



2026 Township Finances & Budget

Presentation by:
Stephen D. Marks,
Township Manager

N.J. property taxes just hit another record high. See the town-by-town bills.

Updated: Feb. 11, 2026, 7:02 a.m. | Published: Feb. 11, 2026, 7:01 a.m.



Tavistock is the tiniest municipality in New Jersey with just a few houses and sky-high average property taxes. NJ Advance Media for NJ.com



By [Katie Kausch | NJ.com](#)

The average New Jersey property tax bill hit another high last year, [topping \\$10,000](#) for the second year in a row, new data from the state Department of Community Affairs shows.

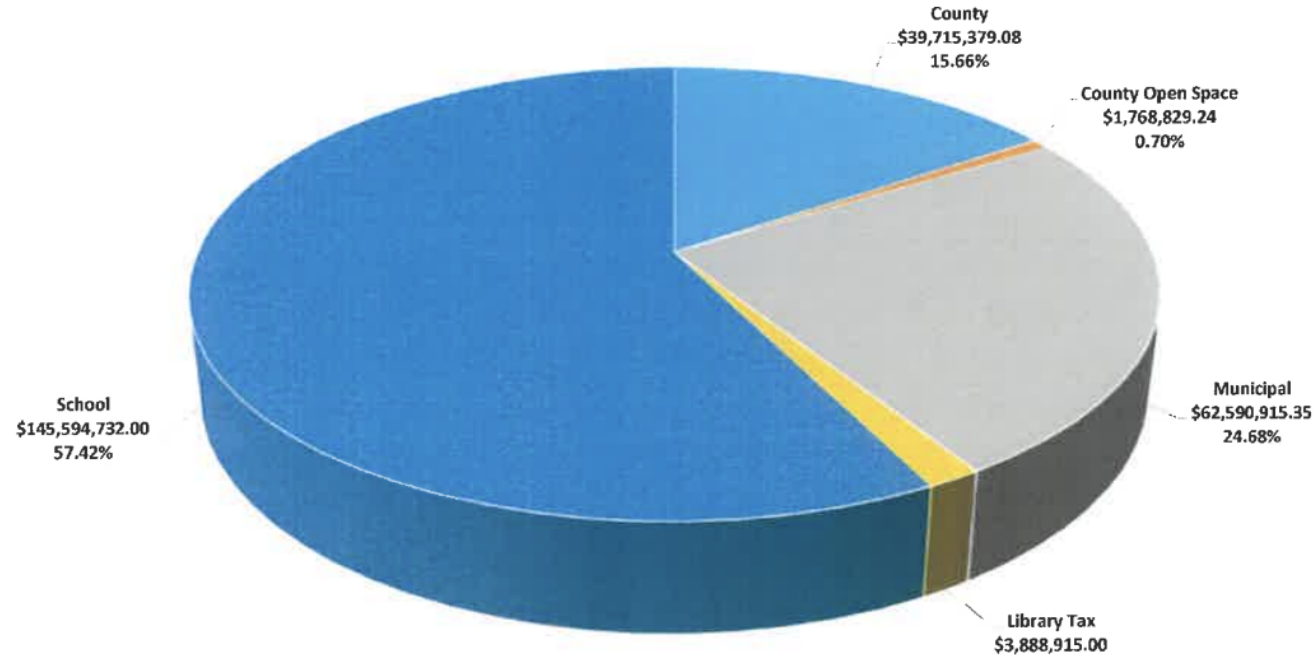
County	Municipality	▼ Avg. Property Taxes, 2025	Avg. Property Value, 2025
State	State	\$10,570	\$405,153
Camden	Tavistock	\$38,387	\$2,640,533
Essex	Millburn	\$26,292	\$1,302,529
Bergen	Demarest	\$26,108	\$1,446,665
Ocean	Mantoloking	\$25,985	\$2,851,976
Monmouth	Deal	\$25,563	\$6,225,131
Bergen	Tenafly	\$25,123	\$845,192
Morris	Mountain Lakes	\$24,089	\$1,048,118
Monmouth	Rumson	\$23,692	\$2,258,858
Essex	Glen Ridge	\$23,673	\$674,911
Mercer	Princeton	\$23,412	\$856,944
Bergen	Alpine	\$23,291	\$2,782,718
Essex	South Orange	\$22,717	\$879,273
Essex	Montclair	\$22,487	\$639,628
Essex	Essex Fells	\$21,888	\$947,342
Morris	Mendham Township	\$21,284	\$1,157,991
Bergen	Haworth	\$21,259	\$659,285
Bergen	Franklin Lakes	\$20,710	\$1,088,076

TOWNSHIP OF MONTCLAIR TAX RATE & LEVY ANALYSIS

	2024			2025			<u>% Change in Tax Levy</u>	<u>% Change in Tax Rate</u>	<u>% Of Total</u>	
	<u>Tax Levy</u>	<u>Tax Rate</u>	<u>Rounded</u>	<u>Tax Levy</u>	<u>Tax Rate</u>	<u>Rounded</u>				
County	\$39,605,961.84	\$0.55158834	\$0.552	\$39,715,379.08	\$0.55065657	\$0.551	0.28%	-0.18%	15.66%	County
County Open Space	\$1,620,377.16	\$0.02256683	\$0.023	\$1,768,829.24	\$0.02452494	\$0.025	9.16%	8.70%	0.70%	County Open Space
Municipal	\$61,089,212.77	\$0.85078347	\$0.851	\$62,590,915.35	\$0.86782752	\$0.868	2.46%	2.00%	24.68%	Municipal
Library Tax	\$3,572,977.00	\$0.04976050	\$0.050	\$3,888,915.00	\$0.05392008	\$0.054	8.84%	8.00%	1.53%	Library Tax
<u>School</u>	<u>\$138,405,663.54</u>	<u>\$1.92756208</u>	<u>\$1.927</u>	<u>\$145,594,732.00</u>	<u>\$2.01868138</u>	<u>\$2.018</u>	<u>5.19%</u>	<u>4.72%</u>	<u>57.42%</u>	<u>School</u>
Total	\$244,294,192.31	\$3.40226122	\$3.403	\$253,558,770.67	\$3.51561051	\$3.516	3.79%	3.32%	100.00%	Total

<u>2024 Net Taxable Value</u>	<u>2025 Net Taxable Value</u>	<u>\$ Change</u>	<u>% Change</u>
\$7,180,347,900	\$7,212,368,100	\$32,020,200	0.45%
<u>2024 Equalized Value</u>	<u>2025 Equalized Value</u>	<u>\$ Change</u>	<u>% Change</u>
\$10,770,938,777	\$11,736,435,844	\$965,497,067	8.96%
<u>2024 Average Residential Assessment</u>	<u>2025 Average Residential Assessment</u>	<u>\$ Change</u>	<u>% Change</u>
\$635,800	\$639,600	\$3,800	0.60%

TOWNSHIP OF MONTCLAIR How Your Tax Dollar is Apportioned





TREASURY NEWS RELEASE

NEW JERSEY DEPARTMENT OF THE TREASURY

Phil Murphy, Governor
 Tahesha L. Way, Lt. Governor
 Elizabeth Maher Muoio, Treasurer



For Immediate Release:

July 9, 2025

Media Contact:

Jeremy Lemmon

AON Releases Recommended Rate Increases for State Health Benefits Plans for Plan Year 2026

Actuary Recommends Double-Digit Increases for All Plans - 36.5% Increase for SHBP-LG, 29.7% Increase for SEHBP, and a 21.0% Increase for SHBP-State

(TRENTON) – AON, the actuary that services the various state health benefits plans, today released to the State Health Benefits Commission (SHBC) and the School Employees' Health Benefits Commission (SEHBC) recommended rate increases for the three state-administered plans, recommending double-digit percentage increases for all three.

The largest recommended increase is in the Local Government (SHBP-LG) plan, where AON has called for a 36.5 percent increase in premiums. In the School Employees' Health Benefits Program (SEHBP), AON has recommended a 29.7 percent increase. And in the State Health Benefits Program (SHBP-State), the recommended increase is 21.0 percent.

