

# WHAT'S WAHLER HIDING?

Today's Program

Saturday, May 16, 2020

## THE TAX REVAL SCAM – PART 3

- Yearly Revaluations – Another Tax Break for Developers
- Recent Sale Over-Assessments
- The Stealth Tax Increase

Full Presentation Available At:

<https://www.pwayprogressives.com/2020-candidates>

# WHAT'S WAHLER HIDING?



## THE TAX REVAL SCAM – PART 1

- The Difference between TAX RATES and the TAXES YOU PAY
- The Real Record of Tax Increases

Full Presentation Available At:

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# What We've Learned in Part 1




- The Town's claim to be holding municipal taxes down isn't the case.
- Tax rates have been cut slightly the last two years BUT assessed values have been rising.

$$\rightarrow \text{Property Tax} = \text{Tax Rate} \times \text{Assessed Value}$$

# An Obvious Lie

## The Claim: “Piscataway Hits a Triple to Save Taxpayers”

**Piscataway Hits a Triple to Save Taxpayers**



March 10, 2020 - For third year in a row, Piscataway Township has a 12.8 percent lower municipal tax rate.

With wise stewardship of hard-earned tax dollars and bringing in new businesses to Piscataway, Mayor Brian C. Wahler and the Township Council were pleased to present this evening another budget with a lower municipal tax rate. This good news comes just months after Money Magazine placed Piscataway Township on its prestigious 2019 Best Places to Live in America list, ranking the central New Jersey community as #68 on its Top 100 list.

**The Fact:** Property assessments have gone up by more than tax rates have gone down. Result: the average homeowner has seen an increase in municipal property tax paid in each of the last three years. That is the real “triple”.



# WHAT'S WAHLER HIDING?



## THE TAX REVAL SCAM – PART 2

- Filing a Do-It-Yourself Tax Appeal
- The Chapter 123 Corridor
- Yearly Revaluations – A Flawed Process

Full Presentation Available At:

<https://www.pwayprogressives.com/2020-candidates>

# What We've Learned in Part 2



- How homeowners can file a tax appeal.
- How the “Chapter 123” corridor works.
- The Town is using continuous revaluations and inadequate computer models to raise assessments and raise tax revenues.

$$\rightarrow \text{Property Tax} = \text{Tax Rate} \times \text{Assessed Value}$$

# Understanding Chapter 123 (“The Corridor”)

- **Chapter 123** allows the ratio of property’s assessed value to its true market value to be as much as 15% higher than the average property’s ratio in a township *before a successful tax appeal can be filed* (**SEE THE TAX REVAL SCAM - PART 2 FOR DETAILS**)
- In Piscataway, this currently means that your property can be assessed 7.5% higher than its **fair market value** before you can win a tax appeal
- A 7.5% over-assessment means that **your property taxes have been raised an extra 7.5%**
- Inaccurate yearly revaluations that over-assess properties are a **stealth tax increase.**

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# Neighborhood Aid Network



Please sign up to offer or request assistance at:

<https://tinyurl.com/Pway>

Neighbors

**Thoughtful**



**Thursdays**

## **Food Donation Drop Off Locations**

**Ward 1: 411 New Market Rd.**

**Ward 2: 10 Seward Ave.**

**Ward 3: 233 Ellis Parkway or  
102 Stratton St. South**

**Ward 4: 24 Ross Hall Blvd. North**

# An Obvious Lie

**The Claim:** the Community Center is being built with “no residents’ tax monies”

The \$76 million budget for the next fiscal year is being enacted while the Township is building the \$32 million YMCA at the Piscataway Community Center (YPCC) with no residents’ tax monies and

**The Fact:** The money to pay for construction comes from **property tax receipts**, which are *your tax dollars.* (*Property tax and PILOT payments go to the same general fund*)



# First They Lie, Then They Double Down

On the new Piscataway Democratic Organization website, they make the following claims:

*“Wahler, Cahill, Shah and Scott-McCullum have worked to build a \$32 million Community Center with no residents’ tax monies”*

