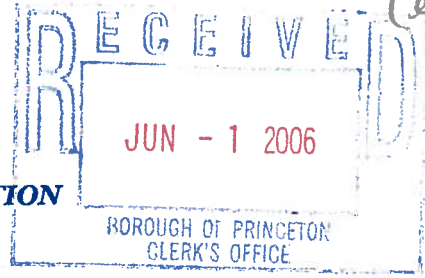


**FILE**  
Revaluation  
2009



**MERCER COUNTY BOARD OF TAXATION**  
**McDade Administration Building**  
**640 South Broad Street**  
**P.O. Box 8068**  
**Trenton, New Jersey 08650-0068**

**MARTIN M. GUHL, CTA**  
**Tax Administrator**

**PHONE: (609) 989-6704**  
**FAX: (609) 396-4510**

May 26, 2006

Lea Quinty, Clerk  
Princeton Borough  
P.O. Box 390  
Princeton, N.J. 08540

Dear Lea:

Enclosed is an order for Princeton Borough to conduct and implement a revaluation for tax year 2009. The Mercer County Board of Taxation issued the order on May 1, 2006, and it was approved by Acting Deputy Director Maureen Adams from the State of NJ Division of Taxation on May 22, 2006.

Also, enclosed is a copy of the regulations and a prescribed form concerning reporting requirements of a municipality ordered to undertake a revaluation.

A complaint to challenge this revaluation order must be filed with the Clerk of the Tax Court within 45 days of the notice date of this letter.

Should you have any questions, please feel free to contact me.

Yours truly,

A handwritten signature in cursive script that reads "Martin M. Guhl".

Martin M. Guhl, CTA  
TAX ADMINISTRATOR

MMG:tr

cc: Neal Snyder, Assessor  
Maureen Adams, Acting Deputy Director, Division of Taxation  
Tax Board Commissioners





**State of New Jersey**  
DEPARTMENT OF THE TREASURY  
DIVISION OF TAXATION  
PO Box 240  
TRENTON NJ 08695-0240

JON S. CORZINE  
*Governor*

May 25, 2006

BRADLEY I. ABELOW  
*State Treasurer*

DIRECTOR'S OFFICE  
TEL (609) 292-5185  
FAX ~ TRENTON (609) 984-2061

Martin M. Guhl  
County Tax Administrator  
Mercer County Board of Taxation  
Mercer Co Admin Bldg  
PO Box 8068  
Trenton, New Jersey 08650

Dear Mr. Guhl:

Enclosed are the Orders for the revaluation of all real property in East Windsor Township, Hightstown Borough, Princeton Borough and Princeton Township of Mercer County. I have affixed my signature of approval on the Orders.

Please send me a copy of the cover letters that are sent with the approved Orders to the Municipal Clerks. You are advised to send each Order to the respective Municipal Clerk by means of certified mail, return receipt requested. Each assessor should also receive a copy of the relevant Order and your cover letter. The cover letter should note the enclosure of the Order for revaluation and that a complaint to challenge the Order must be filed with the Clerk of the Tax Court within 45 days of the notice date of your letter.

I am also enclosing a copy of regulations and a prescribed form concerning reporting requirements of a municipality ordered to undertake a revaluation program. Please advise the assessors and the appropriate municipal officials of the necessity to report the measures and actions that are being taken to comply with the terms of the Orders.

Sincerely,

Maureen Adams  
Acting Deputy Director  
Division of Taxation

MA:KAT  
Enclosures



RECEIVED  
MAY 20 1996

IN THE MATTER OF THE )  
REVALUATION OF )  
PRINCETON BOROUGH ) Order To Implement A Municipal-Wide  
) Revaluation  
)

TO: The Tax Assessor, Mayor and Members of  
the governing body and all other responsible  
officials of Princeton Borough

WHEREAS, the Mercer County Board of Taxation, pursuant to N.J.S.A. 54:4-2.27,  
adopted the percentage level of taxable value of real property for the County of Mercer of 100  
percent of true value;

WHEREAS, the Mercer County Board of Taxation, pursuant to its statutory duty to  
revise, correct and equalize the assessed value of all property in the respective taxing districts  
(N.J.S.A. 54:4-47), has determined that the assessment of the Borough of Princeton resulted in an  
unequal distribution of the tax burden within said municipality;

WHEREAS, pursuant to N.J.S.A. 54:3-13, the Mercer County Board of Taxation has the  
responsibility to secure the taxation of all property within Mercer County at its taxable value in  
order that all property, except as exempt by law, shall bear its full, equal and just share of taxes;

WHEREAS, it is the regular policy of the Mercer County Board of Taxation to review the  
measurements of uniformity and accuracy of assessments of each taxing district within Mercer  
County in accordance with the standards of N.J.A.C. 18:12A-1.14 to assure the proper  
distribution of the local property tax burden in each municipality;

WHEREAS, the ratio of assessed value to true value for the Borough of Princeton is  
51.13 and the one year weighted class 2 ratio is 46.36 %.