The recommended increases are driven by both prescription drug benefits costs and health care costs. Both have risen dramatically for all three plans:

Plan Year 2026 Recommended Premium Rate Increases

	SHBP - State			SHBP - LG			SEHBP		
	<u>Medical</u>	<u>RX</u>	<u>Total</u>	<u>Medical</u>	<u>RX</u>	<u>Total</u>	<u>Medical</u>	<u>RX</u>	<u>Total</u>
Active	15.3%	39.8%	19.7%	32.7%	62.7%	36.9%	27.9%	58.6%	31.9%
Early Retirees	18.1%	34.7%	21.3%	31.6%	53.0%	35.4%	26.3%	34.3%	28.1%
Medicare Retirees	44.5%	23.1%	29.7%	48.7%	30.8%	37.2%	36.9%	20.1%	25.8%
Total	17.3%	34.5%	21.0%	33.2%	52.4%	36.5%	28.9%	33.8%	29.7%

Data Source: Aon Plan Year 2026 Rate Setting Recommendation Analysis



STEPHEN D. MARKS
TOWNSHIP MANAGER

TOWNSHIP OF MONTCLAIR
OFFICE OF THE TOWNSHIP MANAGER
205 CLAREMONT AVENUE
MONTCLAIR, NEW JERSEY 07042
(973) 509-4926

MEMORANDUM

TO: ALL DEPARTMENT HEADS & EXECUTIVE STAFF
FROM: *SDM* STEPHEN D. MARKS, TOWNSHIP MANAGER
DATE: SEPTEMBER 15, 2025
RE: 2026 BUDGET SCENARIOS AND HIRING FREEZE FOR NON-ESSENTIAL POSITIONS

As many of you are aware, on July 9, 2025 the New Jersey Department of the Treasury released rate increases for the State Health Benefits Plan for 2026. The effective increase for local governments is approximately 36.5%. Montclair Township's estimated employee group insurance costs for 2025 was approximately \$10,969,416.56. Therefore, the anticipated increase in health insurance costs for 2026 is projected to be \$4,003,837.04. This is a significant increase in just one line-item of the budget and does not include any other ambient increases like step increases and cost of living adjustments for existing employees. The total municipal tax levy for 2025 was \$62,590,915.35. A commensurate tax increase to cover just the increased cost of employee health insurance would represent a 6.39% increase in the tax levy. This is financially unsustainable and politically unacceptable. Therefore, the Township is taking appropriate measures to avoid such an increase. One of the immediate measures is to institute a temporary "hiring freeze" for non-essential employees until further notice. This temporary hiring freeze shall not apply to part-time positions, grant funded positions, or positions in the respective utilities. For grant funded positions, I request that department heads consider using existing staff, if feasible, before seeking new employees.

Next, pursuant to NJS 40:69A-96, et seq. all department heads shall submit their requests for appropriations to the municipal manager for the ensuing budget year and appear at a public hearing in November. I am asking each respective department head to prepare and submit three (3) budget scenarios by November 1, 2025:

- (A) An ordinary budget based upon the projected needs of the department;
- (B) A "frozen" budget based upon the 2025 appropriation levels; and
- (C) A "lean" budget with a 5% reduction in spending and appropriations

I understand that this scenario planning may seem tedious but I think it is absolutely necessary in these financially uncertain times. Thank you for your attention to this matter.

c. Finance Committee

Local Finance Notice

LFN 2025-19

December 16, 2025

Philip D. Murphy
Governor

Tahesha L. Way
Lt. Governor

Jacquelyn A. Suárez
Commissioner

Michael F. Rogers
Director

Contact

Website

www.nj.gov/dca/dlgs

E-mail

dlgs@dca.nj.gov

Phone

609.292.6613

Mail and Delivery

101 South Broad St.
PO Box 803
Trenton, New Jersey
08625-0803

Distribution

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Administrators
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County Clerks &
Election Officials
Municipal Auditors

CY 2026 Municipal Levy Cap Referendum Procedures

This Local Finance Notice provides specific instruction and direction to calendar year municipalities considering holding a public referendum to exceed either the:

- Two (2) percent municipal property tax levy cap pursuant to N.J.S.A. 40A:4-45.45 et seq.; or
- Two and one-half (2) percent appropriation cap pursuant to N.J.S.A. 40A:4-45.3 et seq.

If municipal officials are considering a levy cap referendum, this Notice should be reviewed immediately by those involved in budget preparation and elections.

Levy Cap referendums contain several key elements, the details of which are explained further in this Notice.

- 1) Municipalities with Type II boards of education will hold their referendum on April 21, regardless of when their school board elections are held.
- 2) Municipalities that hold non-partisan elections in May and have an election for local officers this year and want to hold a levy cap referendum, will use that election date, May 12, and not the April school date, regardless of when their school election takes place. A non-partisan municipality without an election each year will hold a levy cap referendum on the regular April school election date.
- 3) The first deadline municipalities considering a levy cap referendum must meet is to publish a display advertisement announcing that a referendum **may** be held. The deadlines are **February 24 for April levy elections** and **March 17 for May levy elections**.
- 4) If a municipal cap levy referendum is held at the same time as an April Type II school district election, the polls shall be open from 6:00AM until 8:00PM, and the municipality shall pay 50% of the cost of the base cost of the referendum, the cost of poll workers, and related costs for the hours that exceed the hours set by the Board of Education for the school election.
- 5) Referendums in State Fiscal Year municipalities will be held at the November General Election.



State of New Jersey
 Department of Community Affairs
Annual Debt Statement



Local Unit Code: **0713** Local Unit: **Montclair Township** County: **Essex**

Budget Year Ending: **December** **31** **2025** (year)
 Name: Deyanira I. Bartlett Phone: 973-830-9484
 Title: Chief Financial Officer Email: Dbartlett@montclairnjusa.org
 CFO Cert. # N-1711 Address: 205 Claremont Ave
Montclair, NJ 07042

Deyanira I. Bartlett, Being duly sworn, deposes and says:
 Deponent is the Chief Financial Officer of Montclair Township, here and in the statement hereinafter mentioned called the local unit.
 The Annual Debt Statement annexed hereto and hereby made a part thereof is a true statement of the debt condition of the local unit as of the date therein stated and is computed as provided by the Local Bond Law of New Jersey.

	Gross Debt	Deduction	Net Debt
<input checked="" type="checkbox"/> By checking this box, I am swearing that the above statement is true.			
Total Bonds and Notes for Local School Purposes	\$ 214,970,769.00	\$ 214,970,769.00	\$ -
Total Bonds and Notes for Regional School Purposes	\$ -	\$ -	\$ -
Bonds and Notes for the Water Utility	\$ 1,760,602.58	\$ 1,760,602.58	\$ -
Bonds and Notes for the Sewer Utility	\$ 1,825,504.76	\$ 1,825,504.76	\$ -
Bonds and Notes for the Parking Utility	\$ 8,365,000.00	\$ 8,365,000.00	\$ -
Bonds and Notes for the Ice Arena Utility	\$ 952,000.00	\$ 952,000.00	\$ -
Municipal/County General Obligations	\$ 73,079,618.04	\$ -	\$ 73,079,618.04
2 Total	\$ 300,953,494.38	\$ 227,873,876.34	\$ 73,079,618.04

3 Equalized valuation basis (the average of the equalized valuations of real estate, including improvements and the assessed valuation of class II railroad property of the local unit for the last 3 preceding years).

Year	Equalized Valuation Real Property with Improvements plus assessed valuation of Class II RR Property
<u>2023</u>	\$ 10,710,573,269.00
<u>2024</u>	\$ 11,659,067,458.00
<u>2025</u>	\$ 12,806,847,494.00

4 Equalized Valuation Basis - Average of (1), (2) and (3)..... \$ 11,725,496,073.67

5 Net Debt expressed as a percentage of such equalized valuation basis is: % 0.623%

**ANNUAL FINANCIAL STATEMENT FOR THE YEAR 2024
(UNAUDITED)**

POPULATION LAST CENSUS 40,921
NET VALUATION TAXABLE 2024 7,212,368,100
MUNICODE 0713

FIVE DOLLARS PER DAY PENALTY IF NOT FILED BY:
COUNTIES - JANUARY 26, 2025
MUNICIPALITIES - FEBRUARY 10, 2025

ANNUAL FINANCIAL STATEMENT REQUIRED TO BE FILED UNDER NEW JERSEY STATUTES ANNOTATED 40A:5-12, AS AMENDED, COMBINED WITH INFORMATION REQUIRED PRIOR TO CERTIFICATION OF BUDGETS BY THE DIRECTOR OF THE DIVISION OF LOCAL GOVERNMENT SERVICES.