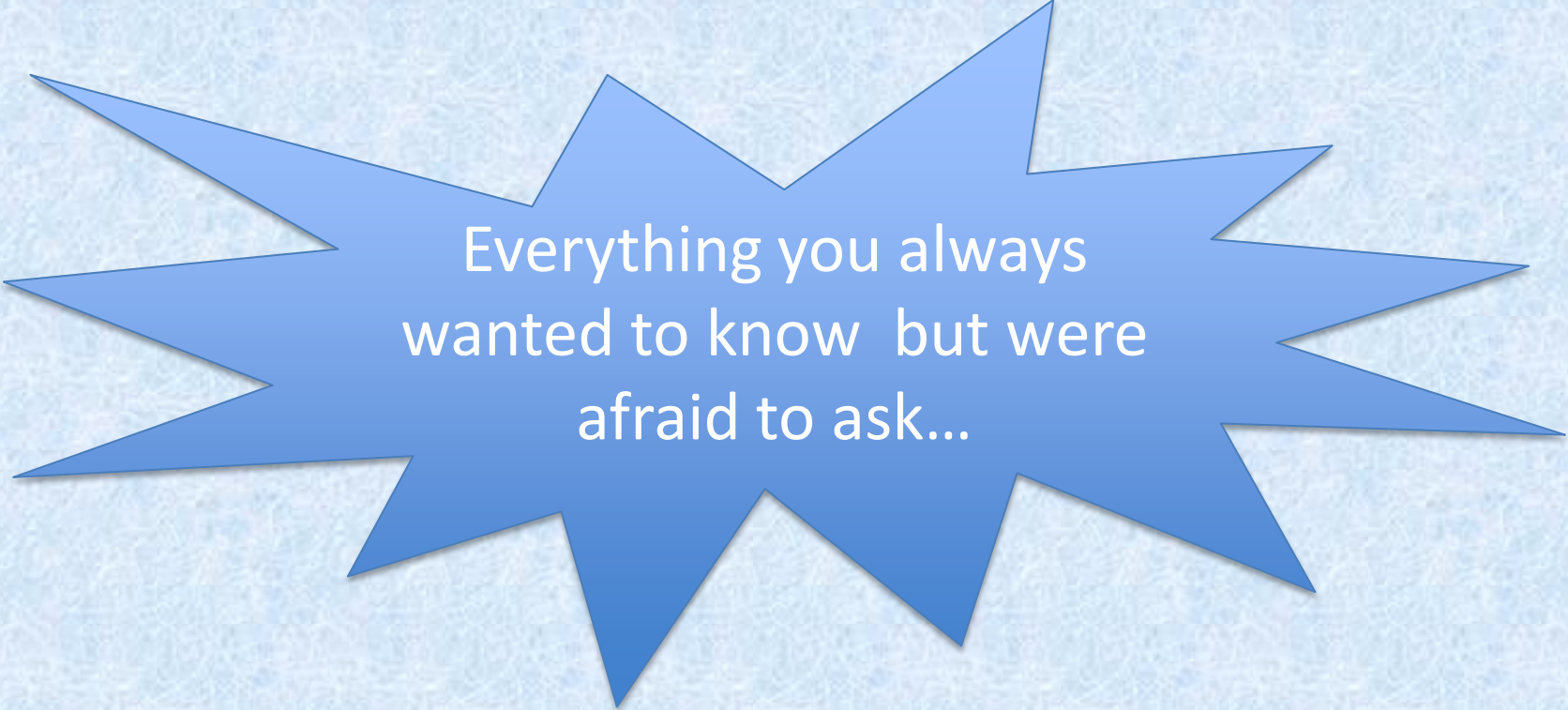
*“Brian C Wahler ... has built our Community Center at no cost to you”*

*“\$32 million Community Center was built at no capitol (sic) cost to resident taxpayers”*

here! Our brand new, \$32 million Community Center was built at no capitol cost to resident taxpayers but from business revenue of new companies attracted to our Township. A result of

***Remind You of Anyone?***

# NOW BACK TO TAXES...



Everything you always  
wanted to know but were  
afraid to ask...

# 1-1. Read the Fine Print

**Financial Agreement**

**Between**

**The Township of Piscataway**

**and**

**Duke Realty New Brunswick Urban Renewal, LLC**

## SCHEDULE 1

Annual Service Charge Schedule

### Calculation of Annual Service Charge

The Annual Service Charge shall be an amount equal to \$0.754 per square foot of gross floor area of buildings constituting the Project, plus such amount as is necessary to pay the principal and interest due on the Redevelopment Bonds in the respective year.

# 1-2. Read the Fine Print

## Adjustment of Annual Service Charge Amount

The total amount set forth above will be adjusted each year on the anniversary of the Annual Service Charge Start Date (the “Adjustment Date”) until this Agreement is terminated. The Annual Service Charge shall be increased on each Adjustment Date in the same proportion that the Township’s portion of the general tax rate increased since the last Adjustment Date, but not less than 1% nor more than 3%.

- Changes in the annual service charge are tied to increases in township tax rates – if the rate is unchanged, the increase is set at the minimum 1%.
- This means that the developers always benefit from the revaluation scheme – so long as tax RATES don’t go up, their charge only goes up a minimal amount, regardless of how much homeowner’s assessment (and therefore taxes) went up in the same year.



# 1-3. Read the Fine Print



## Piscataway “Hits a Double” to Cost Taxpayers

- PILOT properties get big tax breaks to build truck warehouses – homeowner’s make up the lost revenue!
- Because of yearly revaluations, the tax RATE does not increase, so PILOT properties’ payments go up the minimum while homeowner’s are hit with big assessment (and therefore tax) increases.

