UNDERSTANDING PROPERTY TAXES

SEPTEMBER 2020

ERICK AGUIAR, CTA (TAX ASSESSOR)

EAGUIAR@BRADLEYBEACHNJ.GOV
• PROVIDE INSIGHT ON THE VARIOUS PARTS OF PROPERTY TAXATION

• MUNICIPAL BUDGET AND 2020 CHALLENGES

• SUMMARIZE THE 2020 REASSESSMENT AND ADP ASSESSMENT REFORMS

• MAKE SURE YOU ARE PAYING YOUR FAIR SHARE OF THE BILL

• CLEAR UP ANY CONFUSION ABOUT THE BILLING CYCLE (1ST/2ND QTRS VS 3RD/4TH QTRS)

• SENIOR FREEZE AND OTHER PROPERTY TAX RELIEF PROGRAMS THAT YOU MAY BE ELIGIBLE FOR

• Q&A SESSION
TAXATION IN NEW JERSEY

NEW JERSEY IS A GREAT STATE
BUT IT’S ALSO AN EXPENSIVE ONE

- SALES TAX
- INCOME TAX
- ESTATE TAX
- LUXURY TAX
- GAS TAX
- PLENTY OTHER TAXES…
- PROPERTY TAX

PROPERTY TAXES ARE USED TO FUND LOCAL GOVERNMENT SERVICES

- COUNTY SERVICES
- SCHOOL SERVICES
- MUNICIPAL SERVICES
THE TOTAL BILL

TO UNDERSTAND PROPERTY TAXES AS A WHOLE, WE MUST RECOGNIZE ALL OF THE MOVING PARTS

MONMOUTH COUNTY COLLECTS ABOUT $300M IN PROPERTY TAXES ANNUALLY. BRADLEY BEACH TAXPAYERS PAY THEIR SHARE OF THAT BILL BASED ON THE VALUE OF BRADLEY BEACH IN RELATION TO THE OTHER 52 MUNICIPALITIES IN THE COUNTY.

THE TAXPAYER COST OF RUNNING THE BRADLEY BEACH SCHOOL DISTRICT IS $6.5M IN 2020. THIS REPRESENTS 36% OF THE PROPERTY TAX BILL.

THIS IS THE ONLY PORTION OF THE BILL THE BOROUGH HAS CONTROL OVER. THE COST OF RUNNING THE BOROUGH REPRESENTS ABOUT 39% OF AN INDIVIDUAL'S BILL.
The Breakdown:
This is the only portion of taxes the Borough has control over:

<table>
<thead>
<tr>
<th>Tax Levy Component</th>
<th>2020 Tax Levy</th>
<th>Percent of Bill</th>
</tr>
</thead>
<tbody>
<tr>
<td>County Budget</td>
<td>$3,374,052</td>
<td>19%</td>
</tr>
<tr>
<td>District School Budget</td>
<td>$6,498,090</td>
<td>36%</td>
</tr>
<tr>
<td>Local Municipal Purposes</td>
<td>$7,009,040</td>
<td>39%</td>
</tr>
<tr>
<td>Library Budget</td>
<td>$472,734</td>
<td>3%</td>
</tr>
<tr>
<td>County Health Budget</td>
<td>$69,583</td>
<td>0%</td>
</tr>
<tr>
<td>County Open Space Fund</td>
<td>$394,022</td>
<td>2%</td>
</tr>
<tr>
<td>Excess for Rate Rounding</td>
<td>$5,909</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total Tax Levy</strong></td>
<td><strong>$17,823,428</strong></td>
<td></td>
</tr>
</tbody>
</table>

**ASSESSOR’S ROLE IS HOW THE TOTAL BILL ($17.8M) GETS DISTRIBUTED FAIRLY**
The Borough Only Has Control Over the Municipal Portion of the Tax Levy

