over 5 years). In 2022, West Amwell Township's Tax Assessor died suddenly, and the Township discovered that no assessments were completed by the former tax assessor for the past two years which has left us behind.

The Township had two options:

- Abandon the Reassessment Program or
- Allocate additional resources to catch back up.

After careful consideration, the Township Committee made the decision to maintain the Reassessment Program given the benefits it provides to the community. Accordingly, the Tax Assessor, Jeff Burd, and the Assistant Tax Assessor, Nicole Izzo, will be conducting the assessments by starting at Block 1 Lot 1 and going systematically through the township. Ideally more than 40% of assessments will be conducted this year in order to catch up.

In addition to completing an exterior inspection, the assessors will request access to the home in order to do a more accurate assessment. However, you are NOT obligated to allow entry. If the assessor is unable to access your home, they will make an educated estimate based on the condition and standards of comparable homes in the immediate area.

The reassessment does not affect the overall amount of taxes collected but it does change the individual's property tax responsibility as everyone pays their fair share. In general, after reassessment 30% of values remain the same, 30% increase and 30% decrease.

Learn More

Based on NJ Statute, all properties must be assessed in accordance with New Jersey State Constitution, Article VIII, Section 1, Paragraph 1 which requires property to be assessed for taxation by general laws and uniform rules and that all real property, except for agricultural/horticultural land, must be assessed according to the same standard of value.

In contrast to many municipalities in New Jersey, West Amwell Township has been proactive in managing their ratable base. The municipality does this by annually conducting reassessments

of their tax base and maintaining all individual assessments at or near to 100% of current market value.

Annually reassessing a portion of the tax base helps save time and money.

The annual state-approved Reassessment Program requires the municipality to inspect 20% of the parcels in the township so that every five years 100% of the Township's property data is refreshed. The process reduces tax appeals and tax refunds, which are costly, while improving budgeting accuracy. Additional cost savings are realized by having the Township's Assessors be responsible for resetting each property's assessed value annually to its current market value, as opposed to the use of outside inspectors.

The annual reassessment process has two main benefits for the Township:

- First, the reassessments allow the Assessor to be more agile and responsive to changes in appreciating or depreciating real estate markets.
- Second, is a more accurate ratable base. When property assessments are continually reviewed, both the individual properties and the entire ratable base better reflect current market value. The greater the accuracy of a ratable base's assessment, the greater the probability the municipality will receive the full budgeted revenue because there will be fewer appeals that can reduce the taxable value.
 - For example, As a regional school district, residents pay a portion of their property taxes (~68%) to support the school budget based on equalized valuation (property values). The tax assessor is able to appeal individual property sales that are outliers and would skew the overall property values and this practice saved West Amwell over \$200,000 in 2022 alone when a number of parcels were identified as being inaccurate and were removed from consideration. Accordingly, accurate property values are essential to ensuring we pay our fair share of taxes to our schools as well.

In accordance with New Jersey Division of Taxation reassessment guidelines, each property will be inspected to verify that your property information is consistent with the information in the Township's database. Again, this is important to maintaining equity and uniformity.

The Assessor is required to inspect the exterior of the property and, if the owner/tenant is present and if permitted, conduct an interior inspection. Your cooperation is greatly appreciated.

If the property owner/tenant is not at the property while the exterior inspection is being performed or refuses access to the interior, the Township's Assessor will leave a notice with a contact phone number for the owner to contact the office to re-schedule an interior inspection. If the inspector is unable to gain interior access at a later date, the valuation of the interior components will be estimated in accordance with the standards of the neighborhood.

Assessment Criteria

The assessment value is based on the land and improvements - typically those of the building(s). Assessment criteria includes:

- Structural additions and improvements
- Attic/finished or unfinished

- Basement/finished or unfinished
- Garage area
- In-ground pool
- Cabana
- Number of bathrooms
- Sheds or other outbuildings
- Square footage of living area

Other criteria are also used in determining assessed value including:

- Comparable homes. Other home values in the area will affect the assessed value of a home.
- Recent improvements. A kitchen or bathroom renovation or a major addition will likely increase the value of a home.
- Rebuilding costs. The estimated cost of rebuilding a house will affect the assessed property value.

After a valuation estimate has been determined, the result is compared to the market sales for the previous years. The final assessment value should then coincide closely with the actual market value.

West Amwell Township's Reassessment Program

West Amwell Township has been actively engaged in an annual reassessment program. The Township's most recent base year was 2021, meaning that 20% of the Township's properties should be assessed each year through 2025, then 2026 would be the next base year.

