

REASSESSMENT UPDATE (10/18/22022)

From Scott J. Holzhauer, Oakland Tax Assessor

The municipal-wide Reassessment of all real property in the Borough of Oakland was implemented for Tax Year 2022. The Reassessment program was undertaken in order to appraise all real estate within the Borough in terms of its “current” full and fair market value. The **VALUATION DATE** that was used as the baseline to assess all property within the municipality for the 2022 Reassessment was October 1, 2021.

Also referred to as tax equalization, the goal of a Reassessment is to insure the “equitable distribution of the Tax Base among all ratable property”. The purpose of this objective is that all property owners pay their fair share of the tax burden based on the actual market value of the property they own.

The most common reason for a Reassessment is due to significant and/or atypical changes in the real estate market from the time of the last Revaluation or Reassessment. The last complete Reassessment in Oakland was for Tax Year 2011. The need for a Reassessment becomes evident when there is a greater disparity between the assessed values of the properties and their true market value based on recent sales.

Oakland is currently in Year 2 of a 5-year Annual Reassessment Program. The decision by the Governing Body to contract for a 5-year program is prudent based on the volatile real estate market since the start of the Covid Pandemic. There has been much talk of a “real estate bubble”, and with mortgage rates more than doubling in just the past 15 months, there is the potential for a large future shift in the market.

The traditional single year programs (either Revaluation or Reassessment) of the past would lock the current assessments into a single base year, with the only mechanism for market-based future changes coming from tax appeals. By doing an ongoing Annual Reassessment (at least for the next 4 yrs) the municipality is in a position to adjust future assessments as needed based on whatever the market conditions are as of October 1 of each pre-tax year. So for the upcoming 2023 assessment, a determination will be made as to the market value of all property as of 10/1/2022.

A vital component and mandatory requirement of the Annual Reassessment process is the re-inspection of all properties within a 4-year time frame from the time of the last 100% inspection of the municipality. In 2021 (and thru the early months of 2022) all 100% of properties were visited and an inspection attempt made. This made Tax Year 2022 the 100% base year for inspections. During the ensuing 4 years (2023-2026) an attempt must be made to inspect the interior of “approximately” 25% of the Borough each year, so that at the end of that 4-yr period the municipality will once again have 100% of all properties inspected.

Regardless of when your property may be re-inspected over this 4-yr period, ALL properties will be reassessed annually over this time period based on their estimated market value as of October 1 of each pre-tax year. Also, if your property was never initially inspected in 2021 or early 2022 (the base 100% year) please contact the appraisal company handling the inspections (**Associated**

Appraisal Group) as soon as possible so that they can make sure your assessment is not based on “estimated information”.

All property owners will be notified by mail of their proposed new assessments for each year of the Annual Reassessment Program. These valuation letters typically go out in late December. All property owners will be afforded an opportunity to contact the appraisal company and schedule an informal hearing to review their assessment and discuss any issues that may be relevant. The annual Assessment Postcard that is typically mailed out in early February will contain your final assessment value for the new tax year. Anyone wishing to appeal their new assessment must do so by May 1st.

Lastly, as for how the 25% inspections are being set up over the next 4 years, below is a recent reply from the appraisal company (AAG):

Letters were mailed to 979 properties on September 30, 2022 and inspections began the week of October 3rd. We felt it was most efficient to break the Borough into quadrants and inspect / verify a different quadrant each year. This year we are inspecting / verifying the interior information on blocks 101 - 1807. Any property in this quadrant that already had an inspection after March 10, 2022 (the date the 2022 Tax Book was closed) does not need to be inspected again for this year. These properties would also include any scheduled inspection after the book closed, as well as any new construction/added assessment or 2022 tax appeal. Anyone not inspected last year (for the initial Tax Year 2022 assessment) should call our office ASAP to be added to the current inspection schedule.

We currently have 1 field supervisor and 5 other inspectors working in town. Before each inspector started field work, the Police Dept. and Assessor's Office were notified. The inspectors dropped off their “Staff Information Sheet” to the Police before they started inspections. At this moment, 819 out of the 978 properties have been assigned to the inspectors and approximately 400 inspections have been completed. The complete list of 978 properties scheduled for inspection / verification for year 2 can be found on our website: njaag.com/oakland under "Inspector Locations". The inspection / verification process should be completed by mid-November.

If anyone feels their property has a unique condition that may influence value, they should send any documentation they have to Associated Appraisal Group, Inc., 17-17 Route 208, Suite 210, Fairlawn NJ, 07410 and it will be considered in the valuation process.