<table>
<thead>
<tr>
<th>Tax Levy Component</th>
<th>2016 Tax Levy</th>
<th>2017 Tax Levy</th>
<th>2018 Tax Levy</th>
<th>2019 Tax Levy</th>
<th>2020 Tax Levy</th>
<th>Four Year Change</th>
<th>Contact</th>
</tr>
</thead>
<tbody>
<tr>
<td>County Budget</td>
<td>$2,980,193</td>
<td>$3,039,067</td>
<td>$3,043,579</td>
<td>$3,226,389</td>
<td>$3,374,052</td>
<td>13%</td>
<td>732-431-7000</td>
</tr>
<tr>
<td>District School Budget</td>
<td>$5,887,771</td>
<td>$6,033,894</td>
<td>$6,151,190</td>
<td>$6,369,798</td>
<td>$6,498,090</td>
<td>10%</td>
<td>732-775-4413</td>
</tr>
<tr>
<td>Local Municipal Purposes</td>
<td>$6,544,607</td>
<td>$6,545,522</td>
<td>$6,438,210</td>
<td>$6,433,316</td>
<td>$7,009,040</td>
<td>7%</td>
<td>732-776-2999</td>
</tr>
<tr>
<td>Library Budget</td>
<td>$377,733</td>
<td>$394,588</td>
<td>$406,777</td>
<td>$446,864</td>
<td>$472,734</td>
<td>25%</td>
<td>732-776-2995</td>
</tr>
<tr>
<td>County Health Budget</td>
<td>$60,057</td>
<td>$61,316</td>
<td>$60,391</td>
<td>$64,975</td>
<td>$69,583</td>
<td>16%</td>
<td>732-431-7000</td>
</tr>
<tr>
<td>County Open Space Fund</td>
<td>$171,210</td>
<td>$178,531</td>
<td>$337,541</td>
<td>$372,329</td>
<td>$394,022</td>
<td>130%</td>
<td>732-431-7000</td>
</tr>
<tr>
<td>Excess for Rate Rounding</td>
<td>$2,187</td>
<td>$2,389</td>
<td>$8,399</td>
<td>$11,977</td>
<td>$5,909</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Tax Levy</td>
<td>$16,023,757</td>
<td>$16,255,307</td>
<td>$16,446,087</td>
<td>$16,925,648</td>
<td>$17,823,428</td>
<td>11%</td>
<td></td>
</tr>
</tbody>
</table>
COUNCILMAN AL GUBITOSI: MUNICIPAL BUDGET

- COVID-19 and Pandemic Related Challenges
  - Increased Costs (PPE & Social Distancing Initiatives)
  - Decrease Revenue (Courts, Parking, Concessions)
- Budget Adjustments to Improve Transparency
COUNCILMAN AL GUBITOSI: MUNICIPAL BUDGET

• Sewer Fund Changes

• Expenses Being Shifted off the “Sewer Fund” and onto the “Current Fund” (Property Taxes)

• Eliminated Prior Year’s Deficit Spending
Assessor’s Role is to Distribute the Tax Levy Fairly Based on the Market Value of All Property in Town

<table>
<thead>
<tr>
<th>Tax Levy Component</th>
<th>2016 Tax Levy</th>
<th>2017 Tax Levy</th>
<th>2018 Tax Levy</th>
<th>2019 Tax Levy</th>
<th>2020 Tax Levy</th>
<th>Four Year Change</th>
<th>Contact</th>
</tr>
</thead>
<tbody>
<tr>
<td>County Budget</td>
<td>$2,980,193</td>
<td>$3,039,067</td>
<td>$3,043,579</td>
<td>$3,226,389</td>
<td>$3,374,052</td>
<td>13%</td>
<td>732-431-7000</td>
</tr>
<tr>
<td>District School Budget</td>
<td>$5,887,771</td>
<td>$6,033,894</td>
<td>$6,151,190</td>
<td>$6,369,798</td>
<td>$6,498,090</td>
<td>10%</td>
<td>732-775-4413</td>
</tr>
<tr>
<td>Local Municipal Purposes</td>
<td>$6,544,607</td>
<td>$6,545,522</td>
<td>$6,438,210</td>
<td>$6,433,316</td>
<td>$7,009,040</td>
<td>7%</td>
<td>732-776-2999</td>
</tr>
<tr>
<td>Library Budget</td>
<td>$377,733</td>
<td>$394,588</td>
<td>$406,777</td>
<td>$446,864</td>
<td>$472,734</td>
<td>25%</td>
<td>732-776-2995</td>
</tr>
<tr>
<td>County Health Budget</td>
<td>$60,057</td>
<td>$61,316</td>
<td>$60,391</td>
<td>$64,975</td>
<td>$69,583</td>
<td>16%</td>
<td>732-431-7000</td>
</tr>
<tr>
<td>County Open Space Fund</td>
<td>$171,210</td>
<td>$178,531</td>
<td>$337,541</td>
<td>$372,329</td>
<td>$394,022</td>
<td>130%</td>
<td>732-431-7000</td>
</tr>
<tr>
<td>Excess for Rate Rounding</td>
<td>$2,187</td>
<td>$2,389</td>
<td>$8,399</td>
<td>$11,977</td>
<td>$9,909</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Tax Levy</strong></td>
<td><strong>$16,023,757</strong></td>
<td><strong>$16,255,307</strong></td>
<td><strong>$16,446,087</strong></td>
<td><strong>$16,925,648</strong></td>
<td><strong>$17,823,428</strong></td>
<td><strong>11%</strong></td>
<td></td>
</tr>
</tbody>
</table>
THE TAX LEVY GETS SPLIT UP BASED ON PROPORTIONATE SHARE OWNERSHIP OF THE BOROUGH