WHEREAS, the general coefficient of deviation is 11.13 and 40 % of the residential sales  
fall below the lower limit of the Chapter 123 corridor.

WHEREAS, the last municipal wide revaluation was implemented in 1996.



WHEREAS, this statistical pattern reflects an assessment pattern for the Borough of Princeton which lacks uniformity and which does not conform to the assessment standard of 100% of true value established by the Mercer County Board of Taxation.

It is ordered on this 1st day of May, 2006 that:

1. Borough of Princeton and its tax assessor shall implement a municipal-wide revaluation to be completed by September 30, 2008 and to be effective for the 2009 tax year.
2. The tax assessor for the Borough of Princeton shall, within 60 days from the date of the approval of this order by the Director of the Division of Taxation, submit a proposed plan for compliance on form RCR-6-90 with this revaluation order. The plan shall indicate whether the municipality proposes to enter into a contract with a qualified revaluation firm for purposes of accomplishing a revaluation of all real property within the municipality pursuant to N.J.S.A. 54:1-35.36 and shall further indicate the date upon which it proposes to begin implementation of the program and the time estimated to be required for completion of the revaluation.
3. The governing body of the Borough of Princeton shall take all necessary action to enter into a contract for a revaluation in accordance with the Local Public Contracts Law, N.J.S.A. 40:11-1 et seq., and the Local Budget Law, N.J.S.A. 40A:4-1 et seq., including, but not limited to, the preparation of the revaluation contract and the appropriation of the monies to fund the revaluation contract.
4. The procedure to be utilized by the municipality in awarding the revaluation contract to a revaluation firm shall be made pursuant to the provisions of the Local Public Contracts Law, N.J.S.A. 40:11-1 et seq., and the Local Budget Law, N.J.S.A. 40A:4-1 et seq., and shall not be delayed as a result of the municipality's utilization of either the public bidding or other available procedure for purposes of securing a qualified revaluation firm.
5. The governing body of the Borough of Princeton shall prepare the necessary specifications for the revaluation contract and submit a copy thereof to the County Board of Taxation. The specifications shall conform to the applicable provisions of law and the standards adopted by the Director, Division of Taxation, as




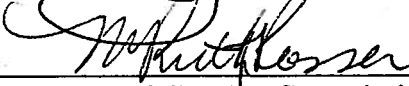
reflected in N.J.A.C. 18:12-4.1 et seq. and in the Real Property Appraisal Manual for New Jersey Assessors.

6. The Borough of Princeton, following the awarding of the revaluation contract, shall submit the proposed revaluation contract to the Director, Division of Taxation, for his review and approval pursuant to the provisions of N.J.S.A. 54:1-35.36 and shall submit a copy of the revaluation contract to the Mercer County Board of Taxation.
7. The tax assessor of Borough of Princeton shall submit written reports on form POW/RSR - LPT.-8/89 on the first day of each month during implementation of the revaluation program to the Mercer County Board of Taxation. The reports shall set forth specifically the progress and status of the revaluation of all property in the Borough of Princeton, including the precise nature of the program adopted to accomplish the revaluation, the amount of monies appropriated and expended therefor, the nature and status of any municipal ordinance or resolution introduced by the municipal governing body relating to the revaluation program and the funding therefor, the number of line items completed and left to be completed in connection with the revaluation and the amount of time needed to complete each phase of the revaluation.
8. As part of the revaluation program, the municipality is required to maintain an up-to-date tax map. The tax map must be submitted to the Director, Division of Taxation in accordance with N.J.A.C. 18:12-4.7 for review and approval in accordance with existing standards. The commencement of the revaluation program requires the availability of an up-to-date tax map. In the event the tax map requires revision, such revision shall be immediately commenced in order to effectuate an up-to-date tax map. The progress reports to be submitted pursuant to this order shall include a discussion as to the status of the tax map revision.
9. The revaluation firm shall perform the revaluation on behalf of and as an agent of the tax assessor and the tax assessor shall be responsible for monitoring all phases of the revaluation work to insure the proper implementation of the revaluation program.

