



On behalf of the

Monmouth County Board of Taxation

Clifford J. Moore, III President

and

Municipal Advisory Group (MAG)

Donald Galante, Chairman

An update to the implementation of :

P.L.2013, Chapter 15

“Real Property Assessment Demonstration Program.”

Prepared by:

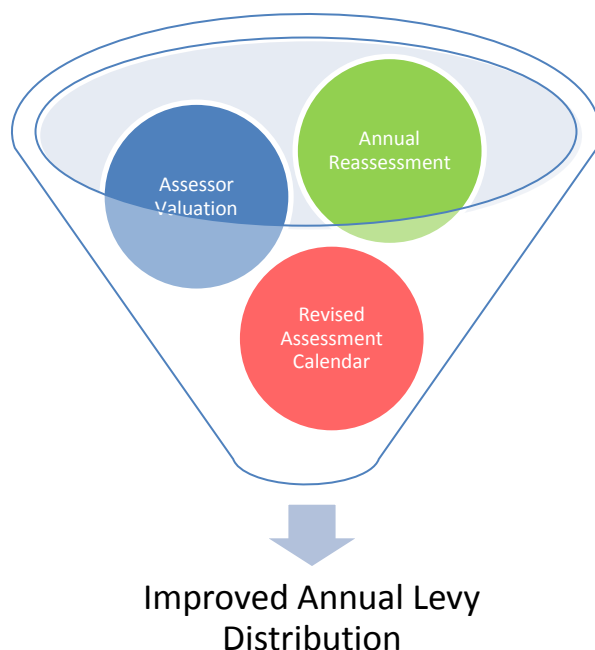
**Matthew Clark, CTA, Monmouth County Tax Administrator
Erick Aguiar, CTA, Assessor Asbury Park, Holmdel, Loch Arbour**

**Presented:
December 14, 2017**



Foreword

There are three (3) primary components to the *Assessment Demonstration Program* (ADP) model namely; **Assessment Calendar, Technology/Education, and Annual Reassessments/Assessment Maintenance**. The components of the ADP have been created to **fix the problems endemic to New Jersey's property tax system that prevent the fair distribution of the annual tax levy.** The pages that follow represent a summary review, as of this date, of Monmouth County's efforts.



Executive Summary

One of the leading debates amongst New Jersey property assessment practitioners is if the traditional assessment model is broken. The contents of this report strongly support those that argue that it is broken and that significant reform is needed.

This report, using facts, demonstrates that Monmouth County's implementation of the Assessment Demonstration Program (ADP) has succeeded on all fronts. Between the years 2014 and 2017 the program has increased individual assessment accuracy, enhanced systemic transparency, reduced overall costs, and improved annual levy distribution. Accordingly, with a proven and scalable solution in hand, the entire state of New Jersey should begin transitioning to a modern assessment function which includes annual reassessments, enhanced technology and a revised assessment calendar.

New Jersey's property tax system is not well but a cure is now known and within reach. A failure to administer the cure is a conscious choice to continue to have the wrong people pay hundreds of millions of dollars each year!

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Section 1: ADP Assessment Calendar Revision

In the "traditional assessment calendar", municipalities would submit their assessment list (Tax List) to the County Tax Board in January. The sum of all of the individual taxable assessments within the municipality is the "*Net Valuation Taxable*". Months later, typically in early March, the municipality would advertise and hold public hearings regarding the annual tax levy. The sum of all individual component tax levies (county, municipal, school) is the "*Amount to be raised by Taxation*".

$$\text{Amount To be Raised by Taxation} \div \text{Net Valuation Taxable} = \text{General Tax Rate}$$

In the "traditional assessment calendar", with the annual levy set, property assessment appeals would take place at the County Tax Board after April. Based on this sequence, any reductions in assessments granted in the appeal process would diminish the total tax base that was used to calculate the General Tax Rate.

$$\text{Preliminary Assessment} \pm \text{Assessment Appeals} \pm \text{Correction of Errors} = \text{Final Net Valuation Taxable}$$

When the inaccurate rate (which is now too low as a result of there being less "value" within the town) is applied to the reduced individual assessments the annual **total collections will be insufficient to pay current year obligations**. Unless the shortfall was anticipated and provided for through a reserve, local governing bodies must either make use of existing fund-balances (surpluses) or emergency bonding (with interest).