TO PUT IT SIMPLY, IF YOU OWNED 5% OF THE BOROUGH’S VALUE, YOU WOULD BE ASSIGNED TO PAY 5% OF THE $54M BILL

<table>
<thead>
<tr>
<th>Tax Levy Component</th>
<th>2020 Tax Levy</th>
<th>Percent of Bill</th>
</tr>
</thead>
<tbody>
<tr>
<td>County Budget</td>
<td>$ 3,374,052</td>
<td>19%</td>
</tr>
<tr>
<td>District School Budget</td>
<td>$ 6,498,090</td>
<td>36%</td>
</tr>
<tr>
<td>Local Municipal Purposes</td>
<td>$ 7,009,040</td>
<td>39%</td>
</tr>
<tr>
<td>Library Budget</td>
<td>$ 472,734</td>
<td>3%</td>
</tr>
<tr>
<td>County Health Budget</td>
<td>$ 69,583</td>
<td>0%</td>
</tr>
<tr>
<td>County Open Space Fund</td>
<td>$ 394,022</td>
<td>2%</td>
</tr>
<tr>
<td>Excess for Rate Rounding</td>
<td>$ 5,909</td>
<td>0%</td>
</tr>
<tr>
<td>Total Tax Levy</td>
<td>$ 17,823,428</td>
<td></td>
</tr>
</tbody>
</table>
### How is the Tax Rate Calculated?

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Tax Levy</th>
<th>Net Value of Borough</th>
<th>Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$16,023,757</td>
<td>$1,146,191,500</td>
<td>1.398%</td>
</tr>
<tr>
<td>2017</td>
<td>$16,255,307</td>
<td>$1,149,597,400</td>
<td>1.414%</td>
</tr>
<tr>
<td>2018</td>
<td>$16,446,087</td>
<td>$1,188,301,100</td>
<td>1.384%</td>
</tr>
<tr>
<td>2019</td>
<td>$16,925,648</td>
<td>$1,336,939,000</td>
<td>1.266%</td>
</tr>
<tr>
<td>2020</td>
<td><strong>$17,823,428</strong></td>
<td><strong>1,458,545,700</strong></td>
<td><strong>1.222%</strong></td>
</tr>
</tbody>
</table>
2020 TECHNOLOGY DRIVEN ASSESSMENT MODELING
Establish Market Based Model

GOLDEN RULES

Accuracy & Uniformity
Analyze Data with Consideration of:

1) Location
Analyze Data with Consideration of:

2) Property Type

- Single Family
- Multi Family
- Single Fam w/ Accessory Unit
Analyze Data with Consideration of:

2) Property Type
   - Condo/Townhouse
   - Apartment
   - Commercial
Analyze Data with Consideration of:

3) Condition & Other Factors
   - Age
   - Condition
   - Quality
   - Finishes
   - Pool
   - Etc.
INCOME PRODUCING PROPERTY VALUATION

• ASSESSMENTS FOR INCOME PRODUCING PROPERTIES SHOULD BE BASED THE SAME WAY MARKET PARTICIPANTS VIEW THOSE PROPERTIES WHEN BUYING/SELLING

