The Tax Assessor & Assessment Maintenance
Township of Nutley
The Position of Assessor

- Assessors, though selected and appointed by municipal officials, are public officers whose duties are imposed by and defined in State law.

- When assessing property for taxation, the assessor performs a governmental function as an agent of the State Legislature.

- The position of assessor takes on a judicial quality in determining taxability and assessments of property. **In discharging these duties, an assessor is not subject to the control of a municipality.** The intent is that assessors, like judges, should be free to perform their duties without fear and must be immune from pressure and harassment.

- The assessor is subject to certain local requirements and to supervision at both the County and State levels of government. The direct supervisors of the assessor are the County Board of Taxation and County Tax Administrator; not the local governing body.
The Function of the Tax Assessor

• To provide fair and equitable assessments throughout the Township.

• Real property must be assessed at the same standard of value to ensure that every property owner is paying his or her fair share of the property tax. Two properties in the same municipality having essentially the same market value should be paying essentially the same amount in property taxes.

• Assessments are based on and reflective of market value. Whether through revaluation, reassessment, or compliance, changes in assessed value are reactive to market conditions with the purpose of ensuring equitable tax distribution among the tax base.
Adjustment of Assessments - Revaluation

• **REVALUATIONS** may be needed when properties in a taxing district are not being assessed at the same rate of true value and/or are being assessed substantially below or above true market value.

• The purpose of a revaluation is to correct inequities within the Township and create uniformity.

• Market conditions will have differing effects on different properties.

• Revaluations do not raise tax revenue. The function of the revaluation is to achieve a more fair and equitable distribution of the total tax levy.

• Revaluations are typically performed when ordered by the State. The State Division of Taxation and the County Tax Board also act in a regulatory manner approving the revaluation contract, reval firm, and tax maps.

• Revaluations are contracted and performed by an private firm under the supervision of the assessor.

• Expensive and timely process.

Every property within the Township is inspected and revalued (residential, commercial, exempt, vacant land).
Adjustment of Assessments - Reassessment

- Similar to a revaluation in most regards.

- A reassessment program requires approval from the County but does not need State approval.

- Performed in-house by a qualified assessor and staff as determined by the County Board of Taxation.

- The Township’s last reassessment was conducted for the 2010 tax year.

- Cost to the taxpayers is little to none.
Adjustment of Assessments – Compliance Plan

• Performed in-house by a qualified assessor.

• The assessor must give notification in writing to the municipal governing body, the County Board of Taxation and the County Tax Administrator of the reasons why reassessing certain property in the taxing district is warranted as well as providing supporting documentation and statistical evidence.

• The County Tax Board approves the compliance plan based on the documentation / evidence provided. A complete review of the entire assessment base is mandatory.

• A compliance plan changes land values only.
  • Land values are changed consistently & uniformly within designated a VCS (vector control section) which is better known as a “neighborhood”.
  • Nutley contains 64 different assessment neighborhoods. Each neighborhood is delineated based on its geography within the Township and zoning.
  • The land formula is the same for each property within a neighborhood, thus promoting equity among the assessments.

• A compliance plan, in a given year cannot change more than 50% of the land values within the Township. If the need to adjust is greater than 50% a revaluation or reassessment may be needed.

• Cost to the taxpayers is little to none.
Adjustment of Assessments – Individual Reductions

- Property owners can file appeals with either the County Tax Board or State Tax Court. There is an April 1st deadline to file an appeal.

- All properties assessed under $1,000,000 must file to the County Tax Board first.

- Property owners must provide valid evidence that their property is over assessed. Opinion or hardship does not constitute grounds for a reduction.

- Evidence in a residential appeal is typically sales of comparable properties.

- Informal Assessment Review: Unique to Nutley, a property owner can appeal directly to the assessor at the municipal level but also must provide evidence that their property is over assessed in similar fashion to a tax appeal.

- The Informal Assessment Review form is available at www.nutleynj.org.

- Any change resulting from an Informal Assessment Review is always for the following year but can be done at any point during the year.
Adjustment of Assessments – Increases

• Added Assessments: increasing the assessed value of a property due to construction.

• New homes or new commercial buildings; additions, renovations, adding central air conditioning, a fireplace, a patio, porch, garage, etc.

• Filed once a year with the County Tax Board on October 1st but retroactive back to the date of completion.
Spot Assessing

• It is important that adjustments be applied on an area-wide basis.

• An assessor cannot adjust assessments only on properties which have sold or without cause. Whether the assessment is above or below a sale price the value cannot be adjusted due to the sale. This is called “spot assessing” and is discriminatory.

• The courts have been clear & consistent and will always over-rule spot assessments.
Nutley Assessment History

• 2006 – First revaluation since 1977. All properties were inspected and valued by a contracted revaluation firm.
  • Equalization ratio (the percentage of where the Township’s assessments are in relation to market value) goes from 13.24% to 100.00%.
  • Tax rate is reduced from $15.66/$100 to $2.05/$100

• 2010 – In-house reassessment. Assessor updated values to react to market conditions.
  • Tax rate increases from $2.383/$100 to $2.777/$100 arising from the lower assessed value of the municipality.

• 2011, 2012, & 2013 – Compliance Plans conducted by assessor to differing neighborhoods within the Township.
  • Through assessment maintenance, over 99% of the properties in town have been adjusted to react to the downturn in the housing market.

• Hoffman-La Roche Impact – 2013 Assessment was $313,939,900; 2014 Assessment was $227,682,100; 2015 Assessment was $125,258,200
  • Roughly $6,000,000 in tax dollars is in flux due to demolition and overall loss of value.

• 2006-2015 – Aggregate assessment values has decreased from $4,149,415,500 to $3,239,866,400. This is attributed to the housing bubble, Hoffman-LaRoche, and market conditions.

• Recent trends: A strong housing market has led to a drop in the Township equalization ratio from 100% in 2010 to 87.55% today.
  • An effect of this is the State ordering the 2021 revaluation.
Assessor Availability

- 1 Kennedy Drive, Nutley, New Jersey, 1st Floor.
- Office is open 8:00-4:00 Monday through Friday.
- Assessor Office hours are 8:30-4:30 Mondays, Tuesdays, and Thursdays.
- (973) 284-4956
- Readily available via e-mail (ebrown@nutleynj.org) when not in the office.