

From the Borough of Fanwood

Q & A about the Property Revaluation Program

Why is Fanwood doing a revaluation of properties?

The Borough is responding to an order from the Union County Board of Taxation to conduct a revaluation of all residential and commercial properties. Fanwood is one of 14 Union County towns, and 32 towns in NJ, that were identified as in need of updated property valuations. The last revaluation in Fanwood was done 32 years ago.

What is a revaluation?

A revaluation is undertaken by a municipality to appraise all real property within a town to determine its full and fair value and more in line with market values. That value is the price at which the tax assessor believes is a fair and bona fide sale price of a property.

The validity of the market value estimate depends on the collection of accurate data.

Why is a revaluation necessary?

A revaluation program, which is supposed to be done periodically, seeks to more accurately reflect market conditions and spread the tax responsibility equitably within a municipality. Since market conditions change and assessments rarely change over time, the relationship between assessments and market values become more distant and must be brought into line.

Real property must be assessed at the same standard of value to ensure that every property owner is paying a fair share of the property tax.

For example, if the market value of your home is \$300,000, it should be assessed at \$300,000; if you have a market value of \$600,000, your home should be assessed at \$600,000.

Will a revaluation automatically result in a tax increase?

Typically, a revaluation will result in an increase of property assessment (value), but it does not mean that all property taxes will increase.

A common misconception is that a Revaluation is done just to increase property taxes. Property taxes are determined by the municipal, county and local school district budgets. If these budgets increase but state aid does not, local property taxes will go up.

How can an assessment increase without my taxes going up?

It is important to remember that assessments are merely a base used to apportion the tax responsibility. The tax level is the amount that the municipality must raise to fund the operation and services of county and local government and support the school system.

What is involved in a revaluation?

The interior and exterior of each property is typically inspected. For example, inspectors will record number of bathrooms, verify measurements, interior finishes, age of property.

In short, all information believed to influence value is reviewed and analyzed to make a proper determination of each property's full and fair value.

In addition, recent sales of properties are studied and possibly adjusted to estimate the value of property that has not been sold. Property purchased for investment purposes is analyzed for its income-producing capability.

Who will do the revaluation inspection of my home?

The Borough has hired Realty Appraisal Company to perform this service. The representatives doing the actual inspections and collecting information are not necessarily responsible for developing the market value estimate.

Will taxpayers be informed of their proposed assessment?

Yes. The revaluation firm is required to notify each taxpayer by mail advising of the new appraised value prior to the new value being officially posted on the tax list.

What if I disagree with the proposed assessment of my property?

The notice of your new assessment will include information about how to request a personal informal hearing to review your proposed assessment.

When will the revaluation start?

New Tax Maps for the Borough are currently being reviewed by the State of NJ. Once approved, the revaluation of properties will begin. The new assessments must be completed by October 1, 2019 and in place for the 2020 Tax Levy.

Where can I get additional information?

You can pick up a brochure from Realty Appraisal Company, the firm conducting the revaluation program, at Fanwood Town Hall and the Fanwood Public Library. You can also click on this link for more information about the process and the firm conducting the revaluation:

<http://www.realtyappraisal.net/homeowner-faq/>

Borough of Fanwood
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