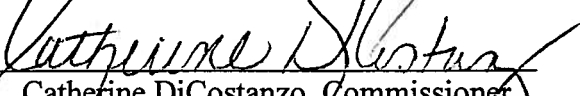


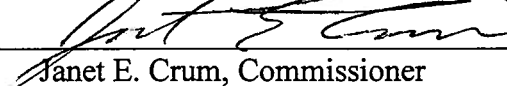
COUNTY BOARD OF TAXATION

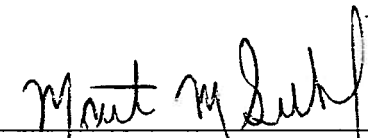
  
Richard J. Carabelli, President

  
W. Ruth Rosser, Commissioner

  
R. David Rousseau, Commissioner


  
Catherine DiCostanzo, Commissioner

  
Janet E. Crum, Commissioner

Attest:   
TAX ADMINISTRATOR  
Mercer County Board of Taxation

In accordance with N.J.S.A. 54:1-35.36, the within order is hereby approved.

PRINCETON Borough

  
Maureen Adams  
Acting Deputy Director, Division of Taxation  
Department of the Treasury  
State of New Jersey

Dated: 5/22/06



REVALUATION COMPLIANCE REPORT FOR

Municipality

(See Reverse Side For Information)

Below is a list of tasks that have to be accomplished before a revaluation program can be undertaken. Please review each task and enter the estimated date the task will be performed. When a task is performed, the actual date of performance is to be entered.

	<u>Estimated Date</u>	<u>Date Actually Performed</u>
1. Tax map updating to begin.	( )	( )
2. Tax map update to be completed.	( )	( )
3. Tax map submitted to Local Property Branch.	( )	( )
3a. If disapproved, correction work to begin.	( )	( )
3b. Correction work to be completed.	( )	( )
3c. Tax map resubmitted to Local Property Branch.	( )	( )
4. Tax map approved by Local Property Branch.	( )	( )
5. Drafting of revaluation specifications to begin.	( )	( )
6. Final specifications to be completed.	( )	( )
7. Proposal or bid requests sent to firms.	( )	( )
8. Proposals or bids to be returned by firms.	( )	( )
9. Bonding ordinance drafted.	( )	( )
10. Bonding ordinance approved.	( )	( )
11. Revaluation contract awarded.	( )	( )
12. Executed contract submitted to Director.	( )	( )

Comments: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
Date

\_\_\_\_\_  
Assessor's Signature

### INFORMATION

N.J.A.C. 18:12A-1.14 requires the assessor of a municipality directed to undertake a revaluation to file with the county tax administrator a written plan to demonstrate compliance with the terms of the revaluation order approved by the Board of Taxation. This form has been issued by the Division of Taxation for reporting the plan and actions that are necessary to undertake a revaluation, and is required to be filed within 30 days of notice of the approved revaluation order. Thereafter it must be updated and filed the first of each month until approval of a contract for revaluation is obtained from the Director of the Division of Taxation.

To challenge the order for revaluation an appeal must be filed with the Clerk of the Tax Court within 45 days of the notice date of the order.

Reasonable progress must be demonstrated to complete the tasks necessary to undertake a revaluation program. The assessor in conjunction with other municipal officials has a responsibility to implement a plan to accomplish the ordered revaluation. Any delay in progress in preparing for successful entry into a contract for a revaluation must be explained in the comment section of the report. Unwarranted delays in proceeding to undertake the revaluation could result in legal action to enforce the terms of the order issued by the county board of taxation and approved by the Director of the Division of Taxation.

### SPECIAL EMERGENCY APPROPRIATION

N.J.S.A. 40A:4-53 provides that a municipality may adopt an ordinance authorizing a special emergency appropriation for the preparation of an approved tax map, and the preparation and execution of a complete program of revaluation, or any program to update any previous revaluation program when such is ordered by the county board of taxation. As a special emergency appropriation, the costs for the tax map preparation and/or the revaluation may be budgeted over five years. A copy of all ordinances or resolutions as adopted relating to special emergency appropriations must be filed with the Director of the Division of Local Government Services, Department of Community Affairs.

