

# In Property Tax Appeals, Your Key Strength Is Knowledge

By **JOSEPH RAVITZ**  
Guest Columnist

*In honor of property tax appeal time, we're reprinting a popular guest column from last year. The author is Middle Township's Assessor and owns a private appraisal firm. The views he expresses are his own.*

In 27 years as a municipal assessor, I've heard just about everything when it comes to reasons that homeowners believe their property assessments should be lowered.

I try to meet with residents early and as often as necessary to help them understand why we assessed their homes as we did, and to consider items that a homeowner may feel we overlooked.

Those who remain unhappy with their valuation can file an appeal with the County Tax Board.

Like most processes in life, the more educated the participants are, the smoother the process works, and the more likely it is that a fair result will be reached.

In my view, several things can help: understanding that the process is about finding the true value of your property, not about your town's tax rate or how it spends its money; knowing the rules of the game; and being honest and direct in your approach.

## **It's About Value, Not Taxes**

When you file an appeal, you're challenging the amount that was "assessed" by your town's assessor as the current value of your home. (Your town might have used an outside revaluation company, but the assessor reviews and signs off on the final number and is responsible for defending it.)

You're not challenging your town's expenditures or tax structure – that's for another place. Without going too far into a civics course, it's your town council, your county government, and your school board that establish budgets and tax rates.

In this sense, the term "tax appeal," though it's frequently used, is a bit of a misnomer – it's really the valuation of your home that you are appealing.

You'd be surprised how many homeowners say that their assessments should be changed because "the streets in this town are a mess" or "I'm really mad about the new recreation center." Such items haven't stopped people from buying in your town. You should feel free to take these up with the Town Council, of course, but they're not relevant to the assessment process.

Your appeal has a much more focused purpose – you're saying why you think your assessor was incorrect in the number he or she assigned to your property, and your assessor is defending the number.

## **Learn the Rules of Game**

Listen carefully to your own advisors, and check the

County Tax Board's website, to get a full picture of guidelines for an appeal.

From my perspective, here are a few important basics.

At the county Tax Board, we appear before five commissioners, who will decide between our conflicting views of the proper valuation of your home.

The commissioners are county residents and, though they're often lay persons, they receive training in valuation processes.

Individual homeowners are permitted to represent themselves before the Board, but corporations and LLC's (and, yes, the town) must be represented by an attorney.

Do you need an attorney? Only you can decide.

Personally, I think a homeowner should have professional representation by attorneys who have done this before; they know the most effective way to do things, like what kind of evidence can be presented to the Board to support your position, and they're skilled at cross-examining opposing witnesses.

Your attorney, however, can't testify for you. I always request the town's attorney to object if a homeowner's attorney starts to describe "comparable properties" in a conclusory way. An attorney isn't qualified to make valuation conclusions, and it would be unfair for him or her to be able to make broad allegations without being subject to cross-examination.

I believe it's also a good idea for a homeowner to use a qualified real estate appraiser as a witness if there are any disputes relating to whether certain items should be valued in a particular way.

You're entitled to appeal every calendar year, but you must file your appeal by April 1 to be heard in any given year.

Equally important, the relevant date for valuation purposes is October 1 of the year preceding your appeal. Thus, even if you could put together a fancy chart showing that all values in all towns throughout the county have absolutely, positively dropped by more than "x" percent in the past four months – it would be irrelevant to your current tax appeal. It simply doesn't matter what happened to the market between last October 1 and April 1 of this year.

There are two main bases for appealing your valuation – "true value" and "discrimination." You need to prove one or both, and you have to do this by introducing competent evidence supporting your position.

True value is the easier of the two for you to prove, because you're talking about your own home and what it should sell for. With a discrimination approach, you have to show that you're being unfairly treated, or discriminated against, compared to other homeowners whose properties are the same as yours.

Most homeowners use the true value approach. The Tax Board has specific rules about identifying comparable properties; again, it's my opinion that a homeowner does best to submit an appraisal report and bring in the expert who wrote it as your witness.

A lot of times homeowners present an appraisal prepared for another reason – perhaps for a refinancing, an estate proceeding, or the purchase of property. The Tax Board is free to consider any evidence it deems competent. It seems that the Board accepts most such documents, but reserves the right to afford whatever weight the document deserves. Our attorney is free to argue that, in the absence of testimony from the person who prepared a homeowner's report, the report should not be given much weight at all.

Comparing properties is a very specialized process, but a couple basic, common sense requirements are worth considering: comps must be recent (to show the present market) and comps must be truly similar to your property. For the finer points, once again, it helps to use professionals who are familiar with the process.

Finally, never overlook that you can arrange an informal meeting with your assessor to see if a settlement might be made to avoid the Tax Board hearing – and you can do this right up to the "courthouse steps." (Settlement even can occur during a hearing, with the parties "stipulating" to a new number.)

## **Be Honest**

I can't tell you how many houses I would've bought on the spot if homeowners were being serious about the price they'd ask if they were selling their home today (a key inquiry in establishing current market value). Unfortunately, people "lowball" when they challenge their assessment, and this gums up the whole process.

Let me put it another way: if you tell family and friends that your house is one value, or if you've used a high figure when you've asked a bank for a mortgage, it just doesn't wash to turn around and argue to a bunch of land use professionals – people who know the local market inside out – that the house is worth a number that is half of what you've told everyone else. You lose credibility by doing this, and in all likelihood you'll lose your appeal.

Rather, be honest and direct as you describe to your assessor or the Tax Board the detailed reasons why you believe that relief is appropriate. Try using photos to back up your argument; a picture may be worth not only a thousand words, but some dollars, too.



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