

## Frequently Asked Questions Concerning the 2021 Property Reassessment and Impact on Property Taxes

### 1. 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 for the separately determined tax levy. In strict adherence with the NJ Constitution, this apportionment is to be based on the value of property.

### 2. 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.

### 3. My assessment DOES reflect the fair market value, but my taxes went up this year. Why?

Please remember that the assessment function is focused on the *uniformity and accuracy of the assessments* and 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 citywide 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 net valuation of all its taxable property (total of all assessments). 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.

The State of New Jersey recently signed a law, commonly known as S2, which reduces the amount of State Aid the School Board receives. The redistribution of State Aid can greatly impact fiscal budgets. Please check the Asbury Park Board of Education website for information at: <https://www.asburypark.k12.nj.us/> At this time the 2021 Asbury School District budgetary impact is unknown due to Covid-19 State budgetary delays.

Below is the breakdown of the Certified Tax Levy for 2017, 2018 & 2019 in Asbury Park:

Tax Levy Component	2017 Tax Levy	2018 Tax Levy	2019 Tax Levy	Two Year Change	Contact
County Budget	\$ 3,706,498	\$ 3,974,852	\$ 4,276,528	15.4%	732-431-7000
District School Budget	\$ 7,103,291	\$ 7,271,544	\$ 8,094,166	13.9%	732-766-2606
<b>Municipal Budget</b>	<b>\$ 16,882,742</b>	<b>\$ 16,882,742</b>	<b>\$ 16,949,253</b>	<b>0.4%</b>	<b>732-775-2100</b>
Library Budget	\$ 470,206	\$ 521,892	\$ 581,642	23.7%	732-774-4221
County Health Budget	\$ 74,776	\$ 78,867	\$ 86,123	15.2%	732-431-7000
County Open Space Fund	\$ 217,728	\$ 440,750	\$ 493,517	126.7%	732-431-7000
Excess for Rate Rounding	\$ 10,612	\$ 14,740	\$ 18,126		
<b>Total Tax Levy</b>	<b>\$ 28,465,855</b>	<b>\$ 29,185,387</b>	<b>\$ 30,499,356</b>		

### 4. How is the Tax Rate Calculated?

The tax rate is calculated by dividing the total tax levy by the net valuation of the City's taxable property (total of all assessments). Each property then pays taxes equal to that rate multiplied by their assessment so that the tax levy is distributed fairly.

Year	Total Tax Levy	Net Value of City	Tax Rate
2014	\$ 25,674,003	\$ 1,184,771,700	2.167%
2015	\$ 26,942,246	\$ 1,216,903,600	2.214%
2016	\$ 27,692,356	\$ 1,291,621,100	2.144%
2017	\$ 28,465,855	\$ 1,368,550,700	2.080%
2018	\$ 29,185,388	\$ 1,637,788,300	1.782%
2019	\$ 30,499,356	\$ 1,848,445,800	1.650%

### 5. Why are my 3<sup>rd</sup> and 4<sup>th</sup> quarter bills different from my 1<sup>st</sup> and 2<sup>nd</sup>?

Since the annual tax rate is not certified by the state and the county until the middle of the tax year, the first and second quarter bills are always just estimations. Once the tax rate is certified, the tax collector multiplies your assessment by the certified rate. The collector then reduces the total amount due by any payments that were made in the first and second quarters. The balance is then split between the third and fourth quarters. Basically, any annual tax change is reconciled in the final two quarters of the year.

As an example, if your property taxes changed from \$8,000 to \$8,500. The quarterly breakdown would be as follows:

1<sup>st</sup> quarter: \$2,000      2<sup>nd</sup> quarter: \$2,000      3<sup>rd</sup> quarter: \$2,250      4<sup>th</sup> quarter: \$2,250

## **6. I usually get the 3<sup>rd</sup> and 4<sup>th</sup> quarter bills around this time of year. Why does this bill only have the 3<sup>rd</sup> quarter... and why does it say “estimated”?**

Typically, the annual tax rate is certified by the state and the county in the middle of the tax year. The 1<sup>st</sup> and 2<sup>nd</sup> quarter bills are always estimations and the reconciliation is usually done in the 3<sup>rd</sup> and 4<sup>th</sup> quarters. Due to state budgetary delays related to the COVID-19 crisis; the 2020 tax levy, tax rate, and taxes must be estimated for the 3<sup>rd</sup> quarter bill. The state will certify tax levies and rates at some point prior to the 4<sup>th</sup> quarter billing this year. Once the tax rate is certified, the tax collector will multiply your assessment by the certified rate. The collector will then reduce the total amount due by any payments that were made in the first three quarters. The resulting balance will be mailed to you for your 4<sup>th</sup> quarter bill.

### **DO NOT MULTIPLY YOUR 3<sup>rd</sup> QUARTER ESTIMATED BILL BY FOUR TO DETERMINE YOUR ANNUAL TAXES!**

The tax quarters are never split into equal 25% distributions (particularly this year where three quarters are being estimated). You will not know your actual annual taxes until the 4<sup>th</sup> quarter. At that time, your account will be reconciled.

## **7. My house was recently inspected by the Assessor’s Office. What was the purpose of that inspection?**

In order to annually reassess, the Division of Taxation requires that an inspection is done once every five to eight years on every property. The purpose of the inspection is to gather proper information on each property in the City 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 collecting data and return it to this office where the reassessment process is done.

## **8. What if the inspector didn’t gain access to the interior of my house during that inspection?**

If the inspector does not gain access to the interior of your property, they will estimate the interior room counts and conditions. For residential property owners, you can 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’s Office immediately to determine what remedies are available. If you own a condo, you can contact the assessor and ask for the sales and assessments in your condo association. Always remember to make sure the inspector has proper identification before allowing them in your house. If there is any question, do not hesitate to call the Assessor’s Office to verify.

## **9. How is the appraisal process done?**

After all inspection data is returned to this 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** and NOT the resulting tax responsibility.

## **10. What do I do if I feel my 2021 assessment DOES NOT reflect the fair market value?**

Please be on the lookout for the postcard with your 2021 assessment. This postcard is mailed in late November of 2020. If you believe the 2021 assessed value does not reflect the fair 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 before **January 15th, 2021**. Here is a link to the appeal site: <https://secure.njappealonline.com/prodappeals/login.aspx>

Please note that the site will not be available until the 2021 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 (2022).

If you choose to file an appeal on your 2021 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?Id=12> (Select “Deed/Sr1a List” under step 1 then you can modify your search according to the other fields.)

## **11. Why are we annually reassessing and how was it done in the past?**

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 better 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).

Created in Monmouth County, the ADP is an international award-winning program that has been recognized as a model assessment paradigm by Moody's Investor Service and Harvard Kennedy School. The ADP won the industry's top respected *Distinguished Assessment Jurisdiction Award* for 2019 from the *International Association of Assessing Officers (IAAO)*. The IAAO presents the *Distinguished Assessment Jurisdiction Award* to a national, state, regional or local agency that has instituted a technical, procedural or administrative program that improves on prior programs, and is recognized as a component of a model assessment system and a contributing factor to equity in property taxation. This prestigious award has been given to the most deserving district in the *world* annually since 1983 and past award winners span the globe from Ontario, Canada to Reykjavik, Iceland.

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 sub markets. Annually, "assessment to sale price ratios" were studied to establish a "common level of assessment" ratio. One of the many problems with the antiquated traditional assessment 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 react 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. 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. Monmouth County has reformed the distribution component of property taxation to address this obvious shortfall.

If you have any questions, please do not hesitate to contact us.

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