

## Frequently Asked Questions Concerning the Estimated Third Quarter Tax Bills

### 1. Why are the bills marked estimated?

A tax rate has not been certified yet. Typically, the city's tax rate is not certified until early September. The estimated rate for 2017 is 2.106%. Last year's tax rate was 2.144%.

### 2. The estimated rate is lower than last year's!?

The rate was estimated by dividing expected tax levies by the preliminary ratable base. The total amount due will be fully adjusted in the 4th quarter after the actual rate is finalized and certified.

Here are the figures that were used to estimate the 2017 rate:

Tax Levy	Estimated Amount	2017 Estimated Rate per 100	2016 Rate per 100	Contact
County Budget	\$3,947,576	0.288	0.291	732-431-7000
District School Budget	\$7,301,530	0.532	0.538	732-766-2606
Local Municipal Purposes	\$17,352,948.74	1.264	1.292	732-775-2100
County Health Budget	\$80,000	0.006	0.006	732-431-7000
County Open Space Fund	\$220,000	0.016	0.017	732-431-7000
<b>Estimated Total Levy</b>	<b>\$28,902,054.74</b>	<b>2.106</b>		

Estimated Tax Levy / Total Preliminary Ratable Base = Estimated Tax Rate  
 (28,902,054.74 / 1,372,672,200 = **2.106%**)

### 3. Am I correct in multiplying the amount due in the third quarter by four to calculate my annual tax?

NO. That would be a mistake. Each year, budgets are not finalized until the middle of the year. Any tax increase for the year will not be actualized until the 4th quarter (since the third quarter is based on an estimated rate).

A hypothetical example may help. In 2016, Bob's house had a property tax bill of \$8,000 for the year. Because the budgets were not yet finalized, Bob's first two payments in 2017 were \$2,000 per quarter. The amount due in the first half of 2017 was based on his 2016 taxes.

Due to the reassessment and changes in the tax levy, Bob's 2017 property taxes increased by \$500 to \$8,500 a year (or \$2,125 per quarter). Bob previously paid \$2,000 per quarter for the first and second quarters. The entire \$500 increase for 2017 is reflected in the 3rd and 4th quarter. As such, the City mailed a 3rd quarter estimated bill to Bob of \$2,250. So, it is NOT appropriate to multiply \$2,250 by four, since that would equal \$9,000. As mentioned earlier, Bob's estimated tax is \$8,500 for the year.

In summary:

#### Bob's Property Taxes

2016 taxes, \$8,000 for year

2017 taxes, estimated to be \$8,500 for the year, payable as follows:

Quarter 1 = \$2,000 (1/4 of prior year)

Quarter 2 = \$2,000 (1/4 of prior year)

Quarter 3 = \$2,250

Quarter 4 = \$2,250\*

\* Certified tax figures from the County are expected prior to the 4th quarter billing so that final adjustment is made.

### 4. What does my individual assessment have to do with my taxes?

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 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.

### 5. 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).

## 6. My house was recently inspected by your 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 years on every property. The purpose of the inspections are 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 data collectors and return the data to my office where the reassessment process is done.

## 7. Should I let the inspector inside if/when they come to my house?

Yes. If the inspector does not gain access to the interior of your property, they will estimate 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.

Remember to make sure the inspector has proper identification before allowing them in your house. If there is any question, please do not hesitate to call this office to verify.

In an effort to provide absolute transparency and strive to open communication lines with the taxpayers wherever possible, the City is 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 all inspection data is returned to my office, I review all recent sales data and synchronize 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 2018 assessment DOES NOT reflect the fair market value?

Please be on the lookout for the postcard with your 2018 assessment. This postcard will be 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 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 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?iId=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 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.

The Assessment Demonstration Program (through annual reassessment) strives to use advancements in technology, education and mass appraisal techniques to provide this better service to the tax payers.

Regards,



Erick Aguiar

Assessor

City of Asbury Park

732-502-5750

[erick.aguiar@cityofasburypark.com](mailto:erick.aguiar@cityofasburypark.com)