

Changes in assessments due to the Assessment Demonstration Program

In 2013 Governor Christie signed into law the Monmouth County Assessment Demonstration program.

Monmouth County was chosen to head a 5 year pilot program which consists of annual reassessments of all properties to 100% of market value. After the 5 year pilot ended. The annual reassessments have become permanent and will be conducted each year from now on. What this means is that every year, all properties in town will be assessed according to real estate market values in that year.

Towards the end of the year, adjustments to assessments are made according to usable market sales and values. The reassessment is real estate market driven. If the real estate market is up and appreciating, then assessments must go up. If the real estate market is depreciating, then assessments will go down. A sales ratio study is done and adjustments to assessments are based purely on market changes and values.

Assessment changes during a reassessment are not made based solely on any improvements made to any individual property, but also on market changes and values.

There are many advantages to this new assessment program:

- 1) It serves to annually provide more accurate and uniform property assessments for fairer distribution of the annual property tax levy;

2) Eliminates the need for very costly revaluations which can occur after years of various changes in the real estate market. Having a revaluation after years of an appreciating real estate market would result in sudden substantial increases in your assessment instead of yearly gradual increases.

It is understood that receiving an increase in your assessment, especially if it is a significant increase can be a cause of concern, **but please keep in mind that just because your assessment has increased significantly, it does not mean that your taxes will increase to the same degree. In general, tax rate history has shown that when assessments increase significantly in any given year, the likelihood of the tax rate coming down is quite possible.**

Actual Property taxes themselves are based on a "Tax Rate" that is applied to all assessments. The Municipality has no control over any tax levy other than its municipal portion.

By looking at your assessment, which is sent by postcard in November, you can determine if your property is assessed to market value. If you feel that your assessment is correct, and in your opinion, your property is assessed to where you think its value is, then there is nothing to do. There is no basis to file a tax appeal.

If you feel that your assessment is not correct and your property is not being valued properly, then your recourse is to file a tax appeal by January 15th. Please keep in mind, that you **do not appeal your taxes, you appeal your assessment.** You may file your appeal online following the instructions on the back of your assessment postcard. Please note that the assessment is deemed correct, unless you prove otherwise with comparable sales.