## Case Notes

Time for seeking review in tax court did not commence where county board failed to serve attorney of record for property owner. *Estate of Frankel v. Borough of Hillsdale*, 10 N.J.Tax 213 (1988).

Rules do not provide any procedure concerning the method of transmitting memoranda of judgments of the county boards of taxation to taxpayers; service by mail held sufficient; presumption of service by mail not rebutted in instant case. *Tolentino v. Oxford Tp.*, 4 N.J.Tax 173 (Tax Ct.1982).

## 18:12A-1.13 Freeze Act

(a) When an assessment is subject to the "freeze" provisions of N.J.S.A. 54:51A-8 or 54:3-26, there shall be no increase in the assessment for any tax year subject to such "freeze" except upon petition first filed with and granted by the county board of taxation or the Tax Court.

(b) If the taxing district alleges that there has been a change in the value of the property since the date of a county board of taxation judgment is subject to the Freeze Act, the taxing district shall file a petition with the board together with proof of service thereof upon the owner of the property to increase the amount of the assessment. Such petition shall specifically set forth the nature of the changes relied upon as a basis for the claim that there has been a change in value of the property. A copy of the petition shall be served upon the owner of the subject property prior to the filing of the petition with the board.

(c) A judgment entered by a county board of taxation which is not further appealed by a party shall be deemed to be binding and conclusive upon the municipality and municipal tax assessor for the tax year in question and the two tax years immediately thereafter unless a revaluation, reassessment or change in value has occurred subsequent to the assessing date. If as of October 1 of the pretax year, the property in question has been the subject of an addition qualifying as an added assessment, a condominium or cooperative conversion, a subdivision or a zoning change, the conclusive and binding effect of such judgment shall terminate with said pretax year.

1. If the assessor increases the assessment or fails to reflect on the tax duplicate a county board of taxation or Tax Court judgment issued prior to the final preparation of the tax duplicate in either of the two years following the year for which the judgment of the county board of taxation was rendered, and if said judgment is a final judgment not further appealed, the burden of proof shall be on the taxing district to establish that the assessor acted reasonably in increasing the assessment. If the county board of taxation finds that the assessor did not act reasonably in increasing the assessment or failed to reflect said judgment on the tax duplicate, the county board of taxation shall award to the taxpayer reasonable counsel fees, appraisal costs and other costs which shall be paid by the taxing district.

(d) A taxpayer may waive the application of the Freeze Act for one or both of the tax years affected and such

waiver of the freeze shall be reflected in a judgment entered by the county board of taxation.

(e) A taxpayer may apply to the county board of taxation within a reasonable period of time upon proper notice to the municipality seeking the enforcement of the Freeze Act with regard to a judgment previously entered by the county board of taxation.

As amended, R.1984 d.330, effective August 6, 1984.

See: 16 N.J.R. 1330(a), 16 N.J.R. 2153(a).

New (c) through (e).

As amended, R.1984 d.580, effective December 17, 1984.

See: 16 N.J.R. 2760(a), 16 N.J.R. 3480(b).

Substituted "54:51A-8" for "54:2-43".

Amended by R.2004 d.69, effective February 17, 2004.

See: 35 N.J.R. 4850(a), 36 N.J.R. 1022(a).

In (a), substituted "county board of taxation or the Tax Court" for "Board"; in (b), substituted "a county board of taxation judgment is subject to the Freeze Act" for "such assessment"; rewrote (c); in (d) and (e), inserted "taxation" following "county board".

## Law Review and Journal Commentaries

Taxes—Freeze Act—Reassessments. Steven P. Bann, 136 N.J.L.J. No. 5, 74 (1994).

## Case Notes

"Final" judgments under Freeze Act can be either after trial on the merits or pursuant to settlement. *Union City Associates v. City of Union City*, 223 N.J.Super. 316, 538 A.2d 836 (A.D.1988), certification granted 111 N.J. 607, 546 A.2d 527, reversed 115 N.J. 17, 556 A.2d 769.

Judgment entered as housekeeping matter after appeal filed is not "final" under Freeze Act. *Union City Associates v. City of Union City*, 223 N.J.Super. 316, 538 A.2d 836 (A.D.1988), certification granted 111 N.J. 607, 546 A.2d 527, reversed 115 N.J. 17, 556 A.2d 769.

Freeze Act; revaluation or reassessment programs. *Ennis v. Alexandria Tp. (Hunterdon County)*, 13 N.J.Tax 423 (1993).