• GENERALLY INTERESTED IN THE FACTORS THAT RESULT IN NET INCOME, RISK OF OWNERSHIP AND COST OF CAPITAL

• COMMERCIAL/APARTMENT PROPERTIES REPRESENT ABOUT 12% OF THE RATABBLE BASE IN 2020 (UP FROM 10% IN 2019)
<table>
<thead>
<tr>
<th></th>
<th>2019 Final Net Valuation</th>
<th>2020 Final Net Valuation</th>
<th>Change</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 1,336,939,000</td>
<td>$ 1,458,545,700</td>
<td>$ 121,606,700</td>
<td>9.10%</td>
</tr>
<tr>
<td>Class</td>
<td>Property Type</td>
<td>Count</td>
<td>Value</td>
<td>Average</td>
</tr>
<tr>
<td>-------</td>
<td>---------------</td>
<td>-------</td>
<td>----------------</td>
<td>---------</td>
</tr>
<tr>
<td>1</td>
<td>Vacant Land</td>
<td>31</td>
<td>6,357,500</td>
<td>205,081</td>
</tr>
<tr>
<td>2</td>
<td>Residential</td>
<td>1932</td>
<td>1,195,977,900</td>
<td>619,036</td>
</tr>
<tr>
<td>4A</td>
<td>Commercial</td>
<td>99</td>
<td>68,799,200</td>
<td>694,941</td>
</tr>
<tr>
<td>4B</td>
<td>Industrial</td>
<td>1</td>
<td>1,453,500</td>
<td>1,453,500</td>
</tr>
<tr>
<td>4C</td>
<td>Apartment</td>
<td>32</td>
<td>64,350,900</td>
<td>2,010,966</td>
</tr>
</tbody>
</table>

Net Valuation Taxable: 1,336,939,000

<table>
<thead>
<tr>
<th>Class</th>
<th>Property Type</th>
<th>Count</th>
<th>Value</th>
<th>Average</th>
<th>Percent of Borough</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Vacant Land</td>
<td>30</td>
<td>9,228,500</td>
<td>307,617</td>
<td>0.63%</td>
</tr>
<tr>
<td>2</td>
<td>Residential</td>
<td>1927</td>
<td>1,278,396,100</td>
<td>663,413</td>
<td>87.65%</td>
</tr>
<tr>
<td>4A</td>
<td>Commercial</td>
<td>99</td>
<td>72,996,900</td>
<td>737,342</td>
<td>5.00%</td>
</tr>
<tr>
<td>4B</td>
<td>Industrial</td>
<td>1</td>
<td>1,453,500</td>
<td>1,453,500</td>
<td>0.10%</td>
</tr>
<tr>
<td>4C</td>
<td>Apartment</td>
<td>32</td>
<td>96,470,700</td>
<td>3,014,709</td>
<td>6.61%</td>
</tr>
</tbody>
</table>

Net Valuation Taxable: 1,458,545,700
HOW DO I KNOW IF I AM ASSESSED FAIRLY?
WHERE DO I FIND MY ASSESSMENT?

• ANNUALLY IN MID NOVEMBER, YOU RECEIVE A POSTCARD SHOWING YOUR ASSESSMENT FOR THE FOLLOWING TAX YEAR. THAT POSTCARD LOOKS LIKE THIS:

• THIS WAS MAILED IN NOVEMBER OF 2019. IT SHOWS THE 2020 ASSESSMENT

• THE TAXES THAT ARE LISTED ON THE POSTCARD ARE NOT THE TAXES YOU WILL PAY IN 2020

• THE ASSESSMENT IS ONLY A DISTRIBUTION MECHANISM. A HIGHER ASSESSMENT DOES NOT NECESSARILY MEAN THAT YOUR TAXES WOULD INCREASE

• THE ASSESSMENT IS INTENDED TO BE A REASONABLE REPRESENTATION OF MARKET VALUE (WHAT YOU WOULD BE ABLE TO SELL YOUR HOUSE FOR IN THE OPEN MARKET)
HOW DO YOU KNOW YOU ARE ASSESSED FAIRLY?

• COMPARE YOUR ASSESSMENT TO THE SALE PRICES OF HOUSES THAT RECENTLY SOLD TO MAKE SURE YOUR ASSESSMENT IS REASONABLY REPRESENTATIVE OF MARKET VALUE
  
  (NOT BANK SALES, SHERIFF SALES, ESTATE SALES, ETC....) MUST LOOK AT SALES WHERE THE SELLER WAS NOT UNDER ANY DURESS OR WAS OVERLY MOTIVATED TO SELL

• BE SURE TO COMPARE APPLES TO APPLES

  (# OF UNITS, TYPE OF HOUSE, SIZE, STYLE, LOCATION, CONDITION, AMENITIES, ETC.)

