

TOWNSHIP OF FREEHOLD



TOWNSHIP COMMITTEE
Alan C. Walker, Deputy Mayor
Anthony J. Ammiano
Thomas L. Cook
Lester A. Preston, Jr.

"Preserving and Enhancing the Quality of Life"

October 28, 2022

Property Owner,

Below is a list of Frequently Asked Questions about the assessing function and the reassessment:

1. 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 responsibility. When the assessments are set to the same standard (market value) in a uniform way, the tax levy will be distributed fairly - municipally 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 raised by property taxation. A town's share of the County's annual levy is directly correlated to the town's proportionate share of the County's overall value. Similarly, an individual's property taxes are directly correlated to that property's proportionate share of the municipality's total value.

To put it simply, if a town was worth 5% of the total value of the County, it would be assigned 5% of the County's annual tax levy. Finally, if a property was worth 5% of the municipality, it would be assigned to pay 5% of the annual tax levy. Below is the breakdown of the town's Certified Tax Levy.

FREEHOLD TWP. MUNICIPAL TAX LEVY DATA							
Component	A	B	C	D	E	F	G
	2019	2020	2021	2022	One year Levy Change	% of Current Levy	% of Current Levy
County Budget	15,859,750.61	15,894,775.62	16,258,084.86		363,309.24	2.20%	11.20%
County Library	1,134,551.39	1,156,899.35	1,220,355.12		63,455.77	5.20%	0.80%
County Health Budget						0.00%	0.00%
County Open Space	1,831,028.67	1,856,366.42	1,954,852.81		98,486.39	5.00%	1.30%
Municipal Budget	21,900,600.67	22,557,619.00	23,032,983.00		475,364.00	2.10%	15.80%
Municipal Open Space	1,977,735.27	2,015,229.57	2,060,435.88		45,206.31	2.20%	1.40%
Municipal Library						0.00%	0.00%
District School / Reg Elementary	70,760,205.00	72,180,719.00	72,792,206.00		611,487.00	0.80%	50.00%
Regional School	27,497,087.00	27,390,153.00	28,322,253.00		932,100.00	3.30%	19.40%
Total Tax Levy	140,960,958.61	143,051,761.96	145,641,170.67	148,553,994.08	2,589,408.71	1.70%	100.00%
Source: Abstract of Ratables * E = (IF D > 0, D - C, C - B); F = (IF D > 0, E/D, E/C); G = (IF D > 0, D/Sum of D, C/Sum of C) Does not include excess levy for rate rounding.							



2. How is the Tax Rate Calculated?

The tax rate is calculated by dividing the total tax levy by the net valuation of the Township (total of all taxable assessments). Each property then pays taxes based on that rate times their individual assessment so that the tax levy is distributed fairly.

FREEHOLD TWP. MUNICIPAL GENERAL TAX RATE			
Levy Year	A	B	C = (A / B)
	Total Tax Levy	Net Assessed Value of Township	General Tax Rate
2019	140,960,958.61	6,592,450,900	2.139
2020	143,051,761.96	6,717,431,900	2.130
2021	145,641,170.67	6,868,119,600	2.121
* 2022	148,553,994.08	7,511,861,300	1.978

Source: Abstract of Ratables * ESTIMATED
General Tax Rate does not include Special Rates i.e. Fire, Garbage, Business

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

Since the annual tax levy and 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 based on what was paid the previous year. Once the tax rate is certified, the tax collector multiplies your assessment by the certified rate. The collector then reduces the total amount due for the year 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 backloaded to the final two quarters of the year.

As an example, if your property taxes changed from \$16,000 to \$16,500. The quarterly breakdown would be: 1st quarter: \$4,000 2nd quarter: \$4,000 3rd quarter: \$4,250 4th quarter: \$4,250

4. If we are reassessing every year, does that mean my assessment will change for next year?

Yes. For annual reassessment towns every year the market will be analyzed to ensure fair distribution of the tax levy. The overarching intent is to institute a revised assessment function that provides systemic cost savings and enhanced public service. And deliver the service in a way that is more easily understood and transparent. 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 is to ensure that each taxpayer pays their fair share of the annual tax levy (no more or no less). By performing annual reassessments, if each individual assessment is accurate, each year's tax bill will be fair and the amount paid over the old assessment model's 10-year period will be accurate.

5. 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 of the separately determined tax levy. In strict adherence to the NJ Constitution, this apportionment is to be based on the current market value of the property.



So, future tax bills will be affected by multiple factors such as changes to the amount being raised by taxation for County, school, and municipal purposes, State aid, and relative changes to the value of your property as compared to others.

6. My house was recently inspected. What was the purpose of that inspection?

The purpose of the inspection is to gather proper information on each property 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 this office where the reassessment process is done. For towns performing annual reassessments the New Jersey Division of Taxation requires that an inspection is done every five to eight years on each property.

7. I was not home for the inspection. What should I do?

If the inspector did not gain access to the interior of your property, they likely estimated 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.

8. How is the appraisal process done?

After the residential inspection data was returned to this office, the Assessor reviews all recent sales data and synchronizes the mass appraisal modeling in each market and submarket to target the 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. The assessment modeling for income-producing property (commercial, industrial, and apartments) may make use of other methods and data.

9. What do I do if I feel my assessment DOES NOT reflect the fair market value?

First, the County has established an online application called TIARA (Taxpayer Informal Assessment Review Application) that is opened on or about June 1st and closes on or about October 15th each year. The purpose of TIARA is to provide the taxpayer with a formal way to state why they believe the current assessment is wrong. The Assessor will review the TIARA application in the development of the following year's assessment. TIARA can be found at: <https://taxboardportal.co.monmouth.nj.us>

Please be on the lookout for the postcard with your Preliminary assessment. This postcard is mailed in late November of the pre-tax year. If you believe the Preliminary 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 may file an appeal with the Monmouth County Tax Board before January 15th. Here is a link to the Online Appeal site:

<https://secure.njappealonline.com/prodappeals/login.aspx>

Please note that the site will not be open until the new Preliminary 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 new Preliminary 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 antiquated traditional assessment system is that it was based on 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 reacts 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 of environment is ripe for taxes to be inappropriately distributed. Monmouth County has reformed the distribution component of property taxation to address this obvious shortfall. We strive to use advancements in technology, education, and mass appraisal techniques to provide this better service to the taxpayers.

11. What will my taxes be this year?

In order to help Monmouth County taxpayers estimate their 2023 property taxes, we have created an easy-to-use, on-line tool. It works much like an online mortgage calculator. Simply follow the instructions, input specific data related to your property, and the tool, in this case, will provide you with an estimate for what you can expect to pay in property tax in 2023. Since the tool can ONLY provide an ESTIMATE, please note the qualifications included regarding the estimates generated by the tool. The tool uses the assessed property values provided by your municipality for 2023, as well as a forecasted average budgetary increase of 2%.

We invite you to use this tool to estimate your property taxes for 2023 and to better understand the impact of any assessment change on your property taxes. In that regard, we created this tool – and the additional information included in our FAQ section about annual assessments – to help property taxpayers make informed decisions. We hope you find the tool useful.

A handwritten signature in black ink, appearing to read "Matthew R. Barbieri".

Matthew R. Barbieri, CTA

Deputy Assessor

Freehold Township

MBarbieri@Twp.Freehold.Nj.Us