## 18:12A-1.14 Revaluations; reassessments, compliance plans

(a) Regarding voluntary revaluation, when a taxing district proposes to revalue real property in said district voluntarily, the taxing district must notify in writing the assessor and the county board of taxation of such intent and must obtain approval of the revaluation contract from the Director, Division of Taxation as prescribed by law (N.J.S.A. 54:1-35.35 et seq., N.J.A.C. 18:12-4 and N.J.S.A. 54:4-23 as amended P.L. 2001, c.101).

(b) Regarding revaluation orders by a county board of taxation, when a board determines the need to order a taxing district to revalue its real property, it shall submit the proposed order to the Director, Division of Taxation, for his or her approval outlining the reasons that warrant such action. Upon approval of such order, the board shall take appropriate action to implement same.

1. The criteria utilized by a board when it is considering a proposal to order a taxing district to conduct a revaluation shall include the following. However, a board may consider any other criteria that relate to the need for revaluation. The results of a board's findings with respect

to these criteria and all other bases for issuing a revaluation order shall be attached to the written order when it is submitted to the Director of the Division of Taxation for approval.

i. **General coefficient of deviation:** A coefficient of deviation greater than 15 percent generally indicates a need for revaluation. If it is 15 percent or less, then other factors must also be used to justify a need for a revaluation. This is an average deviation from the average assessment sales ratio expressed as a percentage of average assessment ratio for each taxing district, for all properties included in "usable sales." It is a measure of variation in assessment-sales ratio of all properties sampled without regard to property class, property size, or any other property characteristic.

ii. **Stratified coefficient of deviation:** This is an average deviation of assessment sales ratios for all usable sales of each property class from the average assessment ratio for the class. It provides a measure of assessment uniformity for properties within each class, but provides no insight into comparability of assessment levels among property classes. A stratified coefficient of deviation of greater than 15 percent may indicate a need for revaluation.

iii. **Segmented coefficient of deviation:** This is an average deviation of assessment sales ratios for all "usable sales" of each property class from the average assessment ratio for all properties of all classes expressed as a percentage average assessment ratio for all properties of all classes. It provides a measure of uniformity or lack thereof of one property class compared to other property classes. A segmented coefficient of deviation of greater than 15 percent may indicate a need for revaluation.

iv. In analyzing the coefficient of deviation, consideration should be given to the size of the sales sampling. For the above purpose, a coefficient of deviation above 15 percent generally denotes lack of uniformity in assessments.

v. **Director's Ratio:** The Director's Ratio is the average ratio of assessed to true value for each taxing district as determined by the Director, Division of Taxation, in the Table of Equalized Valuations promulgated annually pursuant to N.J.S.A. 54:1-35.1. A source of information for ascertaining assessment-sales ratios is the data gathered in the equalization program for the distribution of State school aid. A Director's Ratio of 85 percent or lower generally denotes noncompliance where, as is the norm, the adopted percentage level of assessment established by the county board of taxation is 100 percent. A continual decline of assessment-sales ratios in a district from the percentage level of taxable value established by a board is an indication of a lack of maintenance of the assessment list. However, a declining ratio does not provide any insight into the level of uniformity of assessment and in and of itself does not imply any automatic judgment with respect to lack of uniform assessments.

vi. **Individual assessment-sales ratios:** The individual sales are listed in order of ratios from the lowest to the highest. A wide divergence of ratios as opposed to a clustering of ratios at a common level would be indicative of a lack of uniformity in assessments. Ratios above and below the common level range of P.L. 1973, c.123 (N.J.S.A. 54:1-35a,b) are also indicative of a lack of uniformity in assessments.

vii. **Class weighted ratios:** The weighted ratio of a property class is found by dividing the total ratables of a property class by the total true value of that property class. Conformity in the class weighted ratios is an indication of uniformity between property classes. Wide variances in class weighted ratios are an indication of a lack of uniformity in assessments between property classes.

viii. **District weighted ratio:** The district weighted ratio is found by adding the total ratables for each of the four property classes and dividing the sum by the total true value for all classes of real property. A district weighted ratio, which is based on usable sales for the most recent sample period, is indicative of whether there is compliance with the adopted percentage level of assessment established by a county board of taxation.

ix. **Neighborhood and zoning changes:** The need for a revaluation program may be indicated by neighborhood and zoning changes which affect value in part or all of a taxing district. Changes in uses permitted by zoning may substantially increase or decrease the value of property. A revaluation order citing changes in zoning as its basis must delineate the impact of zoning changes as the changes relate to assessments.