# Find Out More

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# 2-1. Recent Sales and Revals



- Revaluations are supposed to value your property at **fair market value**.
- The **fair value** of your property is what the property could reasonably be expected to sell for in an arm's-length transaction between willing buyers and sellers.
- In tax appeals, **comparable sales**, or recent sales of similar properties in your neighborhood are accepted as evidence of your property's fair value.
- What a property just sold for is the best indicator of its fair value – that's just common sense!

# 2-2. Recent Sales and Revals

- Examining recent sale data quickly shows that some properties are immediately revalued for more than the sale price.
- Worse, in some cases they are not overvalued by enough to be outside the Chapter 123 corridor.
- As a result, these homeowner cannot even appeal their over-valuation!
- A stealth tax increase to welcome **new residents** to Piscataway!

$$\rightarrow \text{Property Tax} = \text{Tax Rate} \times \text{Assessed Value}$$



# 2-3. Recent Sales and Revals

	A	B	C	G	H	J	K	L	P	Q
1	Block	Lot	Location	Sale Date	Price	20 Assess	\$ Over	% Over	Ratio	Coded?
2	07705	00009	33 Seward	10/15/2019	\$ 419,000	\$ 429,800	\$ 10,800	3%	1.03	N
3	02501	00039	12 May Court	10/22/2019	\$ 400,000	\$ 411,200	\$ 11,200	3%	1.03	N
4	02202	00001 01	147 Murray	9/30/2019	\$ 233,000	\$ 263,500	\$ 30,500	13%	1.13	N
5	00402	00030 01	31 Walnut	9/16/2019	\$ 225,000	\$ 261,800	\$ 36,800	16%	1.16	N
6	03611	00008 18	9 Barbour	9/16/2019	\$ 535,000	\$ 556,800	\$ 21,800	4%	1.04	N
7	01212	00017	241 central	8/23/2019	\$ 315,000	\$ 320,400	\$ 5,400	2%	1.02	N
8	02701	00132	6 Dahlia	9/9/2019	\$ 520,000	\$ 535,800	\$ 15,800	3%	1.03	N
9	08509	00011	1233 Stelton	9/5/2019	\$ 230,000	\$ 285,300	\$ 55,300	24%	1.24	N
10	00517	00007 01	1519 Dogwood	9/5/2019	\$ 401,000	\$ 436,500	\$ 35,500	9%	1.09	N
11	11305	00011 02	602 Hanson	8/27/2019	\$ 450,000	\$ 464,200	\$ 14,200	3%	1.03	N
12	06916	00007	2600 hudson	8/26/2019	\$ 330,900	\$ 347,600	\$ 16,700	5%	1.05	N

- Examples taken from close to the end of the last tax year (the revaluation “look-back” period)
- None of these sales had any “non-usable” codes that would give an explanation for why they were immediately re-assessed higher

# 2-4. Recent Sales and Revals



- Official records on property tax assessments and recent sales data can be found at:

<https://tinyurl.com/PwayPropTax>

- Step by step instructions on building a property tax information database can be found at:

<https://www.pwayprogressives.com/2020-candidates>

# Find Out More

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# 3-1. The Stealth Tax Increase

- The **Market Value** implied by your assessment is equal to the assessment divided by the Director's Ratio (see Wahler Tax Reval Scam – Part 2 for details).

- For Piscataway, the Director's Ratio is 0.9349

- So your assessment is claiming your property is worth:

**Total Assessment / 0.9349**

- **Chapter 123** allows that **Implied Market Value** number to be up to 15% higher than provable fair market value before a tax appeal can be successful.
- Properties that get over-assessed but still have an *implied value* within 15% of fair value are getting a **stealth tax increase!**



# 3-2. The Stealth Tax Increase

**Assessment Implied Value = Assessment/Director's Ratio**

A	B	C	D	E	F	G
Address	20 Assess	Pway Ratio	Implied Value	Zestimate	Overvalued %	Note
233 Ellis Parkway	\$ 391,400	0.9349	\$ 418,654	\$ 402,943	3.90%	
201 Ellis Parkway	\$ 356,500	0.9349	\$ 381,324	\$ 296,587	28.57%	
215 Ellis Parkway	\$ 303,100	0.9349	\$ 324,206	\$ 276,976	17.05%	<b>sold for 275000 on 3/6/20</b>
221 Ellis Parkway	\$ 302,700	0.9349	\$ 323,778	\$ 287,189	12.74%	
229 Ellis Parkway	\$ 317,100	0.9349	\$ 339,181	\$ 309,138	9.72%	
245 Ellis Parkway	\$ 376,500	0.9349	\$ 402,717	\$ 370,100	8.81%	
103 Ellis Parkway	\$ 270,900	0.9349	\$ 289,764	\$ 284,484	1.86%	
115 Ellis Parkway	\$ 301,200	0.9349	\$ 322,173	\$ 309,948	3.94%	
127 Ellis Parkway	\$ 357,900	0.9349	\$ 382,822	\$ 358,037	6.92%	
135 Ellis Parkway	\$ 398,600	0.9349	\$ 426,356	\$ 357,686	19.20%	
145 Ellis Parkway	\$ 262,800	0.9349	\$ 281,100	\$ 268,856	4.55%	
1 Ellis Parkway	\$ 366,300	0.9349	\$ 391,807	\$ 383,694	2.11%	
19 Ellis Parkway	\$ 256,000	0.9349	\$ 273,826	\$ 258,885	5.77%	