In 2022, West Amwell Township's Tax Assessor died suddenly. Consequently, the Township engaged a new Tax Assessor for 2023 and discovered that the former Tax Assessor had not conducted any property assessments in years 2021 or 2022. Therefore, the Township is now 40% behind in its assessments (60% if you include the 2023 year). The NJ Department of Taxation has permitted West Amwell to remain in the program if a minimum of 40% of tax assessments are conducted in 2023, followed by 30% in each of the next two years, as they understand the predicament in which the former assessor left the township.

To help remedy the situation, the Township has engaged an Assistant Assessor who will be conducting assessments in order for the Township's reassessments to converge on the percentage that should have already been completed.

Reassessment FAQ's

1. What is a reassessment? It is an annual process of maintaining all assessment values at or near 100% of "full market value".
2. Why is there a need for a reassessment? To comply with state regulations, spread the tax burden equitably within the municipality, to assess property at the same standard of value and to ensure that every property owner is paying their fair share.
3. Who conducts reassessments for the Township? Certified Tax Assessors that are Township employees, Jeff Burd, Tax Assessor and Nicole Izzo, Assistant Assessor. The Township's Assessors will carry identification confirming they are Township employees.

4. Are the assessment value changes made on only the inspected 20% of properties? No. The Assessors inspect 20% of the properties each year, but all of the assessment values for the entire township are changed each year generally in accordance with the results obtained from the respective 20% completed.
5. What causes inequitable assessments? Fluctuations in the economy; changes in characteristics of the parcel or neighborhood; improvements completed without permits; changes in style; market pressure (supply and demand).
6. What is done during a reassessment? The Township's Assessors perform a physical inspection of property, measuring all exterior structures, and conducting an inspection of the interior to determine what amenities exist. (The property owner or tenant can deny access to the structure's interior but then the Assessor will be forced to estimate the inside amenities of your property). The Certified Tax Assessors then perform an analytical study of market data (e.g., sales, rental rates, capitalization rate, etc.), to set the assessments at full and fair value.
7. What is Full and Fair Value? It is the value (price) at which a property would theoretically sell for in a fair and bona fide sale, on October 1st of the previous year. Example: Assessments for the 2023 tax year would be based upon the assessor's opinion of value on October 1st, 2022.
8. How will a reassessment affect taxes? It won't - the Assessors' office has no control over budgets; its only function is to update the Township's overall assessed value. The assessment does not change the total amount of taxes levied on property owners, the budget determines the total taxes needed to be collected. The budgetary levy (county budget, school budget, municipal budget, open space) is divided by the overall ratable assessed value to determine the tax rate. See <https://www.westamwelltp.org/finance-advisory-committee/pages/budget-and-property-tax-statistics> for more information.
9. Are revaluations or reassessments conducted so the municipality can collect more tax revenue? The answer is NO. The budgeting and tax assessment processes are related, but separate functions. The municipality passes a budget on an annual basis, whether or not a revaluation is done. Generally, the tax revenue will be used to pay for municipal services, fund schools, open space, and pay a portion of the County's expenses. The budget is generally adopted during Spring of each year. The tax assessor is not involved in the budgeting process.
10. When will taxpayers be informed of their new assessment? All property owners will receive a written notice of their new assessments in February/March each year.
11. Can I discuss the new assessment with the Assessor if I disagree or have questions? Yes, the Tax Assessor will hold informal meetings to meet with residents who have questions. If after this meeting, you still disagree, you may file a formal appeal with the Hunterdon County Tax Board by May 1st of that tax year. To contact the Assessors' office call **(609) 397-2054 Ext 116**.

12. Can I discuss the value of my property with the Assessor during the inspection? In the field, the Assessors are performing inspections and gathering information in order to assign a value on your property or home.
13. When will my property be inspected? Property owners will be notified by letter when the Assessor expects to begin work in their neighborhood. The letter will indicate the timeframe of inspections in the neighborhood.
14. What if I'm not home when the Assessor visits; can I make an appointment? The first time an Assessor visits a property, all exterior structures will be inspected, which includes approximate measurements. A notice will be left indicating when a second inspection will be attempted. There will be a contact phone number to schedule an appointment, if necessary. A maximum of three attempts will be made to inspect a property. Any property that cannot be physically inspected will be estimated based on typical attributes of comparable housing.
15. When determining my value, are you comparing my home to the sales of homes in my area of the Township, or in Lambertville? The Assessors strive to use sales in your immediate area; the objective is to compare homes based on location, style, age, and square footage.

OTHER INFORMATION

All representatives will be provided with photo identification authorized by the Township. Do not allow anyone to enter your home without proper identification.

Owners of rental properties should notify all tenants of the rental units that an interior inspection will be forthcoming by the Township's Assessors.

If your property has a unique condition that influences value, please contact the Assessor and it will be considered.

As always, please feel free to contact the Township for more information.

<https://www.westamwelltp.org/home/webforms/comments>

(609) 397 2054

Thank you for your anticipated cooperation.