$$\text{Individual Assessed Value} \times \text{General Tax Rate} = \text{Individual Tax Bill}$$

The Sum of Individual Tax Bills must equal the Amount to be Raised by Taxation

Recall the most recent real estate market downturn - where municipalities sought several forms of emergency legislation to address the fiscal impact that assessment appeal reductions had on municipal finances. Recall the proposal to require school boards to share in the cost of financing the under-collections caused by the assessment appeal process. Historically, the problem with all of the proposed legislative solutions is that "**sharing in the cost**" **does not fix the problem for the taxpayers who are ultimately paying the bill!**

The great news is that Monmouth County has tested and proven that a revised assessment calendar is a long term solution **that is applicable throughout the entire State!** The calendar solution is scalable for all 21 County Tax Boards regardless of appeal volume or the number of municipalities.

The new calendar amends the assessment sequence by simply placing the annual County Tax Board appeal process BEFORE the budgetary process. Monmouth County has significantly addressed the RISK associated with the unknown financing of appeals. While this has served Monmouth County well in a generally stable or appreciating market, it is anticipated to be omnipotent when faced with the next market contraction.

For the years 2014-2017, by placing the **Appeal Process** before the municipal **Budgetary Process**, within Monmouth County the ADP Assessment Calendar has avoided the budgetary collection shortfall of **\$19,751,789**.