• IF YOUR HOUSE IS RENOVATED, DO NOT COMPARE TO HOUSES THAT NEED TO BE RENOVATED!
DON’T BE AFRAID TO TALK TO THE ASSESSOR

(OK…I’m not that scary)

• EMAIL THE ASSESSOR AND ASK FOR YOUR PROPERTY RECORD CARD

• MAKE SURE THAT ALL OF THE PHYSICAL CHARACTERISTICS ARE PROPERLY NOTED ON THE RECORD

• BEING THAT THE ASSESSOR ANNUALLY MAINTAINS THE ASSESSMENT MODEL, THE ASSESSMENT SHOULD REASONABLY REPRESENT THE MARKET ASSUMING ALL OF THE PHYSICAL DATA OF YOUR PROPERTY BEING USED IN THE MODELING IS CORRECT!

• THE ASSESSOR CAN BEST EXPLAIN HOW YOUR ASSESSMENT IS BEING ARRIVED AT

PLEASE READ THE FAQ (SENT WITH BILL & ON OUR WEBSITE)
IF YOU STILL DISAGREE AFTER TALKING TO THE ASSESSOR AND REVIEWING SALES DATA, YOU CAN FILE AN APPEAL WITH THE MONMOUTH COUNTY TAX BOARD.

FILING AN APPEAL IS NOT THAT DIFFICULT AND CAN BE DONE ONLINE HTTPS://SECURE.NJAPPEALONLINE.COM/PRODAPPEALSLOGIN.ASPX (SEE FAQ)
WHEN YOU FILE AN APPEAL, YOU ARE DISCONNECTED FROM THE MODEL
COUNTY TAX BOARD FILING DEADLINE IS JANUARY 15TH

STATE TAX COURT FILING DEADLINE IS APRIL 1ST (IF ASSESSMENT OVER 1M)

COUNTY VS. STATE?

• FAST
• EASY

Not really fun... but, if you don’t like the result of a County Appeal, you can further Appeal to State (within 45 days of county judgment)
APPEAL VENUE: COUNTY VS STATE

OLD SYSTEM

Final Tax List
Filed

Result:
Applying this tax rate to individual assessments that are lower than the initial value results in an under collection of the Tax Levy

Tax Rate Calculated with Ratable Base Value BEFORE Appeal Reductions

Appeals Reduce Ratable Base
But Appel Reductions Not Factored In Ratable Base
APPEAL VENUE: COUNTY VS STATE

NEW SYSTEM (ASSESSMENT DEMONSTRATION PROGRAM REFORM)

Preliminary Tax List Filed

Appeals Reduce Preliminary Ratable Base

Result:
Applying this tax rate to individual assessments that are lower than the initial value DOES NOT result in an under collection of the Tax Levy

Final Tax List Filed

Tax Rate Calculated with Ratable Base Value AFTER Appeal Reductions
ASSESSMENT REDUCTIONS CREATED FROM CTB APPEALS DO NOT RESULT IN REFUNDS

Which Means….  

THE ASSESSOR WILL VIEW THE COUNTY TAX BOARD APPEAL AS AN EXTENSION OF THE REASSESSMENT RATHER THAN AN ADVERSARIAL DEFENSE

SO WHAT DOES THAT MATTER TO ME?

PROPERTY OWNER
ASSESSMENT REDuctions created FROM CTB APPEALS DO NOT RESULT IN REFUNDS FOR THE BOROUGH TO PAY… PROPERTIES ARE SIMPLY BILLED THE CORRECT AMOUNT FROM THE START

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Tax Rate</th>
<th>Budgetary Shortfall Avoided</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>4,230,200</td>
<td>1.384%</td>
<td>$58,546</td>
</tr>
<tr>
<td>2015</td>
<td>4,516,880</td>
<td>1.396%</td>
<td>$63,056</td>
</tr>
<tr>
<td>2016</td>
<td>5,105,500</td>
<td>1.398%</td>
<td>$71,375</td>
</tr>
<tr>
<td>2017</td>
<td>1,542,700</td>
<td>1.414%</td>
<td>$21,814</td>
</tr>
<tr>
<td>2018</td>
<td>783,000</td>
<td>1.384%</td>
<td>$10,837</td>
</tr>
<tr>
<td>2019</td>
<td>8,735,200</td>
<td>1.266%</td>
<td>$110,588</td>
</tr>
<tr>
<td>2020</td>
<td>9,181,900</td>
<td>1.222%</td>
<td>$112,203</td>
</tr>
</tbody>
</table>