_____ TOWNSHIP _____ of _____ MONTCLAIR _____, County of _____ ESSEX _____

DO NOT USE THESE SPACES

	Date	Examined By:	
1			Preliminary Check
2			Examined

I hereby certify that the debt shown on Sheets 31 to 34, 49 to 51 and 63 to 65a are complete, were computed by me and can be supported upon demand by a register or other detailed analysis.

Signature PADMAJA RAO
Title CFO

(This MUST be signed by Chief Financial Officer, Comptroller, Auditor or Registered Municipal Accountant.)

REQUIRED CERTIFICATION BY THE CHIEF FINANCIAL OFFICER:

I hereby certify that I am responsible for filing this verified Annual Financial Statement, (which I have prepared) or ~~(which I have not prepared)~~ ~~(eliminate one)~~ and information required also included herein and that this Statement is an exact copy of the original on file with the clerk of the governing body, that all calculations, extensions and additions are correct, that no transfers have been made to or from emergency appropriations and all statements contained herein are in proof, I further certify that this statement is correct insofar as I can determine from all the books and records kept and maintained in the Local Unit.

Further, I do hereby certify that I, Padmaja Rao, am the Chief Financial Officer, License # N-1567, of the TOWNSHIP of MONTCLAIR, County of ESSEX and that the statements annexed hereto and made a part hereof are true statements of the financial condition of the Local Unit as at December 31, 2024, completely in compliance with N.J.S.A. 40A:5-12, as amended. I also give complete assurance as to the veracity of required information included herein, needed prior to certification by the Director of Local Government Services, including the verification of cash balances as of December 31, 2024.

Signature prao@montclairnjsa.org
Title CFO
Address 205 Claremont Avenue
Phone Number 973-509-4900
Fax Number NO ENTRY

IT IS HEREBY INCUMBENT UPON THE CHIEF FINANCIAL OFFICER, WHEN NOT PREPARED BY SAID, AT A MINIMUM MUST REVIEW THE CONTENTS OF THIS ANNUAL FINANCIAL STATEMENT WITH THE PREPARER, SO AS TO BE FAMILIAR WITH THE REPRESENTATIONS AND ASSERTIONS MADE HEREIN.



Comprehensive Operational Review
of the
Montclair Fire Department

January 2026



www.njcommunitysolutions.com

7 Astor Place
Springfield, New Jersey 07081
973-259-6177



STEPHEN D. MARKS
TOWNSHIP MANAGER

TOWNSHIP OF MONTCLAIR
OFFICE OF THE TOWNSHIP MANAGER
205 CLAREMONT AVENUE
MONTCLAIR, NEW JERSEY 07042
(973) 509-4926

MEMORANDUM

To: Chief Robert Duncan, Montclair Fire Department
From: *ADM* Stephen D. Marks, Township Manager
Date: February 5, 2026
Re: Fire Department Table of Organization and Minimum Daily Staffing

I am writing this memo and directive as Municipal Manager under the authority of NJS 40A:69A-95 (Powers and duties), NJS 40:69A-96 (Municipal Budget), 40:69A-98 (Power to make personnel appointments), and Montclair municipal code §3-25 (Annual budget), §27-2 (Promulgation of rules and regulations), §27-7 (General powers and duties of the Township Manager), and §27-10 (Internal organization of the Department).

As you know, on July 9, 2025, the New Jersey Department of the Treasury announced rate increases for the State Health Benefits Plan of 36.5% for the 2026 calendar year. As a result, the Township of Montclair left the State Health Benefits Plan and went to an Aetna fully insured plan to avoid employee health insurance increases in the SHBP for future years. However, the anticipated expense for employee health benefits is still expected to increase from \$10,969,416.56 (2025 budget, sheet 3b (2)) to \$14,578,943.28 (IMAC letter dated December 10, 2025), which is an increase of \$3,609,526.72.

As you may also know, N.J. state law establishes a two (2%) percent cap on the municipal property tax levy (NJS 40A:4-45.45, et seq.) and a two-and-one-half (2.5%) percent cap on municipal appropriations (LFN 2025-19 and NJS 40A:4-45.3, et seq.). In 2025, the municipal property tax levy was \$62,590,915.35. If the employee health benefits increase was incorporated into the municipal budget without any other increases, it would exceed the municipal tax levy cap by \$2,357,708.41. This figure does not even take into consideration any other increases from employee collective negotiation agreements (i.e. union contracts) or any other increases in operating expenses (i.e. inflation, etc.). Therefore, it is incumbent upon the Township to seek cost savings or additional revenue to cover rising expenses.

On September 15, 2025, I issued a memo to all municipal department heads and executive staff announcing a hiring freeze for non-essential personnel and asked that each department head prepare three (3) budget scenarios for the 2026 calendar year including a 5% reduction in spending and appropriations. And, on November 25, 2025, you made a budget presentation which included three (3) scenarios, including one with a 5% reduction in spending.

February 5, 2026
Page 2 of 2

On May 14, 2025, the Township of Montclair engaged NJ Community Solutions, LLC to prepare a comprehensive report on the Montclair Fire Department which examined organizational operations and structure, including the table of organization, the location and response times for fire stations and the shared service agreement with Glen Ridge. You and I met with the consultants several times to furnish information about the department, show the consultants municipal facilities and community hazards, and answer questions. We even had an opportunity to review the draft report and meet with the consultants regarding their findings. On January 15, 2026, I forwarded an electronic copy of the report to the entire Mayor and Council, the Township Attorney, Township Clerk and you for everyone's respective consideration. Finally, on January 30, 2026, the consultants presented the report to the Finance Committee (Mayor Dr. Renee Baskerville, Councilor Eileen Birmingham and Councilor Rahum Williams).

Due to reasons of economy and efficiency related to the 2026 municipal budget and in consideration of the options contained in the NJ Community Solutions, LLC report, I respectfully request and direct the following:

