



**State of New Jersey**  
DEPARTMENT OF THE TREASURY

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***Department of Treasury Announces Initiation of Property Revaluation Investigations***

**TRENTON** – The New Jersey Division of Taxation has issued letters to the municipal governments of Jersey City, Dunellen and Elizabeth informing them that it will conduct an investigation in accordance with N.J.S.A. 54:1-26 to determine whether to order a revaluation of the properties within their boundaries.

Based on preliminary data, the Division has determined that those municipalities within their respective counties appear to be the most dramatically out of compliance with Constitutional and statutory provisions requiring fair and uniform property tax assessments. Jersey City is based in Hudson County, Elizabeth in Union County and Dunellen in Middlesex County – the only three counties in the state in which tax boards have consistently failed to require towns to uniformly and fairly assess properties.

These three investigations are the beginning of a larger effort to address issues of noncompliance by municipalities in these three counties in the absence of action by the county tax boards. Other municipalities to follow include the Town of Westfield in Union County, the Borough of South River in Middlesex County, the Borough of East Newark in Hudson County, Harrison City in Hudson County, the Borough of Roselle in Union County, and Winfield Township in Union County.

As an example of the apparent failure to comply with State law, the City of Elizabeth has not updated its assessments in 39 years. Based on an analysis of current data, Elizabeth's 2015 True Value of property exceeds its Assessed Value by approximately \$5.7 billion. As a result, Elizabeth has one of the lowest Director's Ratios in the state at 13.4 %. The Director's Ratio represents the average ratio of assessed value compared with True Value, which means that homes in Elizabeth are assessed at only 13% of the true market value for real estate in the City.

“A Director’s Ratio of 85 % or lower generally denotes noncompliance,” said Dennis Shilling, Acting Director of the Division of Taxation, which is part of the Department of the Treasury. “Based on this and other available data, the Division will conduct an investigation and convene public hearings for taxpayers so it can determine whether to order the three municipalities to conduct a revaluation.”

Jersey City has not conducted a revaluation or reassessment in 27 years, and its True Value of property exceeds its Assessed Value by approximately \$15.6 billion. Its Director’s Ratio is 27.63 %.

Dunellen has not conducted a revaluation or reassessment in 33 years, and its True Value of property is over four times greater than its current Assessed Value. Dunellen has a Director’s Ratio of 24.61 %.

The Division is issuing notices of the commencement of an investigation to the Mayors and Clerks of the respective municipalities. Notice of public hearings in those municipalities will follow at a later date.

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