

Top 10 Questions Concerning the 2017 Property Reassessment and Impact on Property Taxes

1. My assessment DOES reflect the fair market value, but my taxes are too high. Why?

Please be mindful that the assessment function is focused on the ***uniformity and accuracy of the assessments*** NOT the resulting tax responsibility. When the assessments are set to the same standard (market value) in a uniform way, the tax levy will be distributed fairly municipal and countywide in accordance with the NJ Constitution.

The Tax Assessor does not have control of the tax levy. County, municipal and school budget costs determine the amount of property tax to be collected. A municipality's general tax rate is calculated by dividing the total dollar amount it needs to meet local budget expenses by the town's net valuation of all its taxable property. An individual's property taxes are directly correlated to that property's proportionate share ownership of the municipality. To put it simply, if a property was worth 5% of the municipality, it would be assigned to pay 5% of the tax levy.

2. How is the Tax Rate Calculated?

The tax rate is calculated by dividing the amount to be raised by taxation by the net valuation taxable of the Municipality (ex. $83,767,932/4,128,532,893 = 2.029\%$)

As a result, all properties were taxed at 2.029% of their individual assessments.

3. Why do my 3rd and 4th quarter bill not equal exactly 25% of my annual tax liability?

Each year, budgets are not finalized until the middle of the year. Any tax liability change for the year will not be actualized until the 3rd and 4th quarter. The first and second quarter bills are always equal to one-half of the prior year's taxes. The third and fourth quarter billings will reconcile the amounts due to make the total annual payment correct. So, the third and fourth quarter is determined by subtracting the amount already paid in the first and second quarter from the total due for the year.

4. I understand that we are reassessing every year, does that mean my assessment will change for next year?

Yes. Every year the market will be analyzed to ensure fair distribution of the tax levy. Monmouth County is engaged in the *Assessment Demonstration Program* (ADP). The overarching intent of the *Assessment Demonstration Program* (ADP) is to institute a

revised assessment function that provides systemic cost savings and enhanced public service. At the core of the program is the ability to establish and annually maintain individual property assessments at 100% of current market value. This is accomplished by the County and the towns working collaboratively to employ enhanced education, advanced appraisal techniques and modern technology. The fundamental goal of the ADP is to ensure that each taxpayer pays their fair share of the annual tax levy (no more or no less).

5. If my assessment goes up, does that mean I will pay even MORE taxes?

Not necessarily. The assessment function does not create revenue for the municipality. The Assessment function is only a distribution mechanism of the separately determined tax levy. In strict adherence with the NJ Constitution, this apportionment is to be based on the value of property.

6. My house was recently inspected. What was the purpose of that inspection?

All properties in the municipality were inspected over the past few years. The purpose of the inspections are to gather proper information on each property in the township so that the appraisal process (and resulting tax distribution) is fair and uniform.

Please note: the inspectors are not appraisers and are not appraising your home. The inspectors are simply data collectors and return the data to the Assessor's office where the reassessment process is done.

In order to annually reassess, the Division of Taxation requires that an inspection is done once every five years on every property.

7. I was not home for the inspection. What should I do?

If the inspector did not gain access to the interior of your property, they likely estimated the interior room counts and conditions. You should contact the assessor's office and request a copy of your *Property Record Card* (PRC) to be sure that all of the physical characteristics listed on the record are accurate. If you find any issues on the PRC, you should consult with the assessor immediately to determine what remedies are available.

In an effort to provide absolute transparency and strive to open communication lines with the taxpayers wherever possible, most towns are participating in new technology offered by the Tax Board that aims to lower the need for tax appeals by increasing assessment accuracy. Having correct property data is paramount in obtaining individual assessment accuracy. Register and log onto the Tax Board Portal at the below website to complete a **TIARA** application (Taxpayer Informal Assessment Review Application). You will be able to review your current Property Record Card (PRC) and submit information/photos to the assessor for review. More information about TIARA can be

found on the Tax Board Portal:

<https://taxboardportal.co.monmouth.nj.us/taxBoardPortal/home/login>

8. How is the appraisal process done?

After the inspection data is returned to the Assessor's office, the Assessor reviews all recent sales data and synchronizes the mass appraisal modeling in each market and submarket to target current market value. When the assessments are set to the same standard (market value) in a uniform way, the tax levy will be distributed fairly.

Remember, the assessment function is focused on the uniformity and accuracy of the assessments NOT the resulting tax responsibility.

9. What do I do if I feel my assessment DOES NOT reflect the fair market value?

Please be on the lookout for the postcard with your **2018** assessment. This postcard is mailed in late November of **2017**. If you believe the **2018** assessed value does not reflect the true market value of your property, you should contact the Assessor's office immediately to confirm that the physical characteristics on your Property Record Card (PRC) are accurate. After speaking to the assessor, if you still feel the assessment does not equal the fair market value of the property, you should file an appeal with the Monmouth County Tax Board on or before January 15th, 2018. Here is a link to the appeal site- <https://secure.njappealonline.com/prodappeals/login.aspx> Please note that the site will not be open until AFTER the 2018 assessment postcards are sent out. If you miss the January 15th deadline, you will not be able to file an appeal at the County until the following year (2019). If you choose to file an appeal on your 2018 assessment, you will be required to provide evidence to demonstrate your position. "Evidence" is typically recent sales of comparable properties. You can research sales data at the Monmouth County Open Public Records site - <http://oprs.co.monmouth.nj.us/Oprs/External.aspx?ild=12> Select "Deed/Sr1a List" under *step 1* then you can modify your search according to the other fields.

10. Why are we annually reassessing now and how was it done in the past?

In the past (and currently outside of Monmouth and Somerset Counties), the assessment function may not have been as uniform and accurate as what current technology allows for. Due to technological and administrative constraints, assessments were set during a revaluation year and remained stagnant despite obvious changes in the markets and submarkets. Annually, "assessment to sale-price ratios" were studied to establish a "common level of assessment" ratio. One of the many problems with the old system is that it was based off an assumption that every property within a municipal boundary appreciates / depreciates at the same rate. Obviously, this is not true. Every neighborhood and property class reacts differently to the market environment.

It is necessary to study each of the markets and submarkets individually (annually) to be sure the total tax levy is distributed in accordance with recent and reliable market data. As is the case throughout the majority of the Country, the only appropriate fix for this is to conduct reassessments annually. The old assessment model enabled an environment where assessments were often significantly removed from the current market value of properties. That type environment is ripe for taxes to be inappropriately distributed for many years.

The *Assessment Demonstration Program* (through annual reassessment) strives to use advancements in technology, education and mass appraisal techniques to provide more cost effective and transparent service to the taxpayers.