***This is just part of ONE BLOCK – How many more like this are there?***

# 3-3. The Stealth Tax Increase

An assessment that is too high costs you money every year

## Example of Property Over-Assessed by 5%

Property Tax = Tax Rate X Assessed Value

Tax Rate = 2.308%

Fair Value: \$345,000

Assessment 5% Higher = \$362,250

Taxes on Assessed Value = \$362,250 X 2.308% = \$8360.73

Taxes on Fair Value = \$345,000 X 2.308% = \$7962.6

Over-Assessment Cost to Taxpayer = \$8361 - \$7963 = **\$398 per year**

# Attention Piscataway Homeowners:

## Check your property assessments!

- If the Township has over-assessed your property, you may be paying higher taxes than you should.
- If you feel that your property is assessed for more than it is worth, the deadline to file a tax appeal has been extended until at least June 8<sup>th</sup>!

# 4-1. What We Learned

**→ Property Tax = Tax Rate × Assessed Value**

- Wahler and the Council's claim to be holding municipal taxes down isn't the case.
- Tax rates have been cut slightly the last two years BUT assessed values have been rising.

All Presentations Available At:

<https://www.pwayprogressives.com/2020-candidates>



# 4-2. What We Learned



- Homeowners can *prepare and file their own tax appeals* using publicly available information.
- The Town is using **continuous revaluations and inadequate computer models** to raise assessments and raise tax revenues.
- *Accurate valuations are important* because Chapter 123 allows properties to be **up to 15% over-valued** before a tax appeal can be successful

# 4-3. What We Learned



- Wahler and the Council are NOT BEING TRUTHFUL when they claim to be lowering taxes
- It is easy to demonstrate that properties are getting over-valued in the revaluation process, and *it isn't just a few "computer glitches"*
- Assessments that are artificially high cost homeowners real money every year in the form of higher taxes

# Today's program will be posted at:

<https://www.pwayprogressives.com/2020-candidates>

Where you can find our past programs on:

- PILOT Tax Giveaways
- Environmental Issues & Community Energy Aggregation
- Open Government for All
- The Tax Reval Scam Part 1 and Part 2



For more information, you can read our Platform at:

<https://tinyurl.com/PwayPlatform>



**What do YOU think?**

**We're not Career Politicians on the Inside.**

**We're the *Dems On YOUR Side.***

We invite you to take an online community survey to tell us about your concerns and priorities for Township action:

**<https://tinyurl.com/PWAYSurvey>**



# We invite Piscataway voters to Get Involved:



- Unplug the Smith-Wahler political machine.
- Start the **term limit** process now:
  - *Elect new town leaders!*

To Get Involved with the Dems on Your Side Campaign go to:

<https://tinyurl.com/SupportPWAY2020>

To Donate to the Dems on Your Side Campaign go to:

<https://tinyurl.com/PWAY2020Donate>

# The Dems on YOUR Side!



Bill Irwin  
for Mayor



Kamuela Tillman  
for Council



Ralph Johnson  
for Council



Laura Leibowitz  
for Council

Thank you for viewing our presentation! Please remember to VOTE BY MAIL IN THE DEMOCRATIC PRIMARY – BALLOTS WILL BE SENT TO ALL REGISTERED DEMOCRATIC VOTERS. We will be located in **Column A** on the ballot.

Registered Independent (Unaffiliated – UNA) voters will be getting a vote by mail application. UNA voters can vote in the Democratic Primary.

We want to hear from you! Please send you questions and comments to:

[PWAYProgressives@gmail.com](mailto:PWAYProgressives@gmail.com)

# THE DEMS ON YOUR SIDE



**Bill  
IRWIN**  
FOR MAYOR



**Kamuela  
TILLMAN**  
FOR COUNCIL

**PISCATAWAY**

**VOTE COLUMN A  
JULY 7TH**



**Laura  
LEIBOWITZ**  
FOR COUNCIL

**#NOTMEUS**



**Ralph  
JOHNSON**  
FOR COUNCIL

[pway2020.com](http://pway2020.com)