



State of New Jersey
DEPARTMENT OF THE TREASURY

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Division of Taxation to Investigate Five More Towns on Revaluations

TRENTON – The New Jersey Division of Taxation has notified five additional towns that it will conduct investigations to determine if they should be ordered to initiate property revaluations, which have not been performed in those municipalities for more than a quarter century.

The towns are: South River in Middlesex County, Harrison and East Newark in Hudson County and Westfield and Winfield in Union County. The new investigations are part of a broader effort to ensure that all New Jerseyans pay their fair share of the property tax burden. Last month, the Division ordered revaluations in Jersey City, Elizabeth and Dunellen after concluding investigations in those municipalities pursuant to N.J.S.A. 54:1-26. Based on a statistical analysis of applicable criteria, the Division has reason to believe that those eight towns are the least compliant in the state in terms of updating assessed property values.

Notifications were mailed today to Mayor John Krenzler of South River, Mayor Andrew Skibitsky of Westfield, Mayor Joseph Smith of East Newark, Mayor Margaret McManus of Winfield and Mayor James Fife of Harrison to inform them of the Division's intent to conduct an investigation in their towns. The State is conducting these investigations because of the failure of the Middlesex, Hudson and Union county tax boards to provide proper oversight of their taxing districts.

"These five municipalities are among more than 30 towns in New Jersey that the Division has said it plans to review because they have been delinquent in conducting revaluations," said John Ficara, Acting Director of the Division of Taxation. "The Division will hold public hearings in the five towns during the coming months to hear comments from residents regarding the value of taxable property in those communities."

All five towns have a Director's Ratio that is among the lowest in New Jersey. That ratio represents the relationship between the assessed value and the true value of all property. A ratio that is lower than 85 percent is considered not in compliance with the State Constitution, which requires uniform taxation. Every town except Winfield also has a Coefficient of Deviation greater than 15 percent, which is another indicator of a lack of compliance with State law. The Coefficient of Deviation is a way to analyze the relationship between assessments and sales. A high Coefficient of Deviation indicates a lack of uniformity in assessments in a taxing district and a likely need for revaluation.

Westfield has not had a revaluation in 30 years, and its Director's Ratio is 24.62 percent. The 2015 True Value of property in Westfield exceeds Assessed Value by \$5.6 billion.

South River has not had a revaluation in 30 years, and its Director's Ratio is 30.82 percent. The 2015 True Value of property in South River exceeds Assessed Value by \$925.8 million.

East Newark has not had a revaluation in 30 years, and its Director's Ratio is 33.69 percent. The 2015 True Value of property in East Newark exceeds Assessed Value by \$82.7 million.

Harrison has not had a revaluation for 28 years, and its Director's Ratio is 40.39 percent. The 2015 True Value of property in Harrison exceeds Assessed Value by \$740.8 million.

Winfield has not had a revaluation in 44 years, and its Director's Ratio is 8.36 percent. Winfield, which consists of Co-Op units for veterans, does not have property sales. The 2015 True Value of property in Winfield exceeds Assessed Value by \$15.1 million.

In a property revaluation, the municipality hires a vendor to inspect homes and commercial entities and notify the town of any improvements as well as changes in market value. More information can be found at <http://www.state.nj.us/treasury/taxation/pdf/lpt/revaluation.pdf>

Jersey City, Dunellen and Elizabeth have until Nov. 1, 2017, to complete their revaluations so they can be implemented in the 2018 tax year. The Nov. 1 deadline is in accordance with State regulations, which require them to be conducted no later than Nov. 1 of a calendar year. To reduce the likelihood of political interference, notifications about new property assessments cannot be shared with residents until after Nov. 10 of that year, according to the regulations.

Dennis Shilling, Deputy Director of Operations, and Patricia Wright, Deputy Director of Compliance & Enforcement and Property Administration, will conduct the public hearings for the five towns on behalf of the Division. In lieu of attending a hearing, residents also may submit written comments to the Division at PropReval@treas.nj.gov or to the following address:

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