

Frequently Asked Questions Concerning the 2016 Property Reassessment and the Impact on Property Taxes

In anticipation of questions and concerns that may be generated from the mailing of the 2016 Assessment Postcards, below are some of the most frequently asked questions that you may find helpful.

1. My assessment has increased from last year. Does that mean I will be paying even MORE taxes?

Not necessarily. The assessment function does not *create* revenue for the municipality. The purpose of the Assessment function is to annually distribute the separately determined tax burden based on percentage ownership of the municipality. 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). In strict adherence with the NJ Constitution, this apportionment is to be based on the value of property.

2. Why wasn't the assessed value of all houses changed by the same amount?

In the past, assessments were set during a revaluation year and remained stagnant despite obvious changes in the markets and sub markets. Annually, the relationship between "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, the reality is that is not the case. 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.

3. 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 burden. When the assessments are set to the same standard (market value) in a uniform way, the tax burden 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 paid. 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 50% of the municipality, it would in turn be responsible to pay 50% of the tax burden.

Here are some statistics from the 2016 Preliminary Assessment Book compared to the 2015 Assessment Book:

The total ratable base increased by **1.55%** from 4.08B to 4.15B

The median change to residential properties was 1.17%

All 2016 preliminary assessments can be found here:

<http://oprs.co.monmouth.nj.us/Oprs/External.aspx?iId=12>

Below is the breakdown of the total tax levy for 2015 in Holmdel Township:

Tax Levy	Amount	Percent	Contact
County Budget	\$11,215,462.96	13.76%	732-431-7000
County Library Budget	\$739,153.75	0.9%	732-431-7000
District School Budget	\$53,442,774.00	65.48%	732-946-1800
Local Municipal Purposes	\$14,354,244.54	17.61%	732-946-2820
Municipal Open Space Fund	\$1,023,793.23	1.25%	732-946-2820
County Health Budget	\$222,010.07	0.25%	732-431-7000
County Open Space Fund	\$618,193.24	0.75%	732-431-7000
Total	\$81,615,631.79	100.00%	

4. I feel my assessment DOES NOT reflect the fair market value. What can I do?

Please be on the lookout for the postcard with your 2016 assessment which will be mailed to you at the end of November. If you believe the 2016 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 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, 2016. 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 2016 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.

If you choose to file an appeal on your 2016 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.

5. Generally speaking, how accurate are the assessments?

Measuring accuracy of assessments could be done by statistically comparing the reliability of the central tendency of Assessed Value to Market Value ratios.

In the past (and currently outside of Monmouth County), the assessment function may not have been as accurate as currently being demonstrated in Monmouth County. The ADP strives to use advancements in technology, education and mass appraisal techniques to provide this better service to the tax payers. 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. By comparing assessed values to "arm's length" sale prices, a dramatic improvement of accuracy can be seen by employing the ADP model. When "in-house" reassessments are conducted on an annual basis, more credibility can generally be given to the assessment product and associated distribution of taxes.

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

Regards,



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