foot as related to the quality of building materials and workmanship. The land value is added to the depreciated cost of improvements to get the total property value.

- The **Sales Comparison Approach** attempts to find market value through a comparison of the subject property with similar properties which have been sold for a known sum of money. The number and size of rooms, quality of materials and workmanship, the property's physical condition and location, and time of the sale are considered with this approach.
- The **Income Approach** analyzes the future income stream produced by a property to estimate the sum which might be invested to purchase the property in order to receive future benefits.

Whenever possible, all three approaches should be used in the valuation of every property. However, one approach may be more relevant than another and have more weight in the valuation process.

REVALUATION, REASSESSMENT AND COMPLIANCE PLANS

The need for revaluation/reassessment may be shown by any evidence which indicates properties in a taxing district are not assessed at the same rate of true value.

A revaluation/reassessment program tries to distribute the tax burden within a taxing district by appraising each property according to its true value and assessing it for taxation based on that true value.

During a revaluation inspectors will take exterior measurements and photographs of all houses and structures. Inspectors will also determine the amount of living space, condition of kitchens and bathrooms, basements, foundations, etc.

If assessment variations are substantial and without pattern or trends in value, a revaluation or reassessment of the entire taxing district might be the best remedy.

If assessments in one part of the district are generally too high or low, the assessor may be able to adjust values to bring them in line with assessments on other property provided the adjustments are applied on an area wide basis via a compliance plan. This is assessment maintenance.

An assessor is not allowed to reassess property based only on its recent sale. That is "spot assessing." The Supreme Court decision, *Township of West Milford v. Gerald and Juanita Van Decker,* affirmed: "The practice of reassessing properties solely because those properties have been sold in the previous year is unconstitutional because it shifts the tax burden to new owners in the municipality."

While assessors are prohibited from singling out property for increased assessment, they have a statutory obligation to monitor all indicators of property value and to correct inequities in tax years other than years of districtwide revaluations/reassessments. Assessors must obtain prior approval for a revaluation, reassessment or compliance plan from the county tax board and/or the State Division of Taxation.

ADDED ASSESSMENTS

New construction, structural additions and improvements completed after October 1 are valued and taxed under the Added Assessment Law. This way property which becomes assessable after October 1 does not avoid its fair share of the tax burden for the rest of the year. A new structure, or an addition to or alteration of an old structure, completed after January 1 and before October 1, is valued as of the first day of the month following completion. If the value when completed is greater than the assessed value placed on the structure on October 1 of the pretax year (partial assessment based on the value present at that time), an added assessment based on the difference must be made. The added assessment is prorated on the number of full months remaining in the tax year.

Tax exempt properties which lose their exempt status are also subject to the Added Assessment Law.

Added Assessments are payable on November 1 and become delinquent if not timely paid.

OMITTED ASSESSMENTS

Additional assessments which, through error, were not made at the proper time, may be placed on the tax rolls through the Omitted Assessment Laws. An omitted assessment can be made for the current year of discovery and one prior year. The Omitted Assessment Laws provide that in any year or in the next succeeding year, the county board of taxation or the municipal tax assessor respectively may, in accordance with the provisions of this act, assess any taxable property omitted from the tax rolls for the particular year.

Omitted assessments are payable on November 1 and become delinquent if not timely paid.

APPEALS

Taxpayers who disagree with their property's assessment have the right to appeal to their county tax board (or directly with the State Tax Court if the property is assessed for more than $1,000,000) on or before April 1* or 45 days from the date the Assessment Notifications are mailed by the taxing district, whichever is later; or May 1 where a municipal-wide revaluation or municipal-wide reassessment has been implemented (December 1 for added and omitted assessments.) The required appeal forms may be obtained from the County Board of Taxation. ***As per Public Law 2013, c. 15, the appeal filing date for Monmouth County residents is January 15. For more information call the Monmouth County Board of Taxation at (732) 431-7404 or go to** www.visitmonmouth.com/page.aspx?ID=134.

HOW PROPERTY IS VALUED FOR PROPERTY TAX PURPOSES

Division of Taxation
Property Administration

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