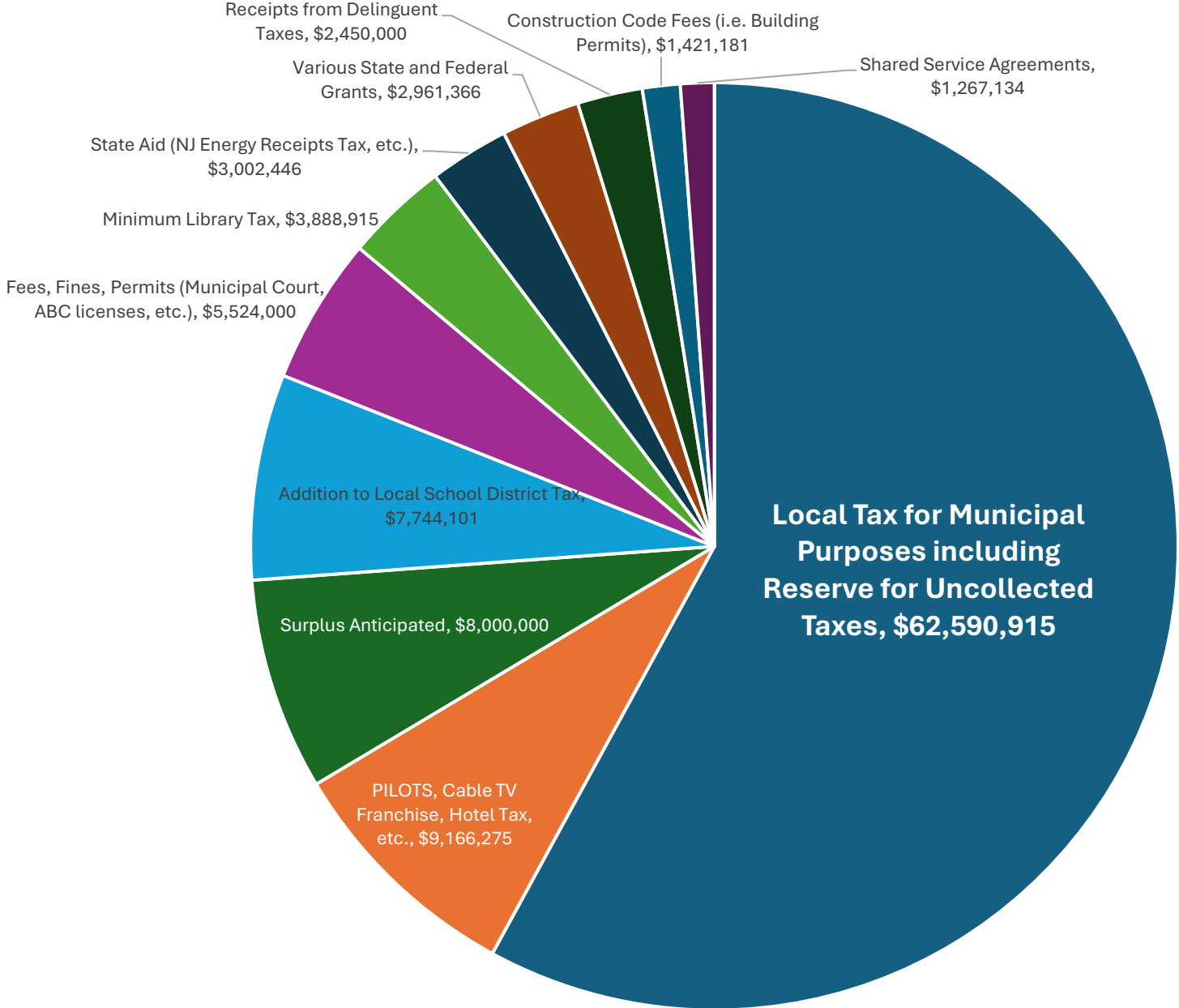
1. Beginning March 5, 2026 and until further notice, the Table of Organization for the Montclair Fire Department shall be set at one (1) Fire Chief, two (2) Deputy Chiefs, four (4) Battalion Chiefs, eight (8) Fire Captains, twelve (12) Fire Lieutenants, forty (40) Fire Fighters, one (1) Fire Official, one (1) Supervising Fire Inspector, and one (1) Fire Inspector.
 2. Beginning March 5, 2026 and until further notice, one Fire apparatus (presumably Ladder Truck #2) shall be "Browned Out" or taken out of service when there is insufficient staffing to operate the ladder truck due to vacations or other absences.
 3. Beginning March 5, 2026 and until further notice, the minimum daily staffing for the Department shall be set at 14 members. Due to "two-in/two-out" OSHA regulations it is assumed that Fire House #2 shall have a minimum of four on-duty members at all times.
 4. Due to recent and anticipated retirements, it is not expected that any demotions will be necessary.
 5. The NJ Community Solutions, LLC comprehensive report recommends that the Montclair Fire Department (re)establish an Auxiliary Fire Fighter program to augment and/or supplement the Department. Fortunately, Montclair municipal code §27-12 already establishes Auxiliary Fire Fighters. I respectfully request and direct that you investigate and take necessary steps to re-establish this program.
 6. Finally, the NJ Community Solutions, LLC report recommends that the Montclair Fire Department investigate and explore the establishment of "Automatic Aid" agreement(s) with neighboring jurisdiction(s). I respectfully request and direct that you contact neighboring Fire Departments to determine if they are interested in engaging Montclair in "Automatic Aid" agreement(s).
- c. Mayor and Council

AN EQUAL OPPORTUNITY EMPLOYER

General Municipal Revenues (2020-2025)

GENERAL REVENUES	2020	2021	2022	2023	2024	2025
	Realized	Realized	Realized	Realized	Realized	Anticipated
Surplus Anticipated	7,950,000.00	9,450,000.00	6,700,000.00	7,550,000.00	9,000,000.00	8,000,000.00
Misc. Revenues A: Local Revenues: Fees, Fines, Permits (Municipal Court, ABC licenses, etc.)	2,413,016.00	3,024,477.00	3,477,991.00	4,182,083.00	5,554,313.00	5,524,000.00
Misc. Revenues B: State Aid (NJ Energy Receipts Tax, etc.)	2,967,066.00	2,967,066.00	2,967,066.00	3,142,348.00	3,311,927.00	3,002,446.00
Misc. Revenues C: Construction Code Fees (i.e. Building Permits)	751,347.00	1,225,620.00	1,541,297.00	1,300,717.00	1,306,863.00	1,421,181.00
Misc. Revenues D: Shared Service Agreements (i.e. Glen Ridge Fire, Cedar Grove, Verona, West Caldwell Health, BOE SRO)	1,176,033.00	1,224,728.00	1,279,924.00	1,220,907.00	1,249,009.00	1,267,134.00
Misc. Revenues F: Various State and Federal Grants	704,586.00	1,789,095.00	1,175,966.00	3,067,472.00	4,642,333.00	2,961,366.00
Misc. Revenues G: PILOTS, Cable TV Franchise, Hotel Tax, etc.	6,850,331.00	5,864,968.00	8,856,830.00	10,109,845.00	8,035,084.00	9,166,275.00
Total Misc. Revenues	14,862,381.00	16,095,955.00	19,299,075.00	23,023,374.00	24,099,531.00	23,342,403.00
Receipts from Delinquent Taxes	2,494,877.00	2,592,193.00	2,301,019.00	2,088,509.00	2,781,904.00	2,450,000.00
Subtotal General Revenues	25,307,258.00	28,138,149.00	28,300,095.00	32,661,883.00	35,881,435.00	33,792,403.00
Amount to be Raised by Taxes for Support of Municipal Budget:						
a. Local Tax for Municipal Purposes including Reserve for Uncollected Taxes	55,433,295.00	56,694,090.00	58,014,756.00	59,144,711.00	61,089,212.00	62,590,915.00
b. Addition to Local School District Tax	7,869,942.00	8,243,000.00	8,192,000.00	7,847,551.00	7,836,952.00	7,744,101.00
c. Minimum Library Tax	2,628,769.00	2,680,151.00	2,867,267.00	3,277,995.00	3,572,977.00	3,888,915.00
Total Amount to be Raised by Taxes for Support of Municipal Budget	66,789,543.00	69,032,442.00	70,769,317.00	71,357,460.00	73,602,246.00	74,223,931.00
Total General Revenues	92,096,802.00	97,170,591.00	99,069,412.00	104,019,344.00	109,483,682.00	108,016,334.00