Total Budgetary Shortfalls Avoided $448,417
Tax Reforms Lead to Lower Appeals for Monmouth County, NJ

From U.S. Public Finance Weekly Credit Outlook

On July 3, Monmouth County, NJ (Aaa stable) announced a 28% decline in total property tax appeals in 2014 largely due to reforms to the county’s property valuation, inspection and appeals procedures. The reforms are credit positive for municipalities in the county because they improve the timeliness for property revaluations and for settling tax appeals, minimizing the negative budgetary impact of future tax appeals.

Tax appeals across Monmouth County decreased to 4,992 in fiscal 2014, the lowest levels in five years and 28% lower than the 6,948 appeals in fiscal 2013 (see Exhibit). Tax appeals reduce a local government’s assessed valuations and can result in lower property tax receipts. Lower tax appeals mean more stable and predictable property tax revenues for the county’s municipalities, which collect and remit property tax receipts in full to the county and overlapping school districts.

The budgetary impact of the reforms will vary between each of the county’s 53 municipalities, depending on the size of their individual tax appeals. Aberdeen (A1), one of the municipalities with the largest one-year decline in the number of tax appeals, saw appeals fall by 80%, to 100 from 512. As a result, the amount of assessed value that Aberdeen lost due to appeals fell to $3.8 million from $13.9 million in 2013, saving an estimated $350,000 of tax revenue, or about 2.1% of total budgeted 2014 revenues.

Because assessments are more accurate from reassessing annually...
Local government - New Jersey

Municipalities look to save time and money with improved assessment process

Several New Jersey municipalities, mainly in Monmouth and Somerset counties (both Aaa stable), are proactively addressing the state’s chronic tax appeal issue. While most municipalities reassess their tax bases irregularly, municipalities in these counties are adopting a systematized approach that will improve the accuracy of assessed values. The strategy looks to reduce costly tax appeals that can lead to revenue shortfalls and short-term borrowing, sometimes on a regular basis. In extreme cases, tax appeals can cause considerable financial distress. Certain municipalities have even had to issue debt to pay for lost appeals, peeling municipal resources away from funding operations.

🌟 The commonly used revaluation process can cost municipalities money. Faulty valuations lead to incorrect tax bills and lost tax appeals. If a municipality loses an appeal, it must refund the taxes paid causing potentially serious budgetary pressure via tapping reserves or issuing debt.

🌟 Annually reassessing the tax base can help save time and money in the long term. Proactive reassessments on a more frequent basis keep valuations more accurate. The process reduces tax appeals and tax refunds, while improving budgeting accuracy. The steps are crucial because money spent on refunds is essentially a deadweight loss to a municipality.

🌟 Monmouth County has adjusted the tax appeal calendar to improve budgeting accuracy. Unlike other local governments in the state, Monmouth municipalities adopt budgets after the tax appeals process is finished. This allows them to set a tax rate to avoid revenue shortfalls.
Fairness has surprising impact on credit quality

While the issue of fairness in tax bills seems unconnected to credit, it is, in fact, very closely connected. The temptation is to think that as long as a municipality gets its money, the way the tax levy is divided among households is irrelevant. The problem with this view is that, in addition to the sheer lack of fairness, a faulty assessment is technically illegal.

The New Jersey Constitution requires that “Property shall be assessed for taxation under general laws and by uniform rules. All real property assessed and taxed locally or by the State for allotment and payment to taxing districts shall be assessed according to the same standard of value, except as otherwise permitted herein, and such real property shall be taxed at the general tax rate of the taxing district in which the property is situated, for the use of such taxing district.” This is, of course, the legal justification for tax appeals. If property is incorrectly assessed, this is a violation of that law and an owner has a right to an adjustment. From a practical point of view, a municipality can never be 100% accurate. However, the more extreme inaccuracies are clearly contrary to the intention of the state constitution.