x. **Lack of adequate records:** A lack of adequate records, such as property record cards, which cause difficulty for the assessor in arriving at a sound assessment, is indicative of the need for a revaluation. The absence of essential information which may affect assessments is detrimental to the valuation process and may impede the maintenance of an assessment list. The absence of information relating to changes made to improvements such as failure of property owners to secure building permits or copies of building permits not being furnished to an assessor is a contributory factor resulting in the lack of uniform assessments.

xi. **Year of last revaluation or reassessment:** If a revaluation or reassessment has not taken place in a municipality for 10 years or more, this can be a factor in ordering a revaluation.

xii. **Amount of revenue lost due to appeals.** The county tax board can consider the amount of revenue a municipality has lost due to appeals as indicating a need for a revaluation.

2. The assessor of a municipality directed to undertake a revaluation shall file with the county tax administrator a written plan detailing measures that are being taken or have been accomplished to comply with the terms and provisions of the approved revaluation order issued by the county board of taxation. The assessor shall submit the report on Form RCR (Revaluation Compliance Report), prescribed by the Director of the Division of Taxation, within 30 days of notice of the order and the first of each month thereafter, until approval of a contract for revaluation has been obtained from the Director of the Division of Taxation.

3. It is recommended that the boards using the Director's Ratio for county equalization for non-revalued and non-reassessed municipalities, use the Page 8 Formula developed by the Division of Taxation for equalization for municipalities implementing a revaluation/district-wide reassessment approved by the Director.

4. Ordinarily revaluations will involve adjustments to 100 percent of the line items.

i. The exterior of all properties in a municipality must be inspected.

ii. Interior inspection of 100 percent is to be attempted. No less than three attempts shall be made to inspect the interior of each property. If a property owner refuses to permit an interior inspection, then no further attempts to inspect need to be made.

(c) Reassessment: An assessor proposing to implement a district-wide reassessment shall submit an application to perform the reassessment with the county board of taxation and Director of the Division of Taxation.

1. The application for district-wide reassessment shall be completed on Form AFR (Application for Reassessment) as prescribed by the Director of the Division of Taxation.

2. Prior to filing Form AFR, an assessor must notify, in writing, the mayor and local governing body, Division of Taxation, county board of taxation, and the county tax administrator of the basis for the assessor's determination that the proposed reassessment is needed.

3. Ordinarily district-wide reassessments will involve adjustments to 100 percent of the line items.

i. The exterior of all properties in a municipality must be inspected.

ii. The interior of all properties must be inspected within the four years immediately preceding year of implementation of the proposed district-wide reassessment. This may be done in a four-year ongoing assessment cycle. Attempt to inspect the interior of all properties must be made in the four-year period.

4. The county board shall review the application and within 45 days of its submission, forward a copy to the

Director of the Division of Taxation and the assessor with a notation of approval or disapproval. In the case of a disapproval, the Director and the assessor shall be advised of the reason.

5. Within 45 days of receipt of the application from the assessor, the Director shall advise the county tax administrator and assessor of his or her determination as to whether the assessor may proceed with the reassessment program. In the case of disapproval, the Director shall specify the reason for his or her determination.

6. Notwithstanding (c)1 through 5 above, the Director may, after due investigation, pursuant to N.J.S.A. 54:1-26 through 30, order or make a reassessment of any or all property, including the property of railroad and canal companies, which is under or overvalued, in the taxing district, when the Director has reason to believe that any property has been assessed at a rate lower or higher than is consistent according to law for the uniform taxation of property, or that the assessment of property according to law in a taxing district is not in substantial compliance with the law and that the interests of the public will be promoted by a reassessment of such property.

(d) The assessor of a district that has received approval from the Director of a contract for revaluation, approval from both the Director and county board of taxation, or an application to perform a district-wide reassessment, shall submit a plan of work to the county tax administrator within 30 days of such approval. Thereafter, a report on the status of the revaluation or reassessment shall be filed with the county tax administrator every 30 days until the program has been completed and the tax list has been filed with the county board of taxation.

