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# Tax Appeals 101

Provided by

**Hogan Appraisal, LLC**  
Commercial and Residential Appraisals  
for property tax assessment  
evaluation and appeals

## Introduction

Property taxes are always a hot-button issue in New Jersey. The current economic climate combined with declining property values and the timing of recent town-wide property revaluations have left many property owners, commercial and residential, wondering if they are being over-taxed.

Property taxes are a fact of life. Understanding the process to determine if you have a case to get your taxes reduced is the purpose of this guide. Some property owners will have a good case, some will not. However, the process is neither difficult, nor overly expensive and it can be worth your effort to pursue an appeal.

## The Basics

- **Appeal the assessment not the tax**

Understand you are appealing the assessment value (the amount upon which the tax is based) not the actual amount of the tax.

The assessment date is from October 1 of the pre-tax year (i.e. 10/01/2008 – 09/30/2009).

- **Burden of proof**

NJ law assumes the assessment is correct with a 15% margin of error. The property owner must **PROVE** otherwise. There are some exceptions to this rule. Hogan Appraisal can help you determine if the exception applies to you.

How do you prove your assessment is incorrect? *A professional appraisal by a qualified, NJ State General Certified or Licensed Real Estate Appraiser is a good place to start.* This takes the emotional factor out of the discussion when the case is presented to your County Board of Taxation or the New Jersey Tax Court in Trenton.

Can the property owner conduct this appraisal without an appraiser? Certainly, but be assured the town will have their own professional appraisal of the property so it may be more prudent to have one of your own. The cost of a good appraiser would certainly be off-set by the savings in taxes in upcoming years.

Additionally, if a property is held by a trust or in a business or corporate entity name, an attorney must be involved in the tax appeal process. This does not affect most residential property owners, but it does affect some and it affects many more commercial properties.

- **Deadlines**

April 1 is the deadline to **file the appeal**. This is non-negotiable and a hard deadline. The only exception is: if your town has had a revaluation the previous year, you can file your appeal up until May 1. For example, Point Pleasant Borough went through their revaluation in 2009. Point Pleasant Borough residents have until May 1, 2010 to file their appeal.

Additionally, the petition, application and appraisal must all be submitted at the same time.

## The Process

- **File the appeal**

Start by visiting your County Board of Taxation website. Go to: <http://www.njactb.org/Links.asp> for a complete list of County Tax Board websites.

Most counties have provided instructions for Tax Appeal Process. As per instructions, be sure to submit all petitions and documentation on **LEGAL size paper (8.5" x 14") paper. Letter size paper will be rejected.**

You must submit a minimum of 3 comparable sales but no more than 5 comparable sales as proof the assessed value exceeds market value. However, not all comparable sales are legitimate, usable comparables in the assessment process. Some of the exceptions include:

- Sales between family members
- Tax sales
- Foreclosures
- Sheriff Sales
- Bank sales
- Sales not done on the open market

A **qualified** NJ State General Certified or Licensed Real Estate Appraiser can develop an appraisal report that considers all the factors of market value. **The appraiser must be available to testify at the hearing** to defend the value conclusion of the appraisal. If the appraiser does not appear, the appraisal cannot be submitted into evidence.

Comparables and supporting documentation must be delivered to the board and the local tax assessor no later than seven (7) days, excluding weekends, prior to the assigned hearing date.

- **Hearing**

The County Board of Taxation will assign a hearing date for the appeal and notify the property owner via US Mail. The property owner, or their duly appointed representative, is required to appear before the board to present their case. If the property is held by a trust or in a business or corporate entity name, an attorney must be involved in the tax appeal process and must be present at this hearing. Failure to appear by the property owner, the appraiser and the attorney (if needed) at the specified time, date and location will result in forfeiture of the petition.

If the re-assessment inspector was denied access or did not come to the subject property during the revaluation, the hearing may be delayed until the appraiser for the revaluation company inspects the property.

*"The property owner may testify as to the value of their property as supported by comparable sales, provided the information was submitted and received by the Ocean County Board of Taxation AND the municipal tax assessor upon the filing of the appeal OR seven (7) calendar days prior to the hearing."* According to the Ocean County Board of Taxation Guidelines Statement 2009 Property Tax Appeals.

The Tax Board **WILL NOT** accept testimony as to value from realtors, attorneys or third parties who are not NJ State General Certified or Licensed Real Estate Appraisers. Nor will the board accept other assessments as proof of value; only closed sales may be submitted.

- ***Appeal to Tax Court of New Jersey***

Tax Court is a state-level court for appealing assessed value. Property owners are eligible to file in two ways. First, a property owner may file if they wish to contest the County Board's ruling. Second, if the assessed value of the property exceeds \$750,000, a property owner may skip the county level and go directly to the state level.

The Tax Court of New Jersey is a trial court. At the state-level Tax Court of New Jersey, an attorney would be needed as it is a trial court.

## FAQs

- How do I file?  
Start by visiting your County Board of Taxation website. Go to: <http://www.njactb.org/Links.asp> for a comprehensive list of County Tax Board websites. Download the petition form and the step-by-step instructions.

- Do I need to hire an appraiser?  
A **qualified** NJ State General Certified or Licensed Real Estate Appraiser can provide an independent analysis of the available data that will support the property owners' petition. And while there is some expense involved with retaining an appraiser, that expense would be off-set by the savings in taxes. Additionally, a **qualified** NJ State General Certified or Licensed Real Estate Appraiser is the only person, other than the registered property owner, who may provide testimony as to the **value** of the property.

However, even though the municipality will have their own experts available, a property owner is *not* required to retain the services of an appraiser.

- How do I choose a qualified appraiser?  
When choosing an appraiser, a property owner should look for an appraiser or appraisal company with tax appeal experience. The nuances are different from traditional mortgage work. It's perfectly okay to expect your appraiser to be forthright about his licensing, experience and geographical knowledge. The following questions would be appropriate when selecting an appraiser:

- Are you licensed or certified in the state in which you practice?
- How long have you been in practice?
- What level of experience do you have in this particular market and with this type of property?
- Are you familiar with property in this neighborhood?
- Have you done tax appeal work before? In what towns or area?
- What is your success rate?

- Do I need an attorney?  
Again, even though the municipality will have their own experts available, a property owner is not required to retain the services of an attorney, unless the property is held in a trust or a company or corporate name. However, at the state-level Tax Court of New Jersey, an attorney would be needed as it is a trial court.
- Can the town's Tax Assessor negotiate a settlement prior to the hearing?  
Yes. The tax assessor, at his/her discretion, may call the property owner to negotiate a settlement prior to the hearing. It is in the property owner's best interest to know the name of the local Tax Assessor.
- Can I appeal the decision of the County Board of Taxation?  
Yes. A property owner could appeal to the state-level Tax Court of New Jersey.