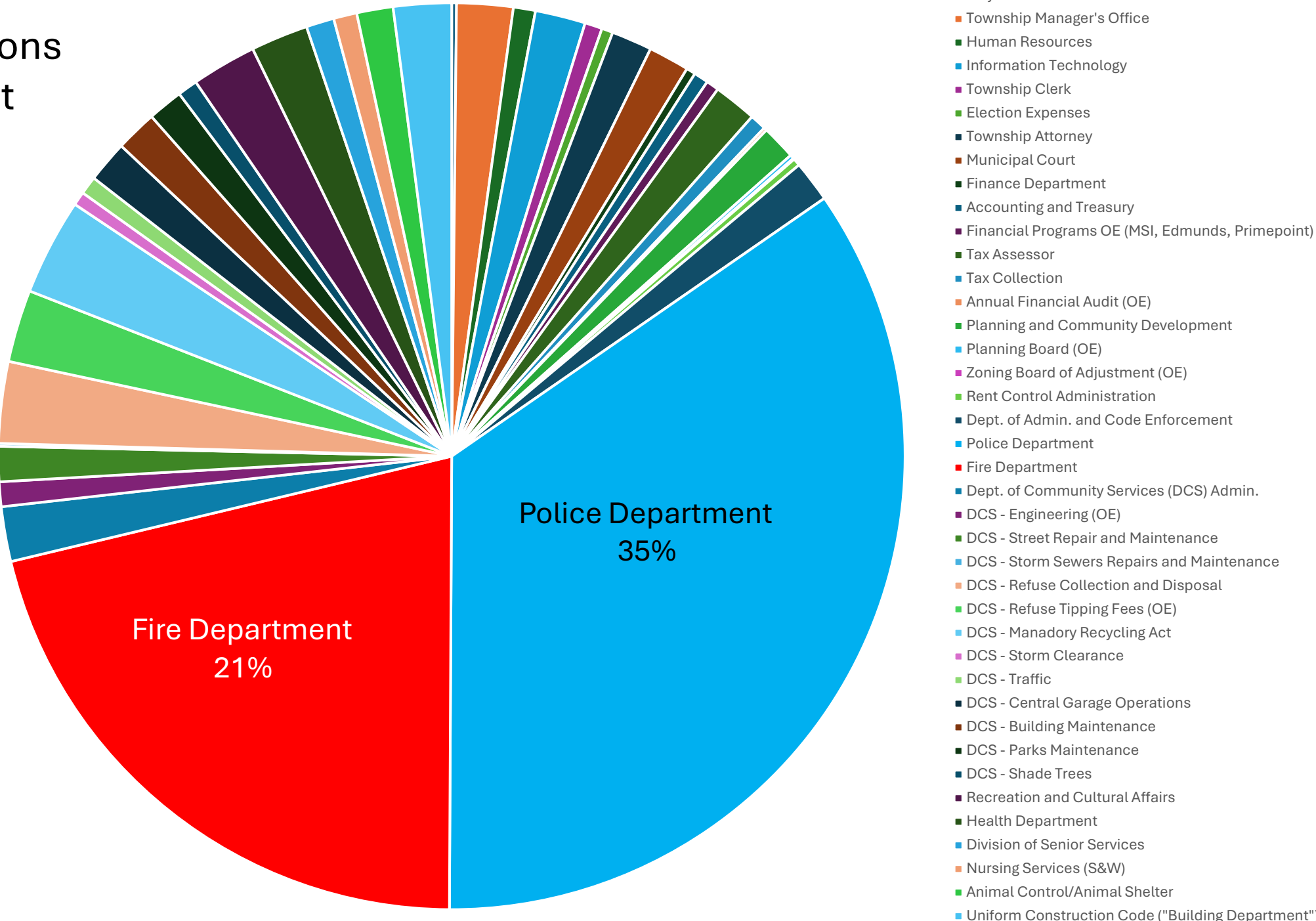
2025 Revenues



General Appropriations by Department (2020-2025)

APPROPRIATIONS BY DEPARTMENT	2020	2021	2022	2023	2024	2025
	APPROPRIATED	APPROPRIATED	APPROPRIATED	APPROPRIATED	APPROPRIATED	APPROPRIATED
Mayor and Council	66,600.00	94,300.00	94,300.00	97,100.00	96,050.00	87,072.00
Township Manager's Office	694,947.00	673,824.00	689,143.00	784,368.00	871,989.00	1,026,785.00
Human Resources	261,647.00	333,715.00	333,737.00	401,655.00	383,840.00	401,288.00
Information Technology	609,975.00	594,906.00	601,120.00	748,789.00	919,332.00	918,144.00
Township Clerk	238,781.00	184,516.00	194,000.00	259,969.00	295,525.00	318,454.00
Election Expenses	76,460.00	53,000.00	53,082.00	123,000.00	305,000.00	205,000.00
Township Attorney	474,482.00	511,953.00	604,595.00	545,246.00	751,740.00	740,224.00
Municipal Court	734,991.00	737,289.00	750,670.00	751,725.00	740,818.00	745,687.00
Finance Department	168,801.00	175,112.00	164,226.00	179,184.00	151,900.00	167,962.00
Accounting and Treasury	295,073.00	292,677.00	330,079.00	307,167.00	327,685.00	265,664.00
Financial Programs OE (MSI, Edmunds, Primepoint)					210,000.00	231,000.00
Tax Assessor	540,369.00	608,419.00	619,446.00	752,367.00	784,018.00	789,034.00
Tax Collection	267,309.00	264,485.00	271,690.00	275,548.00	297,508.00	297,552.00
Annual Financial Audit (OE)	42,500.00	42,500.00	42,500.00	43,000.00	55,000.00	55,000.00
Planning and Community Development	405,201.00	403,666.00	426,380.00	458,531.00	541,104.00	628,531.00
Planning Board (OE)	50,100.00	51,100.00	51,100.00	48,400.00	73,400.00	73,400.00
Zoning Board of Adjustment (OE)	15,094.00	17,100.00	17,100.00	18,800.00	19,800.00	20,800.00
Rent Control Administration	0.00	0.00	124,999.00	187,000.00	135,527.00	134,753.00
Dept. of Admin. and Code Enforcement	643,190.00	531,109.00	531,222.00	635,143.00	709,357.00	752,774.00
Police Department	16,014,189.00	16,170,749.00	16,756,936.00	17,139,440.00	16,826,805.00	17,755,260.00
Fire Department	10,314,102.00	10,200,302.00	10,367,123.00	11,231,633.00	11,105,116.00	10,836,423.00
Dept. of Community Services (DCS) Admin.	837,410.00	813,054.00	834,638.00	857,656.00	1,063,418.00	999,285.00
DCS - Engineering (OE)	250,850.00	200,850.00	200,850.00	225,000.00	250,000.00	450,000.00
DCS - Street Repair and Maintenance	437,930.00	435,876.00	445,393.00	401,436.00	428,975.00	638,782.00
DCS - Storm Sewers Repairs and Maintenance	217,743.00	223,001.00	230,784.00	237,256.00	273,668.00	52,500.00
DCS - Refuse Collection and Disposal	1,396,399.00	1,208,921.00	1,248,614.00	1,292,315.00	1,327,187.00	1,486,253.00
DCS - Refuse Tipping Fees (OE)	1,350,000.00	1,450,000.00	1,488,987.00	1,470,000.00	1,319,500.00	1,319,500.00
DCS - Mandatory Recycling Act	1,349,999.00	1,589,542.00	1,669,978.00	1,728,427.00	2,112,174.00	1,759,423.00
DCS - Storm Clearance	383,000.00	850,000.00	300,000.00	100,000.00	200,000.00	250,000.00
DCS - Traffic	185,221.00	236,633.00	240,398.00	244,644.00	266,876.00	331,395.00
DCS - Central Garage Operations	512,539.00	510,829.00	517,033.00	630,635.00	652,468.00	758,641.00
DCS - Building Maintenance	368,607.00	396,973.00	400,760.00	518,747.00	661,318.00	758,010.00
DCS - Parks Maintenance	642,950.00	530,094.00	512,074.00	516,239.00	603,063.00	643,941.00
DCS - Shade Trees	390,739.00	373,873.00	383,194.00	389,140.00	372,598.00	364,833.00
Recreation and Cultural Affairs	827,217.00	913,820.00	848,718.00	1,025,024.00	1,129,418.00	1,183,781.00
Health Department	841,039.00	874,741.00	849,219.00	799,511.00	943,876.00	1,045,656.00
Division of Senior Services	292,909.00	340,209.00	351,623.00	293,197.00	389,315.00	508,996.00
Nursing Services (S&W)	213,902.00	343,595.00	286,080.00	299,876.00	313,554.00	424,971.00
Animal Control/Animal Shelter	530,587.00	528,756.00	536,993.00	564,197.00	647,644.00	662,155.00
Uniform Construction Code ("Building Department")	858,767.00	876,944.00	947,200.00	986,731.00	966,924.00	1,057,769.00