(e) The plan of work and revaluation progress report shall be completed on Form POW/RSR (Plans of Work/Revaluation Status Report) as prescribed by the Director of the Division of Taxation, and include the following information:

i. A listing of all major activities and functions to be performed during the course of the revaluation or reassessment;

ii. An indication, in the case of a revaluation, as to whether the assessor or the revaluation firm will be responsible for the performance of each listed activity or function;

iii. The overall anticipated starting and completion date of each listed activity or function;

iv. The breakdown of units, portion or percentage of work activities or functions that are targeted to be started and completed during each month of the revaluation or reassessment program;

v. The breakdown of units, portion or percentage of work activities or functions that have been completed

during the month for which the progress report is being submitted; and

vi. Any revision or change in schedule from the previously submitted plan of work or progress report.

(f) The board shall require that the assessor of a taxing district shall actively participate in any such revaluation program and shall be familiar with all facets of such program.

(g) In case of an approved revaluation or district-wide reassessment, neither the provisions of N.J.S.A. 54:3-22 (as amended by P.L. 1973, c.123) nor 54:3-26 (Freeze Act) shall be applicable with respect to the year in which the program becomes effective. No revaluation or district-wide reassessment will be approved by the Director where less than 50 percent of the line items have changed. Ordinarily revaluations or district-wide reassessments involve adjustments to 100 percent of the line items.

(h) Where a contract for a revaluation under (a) or (b) above has been entered into by a municipality with an appraisal company, the Director of the Division of Taxation, before approving or disapproving said contract, shall forward a copy thereof to the county tax administrator for his or her review and comment. The county tax administrator shall submit his or her comment respecting the contract to the Director within two weeks. In the event that the county tax administrator fails to respond to said request within the prescribed period, the Director shall proceed with his or her review and approve or disapprove the contract, as provided by law.

(i) **Assessment maintenance:** An assessor proposing to revise and update assessments because he or she has reason to believe that property comprising a part of a taxing district has been assessed at a value lower or higher than is consistent with the purpose of securing uniform taxable valuation of property according to law for the purpose of taxation, or is not in substantial compliance with the law, and that the interests of the public will be promoted by reassessment of such property, shall make a reassessment of the property in the taxing district not in substantial compliance, provided that:

1. The assessor must first notify, in writing, the mayor, municipal governing body, Division of Taxation, county board of taxation, and the county tax administrator of the basis for the need for a reassessment.

2. The assessor must submit a compliance plan (Form CP) by November 1 of the pretax year. The compliance plan with all supporting documents must be submitted to the county board of taxation and to the Division of Taxation, simultaneously, for their approval. Extensions of the November 1 deadline may be granted by the Director for good cause shown, but in no event beyond December 31 of the pretax year.

i. The compliance plan submitted on Form CP must be completed in its entirety. All supporting documents should be included with this form.

ii. The county tax board and Division of Taxation have 45 days from their receipt of the compliance plan to approve or disapprove the plan. Failure of either entity to respond within the 45 day period shall be deemed an approval by that entity.

iii. If either entity denies, the compliance plan is denied and the proposed action cannot be undertaken by the assessor.

3. The following are the criteria to be considered by the county board and Division of Taxation in determining whether to approve a compliance plan.

i. **Director's Ratio:** The Director's Ratio should be greater than 75 percent. A municipality with the Director's Ratio greater than 75 percent will have the benefit of adjusting the parts of sections of the town up or down to the Director's Ratio promoting uniformity within the municipality and the best interests of the public.

ii. **General Coefficient of Deviation:** This should be 15 percent or less generally showing that there is some uniformity in assessments within the municipality.

iii. Ordinarily neighborhoods with average weighted ratios within the common level range should not be reassessed unless that neighborhood's general coefficient of deviation is over 15 percent.

iv. The criteria in (i)3i through iii above may be relaxed by the county board of taxation or the Division of Taxation where circumstances warrant as documented by the assessor.

v. The same standard for selecting areas to be included in the compliance plan must be applied uniformly. Assessment maintenance cannot be used to perform a piecemeal district-wide reassessment or revaluation. No part of a municipality can be arbitrarily selected for adjustment pursuant to assessment maintenance.

**Example 1:**

Municipality's Director's Ratio is 84 percent

Municipality's Coefficient of Deviation is 10 percent

Municipality's Common Level Range is 71.40 percent to 96.60 percent

A particular part or neighborhood of the municipality is below the lower limit of common level range and has an average ratio of 65 percent and a Coefficient of Deviation of eight percent. This area may be reassessed using 84 percent as the common level of assessment to true value. Value should not be brought up to 100 percent because the remainder of the municipality is assessed at 84 percent of true value, using the Director's Ratio.