MONMOUTH COUNTY BOARD OF TAXATION - ADP APPEAL CALENDAR IMPACT - COUNTY BOARD APPEAL JUDGMENTS													
Total Taxes That Would Be Municipal Budgetary Shortfalls Without the ADP Calendar													
FINAL	2017			2016			2015			2014			4-Year Total
	Appeal Change	Tax	Taxes	Appeal Change	Tax Rate	Taxes	Appeal Change	Tax Rate	Taxes	Appeal Change	Tax Rate	Taxes	
1 ABERDEEN	(1,732,000)	2.565	\$ (44,426)	(2,920,061)	2.583	\$ (75,425)	(468,600)	2.560	\$ (11,996)	(4,141,050)	2.514	\$ (104,106)	\$ (235,953)
2 ALLENHURST	(388,400)	0.778	\$ (3,022)	(139,500)	0.832	\$ (1,161)	(323,200)	0.922	\$ (2,980)	(573,775)	0.850	\$ (4,877)	\$ (12,039)
3 ALLENTOWN	(227,700)	3.048	\$ (6,940)	(248,500)	3.042	\$ (7,559)	(386,450)	2.831	\$ (10,940)	(792,400)	2.807	\$ (22,243)	\$ (47,683)
4 ASBURY PARK	(3,140,700)	2.080	\$ (65,327)	(3,063,400)	2.144	\$ (65,679)	(6,299,600)	2.214	\$ (139,473)	(4,643,300)	2.167	\$ (100,620)	\$ (371,099)
5 ATLANTIC HIGHLANDS	(1,279,300)	2.658	\$ (34,004)	(1,121,100)	2.621	\$ (29,384)	(1,622,800)	2.553	\$ (41,430)	(735,600)	2.521	\$ (18,544)	\$ (123,362)
6 AVON BY THE SEA	(20,000)	1.137	\$ (227)	(533,900)	1.142	\$ (6,097)	(1,504,300)	1.109	\$ (16,683)	(2,946,400)	1.069	\$ (31,497)	\$ (54,504)
7 BELMAR	(3,465,900)	1.205	\$ (41,764)	(663,100)	1.911	\$ (12,672)	(899,500)	1.919	\$ (17,261)	(4,974,600)	1.935	\$ (96,259)	\$ (167,956)
8 BRADLEY BEACH	(1,542,700)	1.414	\$ (21,814)	(2,506,000)	1.398	\$ (35,034)	(2,642,380)	1.396	\$ (36,888)	(3,835,100)	1.384	\$ (53,078)	\$ (146,813)
9 BRIDLE	(1,904,600)	1.654	\$ (31,502)	(2,495,000)	1.651	\$ (41,192)	(3,037,300)	1.663	\$ (50,510)	(26,762,100)	1.558	\$ (416,954)	\$ (540,158)
10 COLTS NECK	(3,254,900)	1.769	\$ (57,579)	(6,762,000)	1.731	\$ (117,050)	(4,968,200)	1.735	\$ (86,198)	(18,276,800)	1.687	\$ (308,330)	\$ (569,157)
11 DEAL	(3,271,900)	0.697	\$ (22,805)	(926,700)	0.699	\$ (6,478)	(12,415,700)	0.715	\$ (88,772)	(774,000)	0.714	\$ (5,526)	\$ (123,581)
12 EATONTOWN	1,212,300	2.233	\$ 27,071	(7,673,700)	2.183	\$ (167,517)	(28,084,400)	2.223	\$ (624,316)	(5,707,660)	2.256	\$ (128,765)	\$ (893,527)
13 ENGLISHTOWN	(126,500)	2.258	\$ (2,856)	(45,100)	2.197	\$ (991)	(2,651,500)	2.130	\$ (56,477)	(589,800)	2.010	\$ (11,855)	\$ (72,179)
14 FAIR HAVEN	(3,130,100)	1.900	\$ (59,472)	(3,749,100)	1.955	\$ (73,295)	(2,811,500)	1.944	\$ (54,656)	(4,053,400)	1.968	\$ (79,771)	\$ (267,193)
15 FARMINGDALE	(15,900)	2.085	\$ (332)	(89,400)	2.047	\$ (1,830)	(769,800)	1.884	\$ (14,503)	(762,600)	1.827	\$ (13,933)	\$ (30,597)
16 FREEHOLD BORO	(900,780)	2.712	\$ (24,429)	(2,314,500)	2.655	\$ (61,450)	(2,067,100)	2.534	\$ (52,380)	(2,196,600)	2.419	\$ (53,136)	\$ (191,395)
17 FREEHOLD TWP	(5,456,000)	2.243	\$ (122,378)	(4,013,400)	2.286	\$ (91,746)	(21,948,400)	2.258	\$ (495,595)	(2,424,500)	2.349	\$ (56,952)	\$ (766,671)
18 HAZLET	(960,500)	2.563	\$ (24,618)	(753,800)	2.556	\$ (19,267)	(1,412,900)	2.550	\$ (36,029)	(2,774,842)	2.718	\$ (75,420)	\$ (155,334)
19 HIGHLANDS	(1,856,700)	2.812	\$ (52,210)	7,182,900	2.767	\$ 198,751	(2,766,600)	2.795	\$ (77,326)	(2,332,700)	2.698	\$ (62,936)	\$ 6,278
20 HOLMDEL	(5,676,900)	2.029	\$ (115,184)	(10,848,400)	2.006	\$ (217,619)	(9,592,200)	1.999	\$ (191,748)	(8,598,100)	2.090	\$ (179,700)	\$ (704,252)
21 HOWELL	(13,412,600)	2.320	\$ (311,172)	(7,238,800)	2.350	\$ (170,112)	(10,302,000)	2.374	\$ (244,569)	(14,142,900)	2.559	\$ (361,917)	\$ (1,087,770)