2025 Appropriations By Department



Statutory, Unclassified and Misc. Appropriations

	2020	2021	2022	2023	2024	2025
	APPROPRIATED	APPROPRIATED	APPROPRIATED	APPROPRIATED	APPROPRIATED	APPROPRIATED
Municipal Debt Service	\$10,433,666	\$9,619,166	\$9,879,116	\$10,737,616	\$10,782,020	\$8,663,606
Police and Fire Retirement System (PFRS)	\$6,576,863	\$7,155,423	\$7,038,534	\$7,284,883	\$7,795,429	\$8,057,030
School Debt Service (Type I)	\$8,834,500	\$8,663,000	\$9,243,095	\$8,046,700	\$8,028,975	\$7,878,650
Employee Group Health Insurance	\$6,500,000	\$6,100,000	\$6,010,000	\$6,354,400	\$6,657,142	\$7,104,218
Maintenance of Free Public Library	\$3,515,910	\$2,680,151	\$2,867,267	\$3,277,995	\$3,572,977	\$3,888,915
Reserve for Uncollected Taxes	\$3,303,289	\$3,235,520	\$3,285,826	\$3,285,826	\$3,328,576	\$3,024,092
Capital Improvements	\$855,500	\$1,934,888	\$1,420,000	\$1,112,000	\$686,000	\$2,858,000
Liability Insurance (JIF)	\$1,700,000	\$1,500,000	\$1,500,000	\$1,870,555	\$1,880,467	\$2,344,275
Public Employees Retirement System (PERS)	\$1,434,345	\$1,472,868	\$1,581,439	\$1,635,613	\$1,704,735	\$1,739,419
Social Security	\$1,364,456	\$1,398,567	\$1,350,000	\$1,385,897	\$1,430,939	\$1,598,598
Electricity	\$500,000	\$450,000	\$450,000	\$515,000	\$600,000	\$660,000
Street Lighting	\$500,000	\$450,000	\$425,000	\$490,000	\$550,000	\$605,000
Montclair Public Library (Additional Support)			\$453,000	\$453,000	\$453,000	\$515,000
Gasoline	\$250,000	\$200,000	\$225,000	\$350,000	\$385,000	\$390,000
Telephone	\$350,000	\$350,000	\$300,000	\$345,000	\$350,000	\$360,000
Fuel Diesel	\$200,000	\$200,000	\$225,000	\$325,000	\$325,000	\$330,000
Montclair Early Childhood Corp.	\$278,000	\$278,000	\$278,000	\$278,000	\$278,000	\$278,000
Natural Gas	\$140,000	\$140,000	\$140,000	\$160,000	\$208,000	\$228,800
Operating Lease - Fire Truck	\$212,575	\$212,575	\$212,575	\$212,576	\$212,575	\$212,576
Health Benefit Waiver	\$235,000	\$235,000	\$235,000	\$200,000	\$200,000	\$200,000
Building Maintenance	\$50,000	\$70,000	\$100,000	\$200,000	\$100,000	\$100,000
Postage	\$50,000	\$50,000	\$50,000	\$70,000	\$90,000	\$100,000

2026 Municipal Budget Schedule

- **Annual Debt Statement - January 31**
- **Unaudited Annual Financial Statement – March 10**
- **Anticipated Budget presentation - March 24**
- **Anticipated Budget Introduction - April 7**
- **Anticipated budget adoption - May 5th**

Montclair Property Revaluation

What is a revaluation?

A revaluation is an adjustment, update, or revision of all real property values within a municipality. A revaluation is performed by a professional appraisal firm contracted by the municipality.

Why is a revaluation needed?

Revaluation is needed when properties in a municipality are not being assessed at the same rate of value or are being assessed substantially below or above the uniform value standard for real property required by the State Constitution.



What is the purpose of a revaluation?

The purpose of a revaluation is to distribute the tax burden among property owners equitably according to the true worth of their real estate.

What factors determine whether a revaluation is needed?

Statistical data, i.e., the municipality's Average Assessed Value to True Market Value expressed as a ratio and Coefficients of Deviation; useable sale prices fall outside of the common level range of assessment (c. 123 corridor); other indicators such as changes in characteristics of a municipality or neighborhoods; style and custom changes in architectural design or property size; the year of the last revaluation; zoning changes; accuracy of property record info; revenue lost through appeals; and economic fluctuations.



ESSEX COUNTY BOARD OF TAXATION

495 Dr. Martin Luther King, Jr. Blvd., Room 230
Newark, New Jersey 07102

COMMISSIONERS

EVERETT M. JOHNSON, ESQ., PRESIDENT
JOSEPH A. DEFURIA, ESQ.
IAN R. GRODMAN, ESQ.
JAMES R. MATARAZZO, JR.
MARY DEVON O'BRIEN
KATHRYN WELLER-DEMMING

TAX ADMINISTRATOR

JOAN CODEY DURKIN, CTA

TELEPHONE

(973) 395-8525
FACSIMILE
(973) 395-8481

May 20, 2024

Angelese Bermudez Nieves, Clerk
Township of Montclair
205 Claremont Avenue
Montclair, NJ 07042

Certified mail return receipt requested.

Dear Ms. Bermudez Nieves:

Please find enclosed a copy of the fully executed Order to Revalue adopted by the Board on May 1, 2024. The Order to Revalue was formally approved by Marita R. Sciarrotta, Acting Director, Division of Taxation, on May 6, 2024.

This notice is also to advise you of the Township's right of appeal. In the event the Township wishes to challenge this Order a complaint must be filed with the Clerk of the Tax Court within forty-five (45) days of this notice.

Additionally, Section 8 of the Order requires that your district's tax maps be submitted for review to the Chief of the Engineering Section, Property Administration, Document Control Center, State of New Jersey, Department of Treasury, Division of Taxation, Local Property Tax, P.O. Box 251, Trenton, New Jersey, 08695-0251, Attn: Matthew Loyer

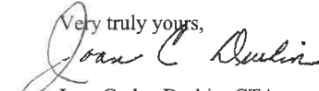
Finally, the Administrative Code rules require that the Assessor and other municipal officials prepare and execute a plan for the revaluation of all real property. N.J.A.C. 18:12A-1.14(2) requires the assessor to submit a written report within 30 days of receipt of this Order. Copies of the required report are enclosed. This plan is to be updated monthly until the completion of the revaluation.

Please be reminded that the new cost schedules and corresponding cost conversion factors for the Real Property Appraisal Manual for New Jersey Assessors, Third Edition must be used for all reassessment and revaluations to be implemented for the 2004 tax year and thereafter.

Angelese Bermudez Nieves, Clerk
Township of Montclair

May 20, 2024
Page 2

If anyone has any questions about the enclosed documents, please have them contact me directly.

Very truly yours,

Joan Codey Durkin, CTA
Tax Administrator

Enclosure: Copy, Order to Revalue
Revaluation Compliance Plan and Report
cc: Marita A. Sciarrotta, Acting Director
Michelline Foster, Deputy Attorney General
George Librizzi, Tax Assessor
Mayor and Council Members
Tax Board Commissioners

**IN THE MATTER OF THE REVALUATION OF
THE TOWNSHIP OF MONTCLAIR**

**ORDER TO IMPLEMENT A
MUNICIPAL-WIDE REVALUATION**

TO: The Tax Assessor, Mayor and
Members of the Governing Body and
All other Responsible Officials of
The Township of Montclair

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

WHEREAS, the Essex 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 assessments of the Township of Montclair result in an unequal distribution of the tax burden within said municipality;

WHEREAS, pursuant to N.J.S.A. 54:3-13, the Essex County Board of Taxation has the responsibility to secure the taxation of all property within Essex 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 Essex County Board of Taxation to review the measurement of uniformity and accuracy of assessments of each taxing district within Essex 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 Township of Montclair is 66.74% and there is a wide divergence of ratios (26.68% - 98.38%) as opposed to clustering.

The board has taken into consideration the nine regulated criteria for determining the need for a revaluation as prescribed in the New Jersey Administrative Code, N.J.A.C. 18:12A-1.14. In addition, the board considered the following important extenuating circumstances:

- Last Revaluation or Reassessment: Revaluation 2018
- New DCA rules hamper Assessor's ability to correctly assess building improvements.

It is ordered on this 1st day of May 2024:

1. The Township of Montclair and its tax assessor shall implement a municipal-wide revaluation to be completed by October 1, 2027 and to be effective for the 2028 tax year.

2. The tax assessor for the Township of Montclair shall, within 30 days from the date of approval of this order by the Director of the Division of Taxation, submit a proposed plan for compliance with this revaluation order. The plan shall indicate when 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 Township of Montclair 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 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 Township of Montclair shall prepare the necessary specifications for the revaluation contract and submit a copy thereof to the Essex County Board of Taxation.

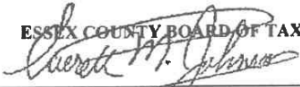
6. The Township of Montclair following the awarding of the revaluation contract, shall submit the proposed revaluation contract to the Director, Division of Taxation, for his review and approval pursuant to the provisions of N.J.S.A. 54:1-35.36 and shall submit a copy of the revaluation contract to the Essex County Board of Taxation.