**Example 2:**

Municipality's Director's Ratio is 77 percent

Municipality's Coefficient of Deviation is 12 percent

Municipality's Common Level Range is 65.45 percent to 88.55 percent

A neighborhood of the municipality has an average ratio of 64 percent and a Coefficient of Deviation of 15 percent. Another neighborhood of the municipality has a Director's Ratio of 92 percent and a Coefficient of Deviation of 10 percent. These areas are not within the 15 percent common level range. The remaining neighborhoods are within the common level range. A compliance plan would need to be used to make changes to these neighborhoods. If changes to these two neighborhoods are made, the values in one neighborhood would be brought up to 77 percent and not 100 percent because the remainder of municipality is assessed as 77 percent of true value. The values in the second neighborhood would be brought down to 77 percent for purposes of assessment uniformity.

**Example 3:**

Municipality's Director's Ratio is 102 percent

Municipality's Coefficient of Deviation is eight percent

Municipality's Common Level Range is 86.70 percent to 117.30 percent

A neighborhood of the municipality has an average ratio above the upper limit of 120 percent and Coefficient of Deviation of 11 percent. This area may be reassessed using 100 percent of true value. True value times the county percentage level will equal the assessment. As of July 2003, all 21 counties have a county percentage level of 100 percent as the level of taxable value. Value should not be brought down to only 102 percent because the reassessment cannot be in excess of 100 percent of true value.

vi. No more than 25 percent of the total number of line items can be changed except in extraordinary circumstances. These circumstances need to be documented in the compliance plan. Extraordinary circumstances may include, but not be limited to, natural disasters.

vii. All areas of the municipality must be reviewed. No neighborhood or part of a municipality can be overlooked for consideration for adjustment pursuant to assessment maintenance solely because there are no sales in that neighborhood or part. If there are no sales, the assessor must submit an explanation, analysis and supporting documentation from whatever other information or professional judgment is available, to support why that neighborhood or part is being selected, or not, for adjustment pursuant to assessment maintenance. Exterior inspection of 100% of all properties must be

completed in the areas of the municipality being changed. Interior inspection may also be required by the county board of taxation or the Director of the Division of Taxation.

viii. Assessed value changes due to clerical, typographical, transpositional, physical descriptive or mathematical errors, added assessments, omitted assessments, omitted added assessments, exemptions, demolitions, governmentally imposed restrictions, planning board and/or zoning board of adjustment approvals, approved revaluations, site contamination, removal of contaminated soil and property remediation; and storm, cyclone, tornado; earthquake, fire, flood, hurricane, vandalism, or other casualty, qualified farmland, subdivisions, mergers and changes resulting from appeals or settlement agreements, do not require the filing of a compliance plan.

ix. Submission of Form CP is not required for districts with an approved reassessment application or approved revaluation contract.

x. Notwithstanding the above, the Director may, after due investigation, pursuant to N.J.S.A. 54:1-26 through 30, order or make a reassessment of any or all property, including the property of railroad and canal companies, which is under or overvalued, in the taxing district, when the Director has reason to believe that any property has been assessed at a rate lower or higher than is consistent according to law for the uniform taxation of property, or that the assessment of property according to law in a taxing district is not in substantial compliance with the law and that the interests of the public will be promoted by a reassessment of such property.

As amended, R.1979 d.217, effective June 4, 1979.

See: 11 N.J.R. 263(b), 11 N.J.R. 359(b).

Amended by R.1990 d.339, effective July 16, 1990.

See: 22 N.J.R. 1350(a), 22 N.J.R. 2183(b).

Assessor required to file plan, schedule and monthly status reports; county taxation board and Division approval required for reassessment initiated at municipality.

Amended by R.2004 d.69, effective February 17, 2004.

See: 35 N.J.R. 4850(a), 36 N.J.R. 1022(a).

Rewrote the section.

**Case Notes**

County tax board's resolution that requested legal action by its attorney to enforce an order requiring city to reevaluate its property more than twenty years ago was not a new order of revaluation, and, thus, board was not required to follow administrative procedures for revaluation orders or to seek further approval of the Director of the Division of Taxation; the resolution constituted a logical step in the procedure to enforce the revaluation order. *Essex County Board of Taxation v. City of Newark*, 774 A.2d 655 (2001).

**18:12A-1.15 Practice and procedure**

(a) In the absence of a rule covering any matter at issue, the rules of the Tax Court insofar as they may be applicable, shall govern.

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