Maintaining accurate assessments ensures that taxpayers contribute their correct portion of the total tax levy. Simplifying matters for the sake of clarity, the total tax levy should be apportioned to taxpayers based on the percentage that their property is in relation to the total tax base. For example, if a taxpayer’s property assessment is 10% of the total assessed value of the tax base, a taxpayer should pay 10% of the tax levy. Without accurate assessments, it is easy for taxpayers to pay an incorrect share of the total levy.
The Innovations in American Government Awards is the nation’s preeminent program devoted to recognizing and promoting excellence and creativity in the public sector.

The program highlights exemplary models of government innovation and advances efforts to address the nation’s most pressing public concerns. Since its inception in 1985, the Program has received over 27,000 applications and recognized nearly 500 government initiatives since it was established in 1985 with funding from the Ford Foundation.

---

INNOVATIONS IN AMERICAN GOVERNMENT AWARDS

This certifies that

Real Property Assessment Demonstration Program
County of Monmouth, NJ

has been named a

Top 25

program of the 2018 Innovations in American Government Award Competition

KATHLEEN KENNEDY TOWNSEND
Chair, National Selection Committee

STEPHEN GOLDSMITH
Director, Innovations in American Government Awards Program

ANTHONY SOCH
Director, Ash Center for Democratic Governance and Innovation

The Innovations Awards Program is an initiative of the Ash Center for Democratic Governance and Innovation
Distinguished Assessment Jurisdiction Award

This award is presented to a national, state/provincial, regional or local assessment agency that has instituted a technical, procedural or administrative program which is an improvement over prior programs in that jurisdiction and is generally recognized as a component of a model assessment system and a contributing factor to equity in property taxation. Government assessment or revenue agencies that have implemented such a program in the two years prior to nomination with successful results are eligible for nomination. Jurisdictions of all sizes are encouraged to submit nominations.

Year  Recipient
2019  Monmouth County Board of Taxation and Municipal Assessors

IAAO's History, Vision & Mission

About Us
IAAO is a nonprofit, educational, and research association. It is a professional membership organization of government assessment officials and others interested in the administration of the property tax. IAAO was founded in 1934, and now has a membership of more than 8,200 members worldwide from governmental, business, and academic communities.

Vision Statement
IAAO will be the global leader and preeminent source of standards, professional development and research in property appraisal, assessment administration and property tax policy.

Mission Statement
IAAO is a global community of mass appraisal experts who promote excellence in property appraisal, assessment administration and property tax policy through professional development, research and standards.
CONGRATULATIONS
TO THE 2019 IAAO AWARD WINNERS

The awards were presented during the 85th Annual International Conference on Assessment Administration in September in Niagara Falls, Ontario, Canada

DISTINGUISHED ASSESSMENT JURISDICTION AWARD
Macklenburg County Assessor’s Office, Charlotte, North Carolina

DISTINGUISHED ASSESSMENT JURISDICTION AWARD
Monmouth County Board of Taxation and Municipal Assessors, Freehold, New Jersey
DO NOT MULTIPLY THE THIRD QUARTER BILL BY FOUR!

PLEASE READ THE LETTER THAT WAS MAILED TO YOU:

Third and Fourth Quarter Tax Bills
Do not multiply the 3rd quarter bill by four to determine the amount of taxes you will pay this year (see question #3 on the attached FAQ). The enclosed bill reflects the 2nd half of 2020 and 1st half of 2021. Your full year 2020 taxes are shown on the bill in the upper right corner. The 3rd and 4th quarter reflect the balance due for the year after the tax rate has been certified. The 1st and 2nd quarter bills are always preliminary taxes and equal half of the prior year taxes. Reconciliation takes place in the 3rd and 4th quarters annually.

PLEASE READ THE FAQ THAT WAS MAILED TO YOU:

3. Why are my 3rd and 4th quarter bills different from my 1st and 2nd?

DO NOT MULTIPLY YOUR 3rd QUARTER BILL BY FOUR TO DETERMINE YOUR ANNUAL TAXES!
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 back loaded to 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:
1st quarter: $2,000  2nd quarter: $2,000  3rd quarter: $2,250  4th quarter: $2,250
• 1st and 2nd quarter bills are always estimated... they are sent the prior year based on ¼ of the prior year taxes

• Tax rates are certified prior to the 3rd & 4th quarter bill

891,600 x 1.222% = $10,895 (total taxes for year)

$10,895 – $5,164 (1st & 2nd quarter bills were ¼ of the 2019 taxes) = $5,731

Balance / 2 = $2865.50 (3rd and 4th quarter bills)