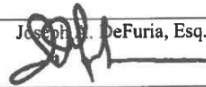
7. The tax assessor of the Township of Montclair shall submit written reports on the first day of each month during the implementation of the revaluation program to the Essex County Board of Taxation. The report shall set forth specifically the progress and status of the revaluation of all property in the Township of Montclair including the precise nature of the program adopted to accomplish the revaluation, the amount of monies appropriated and expended therefore, the nature and status of any municipal ordinance or resolution introduced by the municipal governing body relating to the revaluation program and the funding therefore, 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.

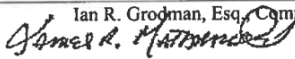
8. As part of the revaluation program, the municipality is required to maintain an up-to-date tax map. The tax map must be submitted to the Director, Division of Taxation, in accordance with N.J.A.C. 18:12-4.7 for review and approval in accordance with existing standards. The commencement of the revaluation 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.

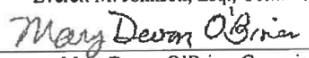
9. The revaluation firm shall perform the revaluation on behalf of and as an agent of the tax assessor and the tax assessor shall be responsible for monitoring all phases of the revaluation work to insure the proper implementation of the revaluation program.

RECORD OF BOARD VOTE				
BOARD MEMBER	YES	NO	N.V.	ABSNT.
EVERETT M. JOHNSON, ESQ., PRESIDENT	X			
JOSEPH A. DEFURIA, ESQ.				X
IAN R. GRODMAN, ESQ.	X			
JAMES R. MATARAZZO, JR.,	X			
MARY DEVON O'BRIEN	X			
KATHRYN WELLER-DEMMING	X			
X – Indicate Vote N.V. – Not Voting ABSNT. – Absent				

ESSEX COUNTY BOARD OF TAXATION

 Everett M. Johnson, Esq., President


 Joseph A. DeFuria, Esq., Commissioner

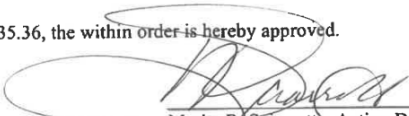

 Ian R. Grodman, Esq., Commissioner

Everett M. Johnson, Esq., Commissioner

 Mary Devon O'Brien, Commissioner


 Kathryn Weller-DEMMING, Commissioner

Attest: 
 Joan Codey Durkin, Tax Administrator

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


 Marita R. Sciarrotta, Acting Director
 Division of Taxation
 Department of the Treasury
 State of New Jersey

Date: 
 May 6 2024

Essex County Board of Taxation
 Regulated Criteria for Revaluation Orders
 in Accordance with N.J.A.C. 18: 12A-1.14

Date: April 4, 2024	Municipality: Montclair	Property Class
1. General Coefficient of Deviation (Average of all usable sales) [Deviation above 15% generally denotes lack of uniformity in assessments]		16.64%
2. Stratified Coefficient of Deviation (Average within a property class) [Deviation above 15% generally denotes lack of uniformity in assessments]	1 2 3 4	N/A 16.05% N/A 23.91%
3. Segmented Coefficient of Deviation (Average between property classes) [Deviation above 15% usually denotes lack of uniformity in assessments]	1 2 3 4	70.98% 16.02% N/A 24.38%
4. Assessment-Sales Ratio (Director's Ratio) [Declining ratios indicate a lack of assessment maintenance, less than 85% and compliance to adopted county percentage level]		66.74%
5. Individual Assessment-Sales Ratios (Listing of lowest to highest) [A wide divergence of ratios as, as opposed to clustering, indicative of lack of uniformity]	1 2 3 4	110.33% 111.00% N/A 98.38%
6. Class Weighted Ratios (Usable sales by class assessments divided by total of usable sales of class) [Wide variances in class ratios indicate lack of uniformity]	1 2 3 4	110.33% 61.68% 61.68% 61.94%
7. District Weighted Ratio (Total ratables of all classes divided by total equalized true value of all classes) [Compliance to adopted county percentage level]		61.83%
8. Neighborhood and Zoning Changes Delineate impact on value		Much new construction and development projects and housing & construction patterns.
9. Lack of Adequate Records (Example: Property record cards & building permits)		Property records & Real property appraisal manuals outdated.

NON-REGULATED CRITERIA:

- Last Revaluation or Reassessment: Revaluation 2018.
- New DCA rules hamper Assessor's ability to correctly assess building improvements.

Revaluations



The NJ Constitution requires all real property must be assessed for taxation purposes at the same standard of value. The legislature has made that standard the true value or the full value and fair value of the property.

Why Do We Need Revaluations?

Assessments are generally set in one year and then carried over for subsequent tax years. When the housing market changes in later years, your property's static assessment could lead to over taxation or under taxation relative to other properties within the municipality.

- For example, two properties are assessed at \$200,000 after 10 years. Property A has a full and fair value of \$250,000. Property B has a full and fair value of \$300,000. Because they have same assessments, they are paying same tax bill despite one having a higher market value than the other.

Revaluation Program

A revaluation program seeks to spread the tax burden equitably within a municipality.

Two properties having essentially the same market value should be paying essentially the same amount in property taxes.

Inequitable assessments result from the following situations:

- Characteristic changes in neighborhoods in the municipality and to individual properties.
- Changes in the economy (inflation, recession, housing market demand, interest rates)
- Custom changes to a house (remodeling, additions)
- Changes in zoning

Revaluation Program Process

- The interior and the exterior will be inspected.
- The building materials and dimensions will be recorded.
- Recent sales are studied and may be adjusted to estimate the value of properties that have not been sold.
- Investment properties are analyzed in terms of income-production capability.
- All information that may have influenced the value of the property will be gathered and analyzed in order to determine each property's full and fair value.
- Prior to the new value being officially listed on the tax list, the revaluation firm is required to mail each taxpayer a notice of the new appraised value. This usually occurs after November 10 but prior to December 31.
- The notice includes guidance on how to arrange for an informal hearing should the taxpayer be dissatisfied with the proposed assessment.



Revaluation Examples

Example 1

Assume that the municipality must raise \$15 million in property taxes.

The total assessment in that municipality is \$600 million.

The municipality would have a tax rate of \$2.50 for each one hundred dollars of assessed value.

Calculation

- If the \$600 million total of all assessments, per the example above, represents 50% of the true value of all real property in the municipality property owners assessed above this level would be paying an unfair share of the tax burden.

$$\Rightarrow \text{Amount to Be Raised} / \text{Total of Assessments} = \text{Tax Rate}$$
$$\Rightarrow \$15 \text{ million} / \$600 \text{ million} = .025 \text{ or } \$2.50 \text{ per } \$100 \text{ of assessed value}$$

- A property with a true value of \$396,800 and an assessment of \$277,760 would have its taxes calculated as follows:

$$\Rightarrow \text{Assessed Value} \times \text{Tax Rate} = \text{Taxes}$$
$$\Rightarrow \$277,760 \times .025 = \$6,944$$

- The property is over assessed, although the assessment is \$119,040 less than the property's true value. The ratio of the aggregate assessments to the aggregate true value of all real property in the municipality is 50%. The ratio for the property in this example is 70% ($\$277,760 / \$396,800$).

Example 2

Assume that in this same tax year a revaluation was put into effect and the aggregate assessed value is now \$1.2 billion.

