



Significant Property Tax Savings Possible Via Professional Review and Appeal

Commercial and residential property owners should receive their property assessment cards on or about February 1, 2014, and they will have until April 1, 2014 to file a tax appeal. During this short time frame, it is wise to review your real property assessment to ensure that you are not paying more than your fair share of property taxes. Genova Burns Giantomasi Webster LLC works closely with property appraisers early in the tax appeal process to evaluate a property owner's likelihood of successfully prosecuting a tax appeal claim.

A representative sampling of our successful property tax appeals in years past include the following outcomes:

Commercial property owner for whom we secured a \$3 million dollar property assessment reduction resulting in a tax savings of approximately \$99,000.00 for the property owner;

On behalf of a cooperative housing complex located in Essex County, we secured a reduced property assessment from over \$40 million to approximately \$35 million, resulting in a yearly tax savings of over \$130,000.00; and

Commercial property owner in Ocean County for whom we secured a reduced property assessment from \$14 million to approximately \$7 million, resulting in a yearly tax savings of over \$108,000.00.

All real property in the State of New Jersey is valued on a yearly basis for the purposes of taxation, which is known as the property assessment. The assessment of property is an analysis of the amount for which your property would sell during an arm's length transaction. This analysis may have been performed recently, where the municipality has performed a municipal wide revaluation of property, or it may have been performed years ago when the market was in a significantly different place.

In a revaluation year, the municipality will hire an expert to perform an appraisal of all real property within the municipality, and, based on this recent appraisal, the municipality is required to assess your property at 100% of its true market value. In other words, the assessment must be 100% accurate. If the assessment exceeds the true value of the property, in any way, you are entitled to a reduction of the assessment and a tax appeal is warranted.

In a non-revaluation year, an equalization rate will be applied to your property assessment in order to take into consideration factors such as inflation, recession, appreciation or depreciation that may have occurred since the last municipal appraisal of your property causing the property assessment value to deviate from 100% of true value. Not knowing your municipality's equalization rate may be causing you to lose valuable tax dollars.

You may believe that the assessed value of your property represents the true value of your property, but unless you know what your municipality's equalization rate is and how it is applied to your property, you will not know if your property has been assessed fairly. For example, an equalization rate of 60% means that your property should be assessed at 60% of its true market value - if the true market value of your property is \$1,000,000.00, the current assessment should be \$600,000.00. If your property assessment exceeds 15% of its true market value, following application of the equalization rate, a tax appeal is warranted for a reduction in the assessment.

By operation of law, it is assumed that your current assessment is correct and it will be your burden to overcome this presumption in order to obtain an assessment change, which is why professional assistance is strongly advised.



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If you believe that you may be a prime candidate for a tax appeal, we encourage you to seek professional assistance as reductions in assessments may lead to large tax savings.

If you are successful in securing a tax appeal judgment to reduce your property assessment, the Freeze Act will apply to your property at your option. This means that your municipality will be bound by the new assessment and cannot increase your property assessment for the year covered by the tax appeal plus two additional years, subject to two exceptions. The first exception is if your municipality conducts a complete revaluation of all properties in the municipality. The second exception is if the municipality proves that there has been a substantial increase in your property value, such as if you construct an addition to your home.

Your municipal tax assessor is required to notify you of the current assessment of your property on or about February 1, 2014 and the deadline for filing a tax appeal is April 1, 2014 (except for Monmouth County residents whose filing deadline has passed.)

For more information, please contact [Bruno Genova, Esq.](mailto:taxappeals@genovaburns.com) or [Lisa A. John, Esq.](mailto:taxappeals@genovaburns.com) at taxappeals@genovaburns.com or call (973) 646-3261.