Tax changes for the year are back loaded to the 3rd and 4th quarter

1st = $2,582  2nd = $2,582  3rd = $2,865.50  4th = $2,865.50

$10,895  NOT  $11,462
TAX RELIEF... WE ALL NEED SOME!
HTTPS://WWW.STATE.NJ.US/TREASURY/TAXATION/RELIEF.SHTML

$250 SENIOR/VETERAN DEDUCTION- APPLY WITH THE TAX ASSESSOR'S or COLLECTOR'S OFFICE

Other Property Tax Benefits

- **Annual Property Tax Deduction for Senior Citizens, Disabled Persons:** Annual deduction of up to $250 from property taxes for homeowners 65 or older or disabled who meet certain income and residency requirements. This benefit is administered by the local municipality. [Claim Form](https://www.state.nj.us/treasury/taxation/relief.shtml)

- **Annual Deduction for Veterans:** Annual deduction of up to $250 from property taxes due for qualified war veterans or a veterans who served in peacekeeping missions and operations. This deduction also is available to a surviving spouse/civil union/domestic partner who has not remarried. This benefit is administered by the local municipality. [Claim Form](https://www.state.nj.us/treasury/taxation/relief.shtml)

- **Property Tax Exemption for Disabled Veterans:** Full exemption from property taxes on a principal residence for certain totally and permanently disabled war veterans and veterans who served in peacekeeping missions and operations. This exemption also is available to a surviving spouse/civil union/domestic partner who has not remarried. This benefit is administered by the local municipality. [Claim Form](https://www.state.nj.us/treasury/taxation/relief.shtml)
TAX RELIEF... WE ALL NEED SOME!
HTTPS://WWW.STATE.NJ.US/TREASURY/TAXATION/RELIEF.SHTML

HOMESTEAD REBATE (PROGRAM RUN THROUGH THE STATE)

You may be eligible if you met these requirements:
- You were a New Jersey resident; and
- You owned and occupied a home in New Jersey that was your principal residence on October 1, 2016*, and
- Property taxes for 2016 were paid on that home;
- You met the 2016 income requirements:
  - $150,000 for homeowners age 65 or older, or blind or disabled;
  - $75,000 for homeowners under age 65 but not blind or disabled.
*If you were not a homeowner on October 1, 2016, you are not eligible for a Homestead Benefit on your home for part of the year.

You are not eligible unless you are required to pay property taxes on your home. For example, you are not eligible if you:
- Are completely exempt from paying property taxes on your principal residence (such as certain totally and permanently disabled war veterans).
- Made P.I.L.O.T. (Payments-in-Lieu-of-Taxes) to your municipality. These payments are not considered property taxes for purposes of the Homestead Benefit.

You are not eligible for a Homestead Benefit for a vacation home, a second home, or a property you owned and rented to someone else. If you owned more than one property in New Jersey, only file the application for the property that was your principal residence on October 1, 2016.

Note: We do not send Homestead Benefit filing information to homeowners whose New Jersey Gross Income for the application year was more than the income limits established by the State Budget.

CALL NOW!!!!!!
1-877-658-2972
TAX RELIEF... WE ALL NEED SOME!

HTTPS://WWW.STATE.NJ.US/TREASURY/TAXATION/RELIEF.SHTML

Senior Freeze (Property Tax Freeze Program)

Income Limits by Status

<table>
<thead>
<tr>
<th>Year</th>
<th>Single or Married/CU Couple</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$87,007</td>
</tr>
<tr>
<td>2017</td>
<td>$70,000</td>
</tr>
<tr>
<td>2016</td>
<td>$87,007</td>
</tr>
<tr>
<td>2015</td>
<td>$70,000</td>
</tr>
</tbody>
</table>

Residency: You are an eligible senior if you filed your New Jersey Income Tax return by the due date (where due is April 17, 2018). If you are an applicant for Social Security benefits, you may qualify for the Senior Freeze within 12 months of a Social Security determination. To qualify for the Senior Freeze, you must meet both the income and the age/disability test.

CALL NOW!!!!!! 1-800-882-6597
Q&A

Raise your hand in the Zoom Meeting to ask any general questions you may have now.

To ask a question later or request a copy of your Property Record Card (PRC):

Erick Aguiar, CTA (Tax Assessor)  eaguiar@bradleybeachnj.gov