Calculation

- Although the aggregate assessments would have doubled, the revaluation would not have caused an increase in total taxes to be collected by the municipality. The tax rate would have declined proportionately.

$$\Rightarrow \text{Amount to Be Raised} / \text{Total of Assessments} = \text{Tax Rate}$$
$$\Rightarrow \$15 \text{ million} / \$1.2 \text{ billion} = .0125 \text{ or } \$1.25 \text{ per } \$100 \text{ of assessed value}$$

- Applying the .0125 (\$1.25 per \$100 of assessed value) tax rate to the property, which is assessed at its true value of \$396,800, would decrease taxes.

$$\Rightarrow \text{True Value Assessed} \times \text{Tax Rate} = \text{Taxes}$$
$$\Rightarrow \$396,800 \times .0125 = \$4,960$$

- In this example the true value assessment decreased the taxes for the property owner by \$1,984

Contact Us

Email: Taxation.propadmin@treas.nj.gov

Telephone: 609-292-7974 or 609-292-7975

Fax: 609-292-9439

★ **Contact Your Local Municipal Tax Assessor**

www.nj.gov/treasury/taxation/lpt/aaddr.shtml

INTRODUCTION-VALUATION STANDARDS

The State Constitution at Article VIII, Section 1, Paragraph 1 requires property to be assessed for taxation "under general laws and by uniform rules" and that all real property, except for agricultural or horticultural land, must be assessed "according to the same standard of value." Qualified Farmland is assessed on its productivity and agricultural use rather than its value for any other purpose. New Jersey statute N.J.S.A. 54:4-2.25 defines the standard of value as the true value of property. True value has been the legal standard for property assessment in New Jersey since 1875. N.J.S.A. 54:4-23 directs the assessor to "...determine the full and fair value of each parcel of real property situate in the taxing district at such price as, in his judgment, it would sell for at a fair and bona fide sale by private contract on October 1..." New Jersey courts have held "true value," "market value," and full and fair value" to be synonymous.

TRUE MARKET VALUE

"Market value" may be defined as, "The most probable price in terms of cash or cash equivalency which a property will bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated.
- Both parties are well informed or well advised, each acting in what

he/she considers his/her own best interest.

- A reasonable time is allowed for exposure in the open market.
- Payment is made in cash or its equivalent.
- Financing, if any, is on terms generally available in the community at the specified date and typical for the property type in its locale.
- The price represents a normal consideration for the property sold unaffected by special financing amounts and/or terms, services, fees, costs or credits incurred in the transaction."



TAXABLE VALUE

By law at N.J.S.A. 54:4-2.26, property is assessed for taxation at a percentage of its true value set by each County Board of Taxation. All 21 counties in New Jersey have chosen 100% as the level at which property is to be assessed for local tax purposes.

FREQUENTLY ASKED QUESTIONS

1. *What is a revaluation?*

A revaluation is an adjustment, update, or revision of all real property values within a municipality. A revaluation is performed by a professional appraisal firm contracted by the municipality.

2. *Why is a revaluation needed?*

Revaluation is needed when properties in a municipality are not being assessed at the same rate of value or are being assessed substantially below or above the uniform value standard for real property required by the State Constitution.

3. *What is the purpose of a revaluation?*

The purpose of a revaluation is to distribute the tax burden among property owners equitably according to the true worth of their real estate.

4. *What factors determine whether a revaluation is needed?*

Statistical data, i.e., the municipality's Average Assessed Value to True Market Value expressed as a ratio and Coefficients of Deviation; useable sale prices fall outside of the common level range of assessment (c. 123 corridor); other indicators such as changes in characteristics of a municipality or neighborhoods; style and custom changes in architectural design or property size; the year of the last revaluation; zoning changes; accuracy of property record info; revenue lost through appeals; and economic fluctuations.

5. *What is an Average Assessed Value to True Value Ratio and a Coefficient of Deviation? How are they used for revaluation?*

The Ratio: A property valued for tax purposes at \$200,000 sells on the open

market at a bona fide sale for \$250,000. The property's taxable assessed value to true value sales ratio is 80%, i.e., is assessed at 80% of its true market value. The assumption is that the assessed values of properties sold represent the assessment practice in the municipality. That is, if the assessed values of the properties sold average 80% of the sales prices, then all similar properties in the municipality are assessed at 80% of their true market value.

An Average Assessment-Sales Ratio (also known as the Director's Ratio) is developed for each of the 565 municipalities in the State. A continual decline of Assessment-Sales Ratios in a municipality from the 100% level established by New Jersey's 21 County Tax Boards may indicate a need for revaluation. A Director's Ratio of 85% or less denotes noncompliance with the true market value standard.

A low Ratio means that property is under assessed. But it doesn't necessarily mean the tax burden is unevenly distributed. It may be that all properties are under assessed at about the same level.

The Coefficient of Deviation: The COD is a measure of the level of uniformity or of variation of assessments within a municipality. It is the average deviation of individual assessment-sales ratios from the overall Average Assessment Sales Ratio of all sales in a municipality expressed as a percent. The current acceptable figure for CODs is 15% or less.

When the Ratio/CODs are at unacceptable levels it means some properties are assessed higher or lower than they should be and aren't paying their fair share of taxes.

UNDERSTANDING REVALUATIONS



FREQUENTLY ASKED QUESTIONS (FAQS)

6. **Who decides whether a revaluation will be performed?**

A municipality may itself decide to revalue the property inside its boundaries or the County Board of Taxation may order a municipality to do so. The Division of Taxation and also the courts are empowered to order a revaluation if the situation warrants it.

However, before any revaluation can proceed it must be approved by the State Division of Taxation.

7. **What happens during a revaluation?**

Revaluation firm personnel will visit your property to gather information and must present a photographic identification card. The interior and exterior of each property is physically inspected. Photographs and measurements of the outside of the property are taken. The square foot of living space is calculated; also noted are basements and attics and if finished/unfinished; heating/cooling systems; the condition of the structure; the number and condition of kitchens, bathrooms, bedrooms; and additional amenities such as porches, decks, garages, fireplaces, pools, saunas, and outbuildings.



In a revaluation, at least 3 attempts are required to be made by the firm to inspect the interior of the property. If no entry is gained on the first visit, a card

will be left indicating the date of an intended second visit with a phone number and other contact information so that the property owner can make alternate arrangements. If a third visit to inspect the interior is unsuccessful, the value will be estimated. It's to your advantage to permit the firm to inspect the property's interior so the data and the resulting value are accurate.

8. **How long will my inspection take?**

It will only take a few minutes. Inspectors do not value the property; they collect property data to be analyzed later.

9. **Who determines my property value?**

A revaluation firm is an extension of the municipal assessor. Although revaluation firm personnel make the initial property value determinations, the assessor reviews the values for completeness and correctness and makes or approves the final determinations.

10. **Will my property taxes go up after revaluation?**

Property revaluation does not automatically mean higher taxes. The property taxes you pay are a result of county, municipal, and school budget costs. Revaluation may result in an increase of individual property values. Assuming budget requirements remain the same, where property values trend upward, the rate used to calculate the taxes generally goes down.

11. **Will I be notified of my new value?**

Firms must provide property owners with a written notice of the proposed appraised (assessed) value of their property and of their right to attend an informal value review with the firm. This is an important opportunity to review your property data with the firm and eliminate the need for a possible appeal later on.

12. **What if I disagree with the new value after informal review?**

Appeals may be filed with the County Board of Taxation by May 1. Revaluation firms are obligated to assist municipalities in defending value appeals resulting from a revaluation they've conducted. Appeal Forms are found on the Division of Taxation's website:

<http://www.state.nj.us/treasury/taxation/pntlpt.shtml>.

The brochure "A Guide to Tax Appeal Hearings" is found on the Division's website:

<http://www.state.nj.us/treasury/taxation/pdf/lpt/ptappeal.pdf>.

FOR MORE INFORMATION

Questions concerning the revaluation process may be directed to the municipal assessor of your taxing district. Contact information for assessors is found on the Division's website:

<http://www.state.nj.us/treasury/taxation/lpt/aaddr.shtml>.

General property tax information, including the booklet "What is Revaluation?" may be found on the Division's website:

<http://www.state.nj.us/treasury/taxation/pdf/lpt/revaluation.pdf>.

The brochure "How a Property is Valued for Tax Purposes" is found on the Division's website:

<http://www.state.nj.us/treasury/taxation/pdf/lpt/ptassessment.pdf>.

Montclair Property Revaluation Schedule

- Last Revaluation Completed in 2018
- May 6, 2024 Essex County Board of Taxation
- Tax Map Update – Completed by Fall 2026 (Must be Reviewed and Approved by State of NJ)
- Property Inspections Begin – Fall of 2026 (After Tax Maps are Approved By State of NJ)
- Revaluation Completed by October 1, 2027
- New Valuations Effective for 2028 Tax Year

Thank You!