22 INTERLAKEN	(83,500)	1.144	\$ (955)	(64,800)	1.400	\$ (907)	(298,500)	1.438	\$ (4,292)	(44,300)	1.525	\$ (676)	\$ (6,830)
23 KEANSBURG	(3,103,600)	3.795	\$ (117,782)	(1,137,200)	3.646	\$ (41,462)	(1,273,900)	3.503	\$ (44,625)	(892,000)	3.403	\$ (30,355)	\$ (234,223)
24 KEYPORT	(1,484,300)	2.607	\$ (38,696)	(1,946,400)	2.585	\$ (50,314)	(3,716,032)	2.597	\$ (96,505)	(2,176,803)	2.572	\$ (55,987)	\$ (241,503)
25 LITTLE SILVER	(2,045,500)	2.008	\$ (41,074)	(3,521,300)	1.984	\$ (69,863)	(3,872,000)	2.009	\$ (77,788)	(1,797,400)	2.150	\$ (38,644)	\$ (227,369)
26 LOCH ARBOUR	(741,800)	1.503	\$ (11,149)	(893,600)	2.147	\$ (19,186)	(1,489,700)	2.063	\$ (30,733)	(106,700)	2.013	\$ (2,148)	\$ (63,215)
27 LONG BRANCH	(10,357,500)	2.061	\$ (213,468)	(11,392,500)	2.021	\$ (230,242)	(7,548,000)	2.227	\$ (168,094)	(7,155,400)	2.113	\$ (151,194)	\$ (762,998)
28 MANALAPAN	(1,734,400)	2.021	\$ (35,052)	(12,357,740)	2.004	\$ (247,649)	(20,785,750)	2.025	\$ (420,911)	(5,333,024)	2.080	\$ (110,927)	\$ (814,540)
29 MANASQUAN	(2,925,900)	1.428	\$ (41,782)	(8,179,325)	1.391	\$ (113,774)	(3,481,900)	1.661	\$ (57,834)	(7,341,500)	1.659	\$ (121,795)	\$ (335,186)
30 MARLBORO	(7,843,800)	2.183	\$ (171,230)	(9,382,500)	2.175	\$ (204,069)	(26,116,076)	2.142	\$ (559,406)	(14,201,626)	2.163	\$ (307,181)	\$ (1,241,887)
31 MATAWAN	(1,142,600)	2.815	\$ (32,164)	(2,361,000)	2.756	\$ (65,069)	(2,780,100)	2.735	\$ (76,036)	(1,545,400)	2.725	\$ (42,112)	\$ (215,381)
32 MIDDLETOWN	(30,743,990)	2.124	\$ (653,002)	(19,035,944)	2.131	\$ (405,656)	(42,369,080)	2.136	\$ (905,004)	(14,018,900)	2.189	\$ (306,874)	\$ (2,270,536)
33 MILLSTONE	(1,319,500)	2.175	\$ (28,699)	(3,383,200)	2.163	\$ (73,179)	(483,500)	2.274	\$ (10,995)	(1,107,400)	2.496	\$ (27,641)	\$ (140,513)
34 MONMOUTH BEACH	(1,180,100)	1.268	\$ (14,964)	(913,600)	1.323	\$ (12,087)	(4,963,600)	1.257	\$ (62,392)	(3,287,349)	1.300	\$ (42,736)	\$ (132,179)
35 NEPTUNE TWP	(12,082,400)	2.150	\$ (259,772)	(15,179,190)	2.153	\$ (326,808)	(12,166,310)	2.114	\$ (257,196)	(5,770,600)	2.570	\$ (148,304)	\$ (992,080)
36 NEPTUNE CITY	(447,000)	2.484	\$ (11,103)	(3,592,400)	2.490	\$ (89,451)	(897,000)	2.534	\$ (22,730)	(668,568)	2.887	\$ (19,302)	\$ (142,586)
37 OCEAN TWP	(10,740,500)	2.051	\$ (220,288)	(2,061,700)	2.279	\$ (46,986)	(18,905,300)	2.250	\$ (425,369)	(28,867,690)	2.221	\$ (641,151)	\$ (1,333,794)
38 OCEANPORT	(8,210,900)	2.157	\$ (177,109)	(1,048,800)	2.143	\$ (22,476)	(1,207,200)	2.074	\$ (25,037)	(940,000)	2.045	\$ (19,223)	\$ (243,845)
39 RED BANK	(2,563,000)	2.110	\$ (54,079)	(3,184,000)	2.107	\$ (67,087)	(7,193,600)	2.033	\$ (146,246)	(11,587,000)	1.913	\$ (221,659)	\$ (489,071)
40 ROOSEVELT	(67,800)	2.901	\$ (1,967)	(134,800)	2.868	\$ (3,866)	(123,500)	2.919	\$ (3,605)	(56,200)	2.996	\$ (1,684)	\$ (11,122)
41 RUMSON	(5,525,600)	1.469	\$ (81,171)	(6,190,400)	1.433	\$ (88,708)	(18,859,000)	1.453	\$ (274,021)	(17,786,070)	1.457	\$ (259,143)	\$ (703,044)
42 SEA BRIGHT	(543,000)	1.459	\$ (7,922)	(1,249,000)	1.305	\$ (16,299)	(1,133,400)	2.006	\$ (22,736)	(1,148,625)	1.997	\$ (22,938)	\$ (69,896)
43 SEA GIRT	(6,709,900)	0.681	\$ (45,694)	(5,563,500)	0.709	\$ (39,445)	(10,941,200)	0.724	\$ (79,214)	(3,576,800)	0.789	\$ (28,221)	\$ (192,575)
44 SHREWSBURY BORO	(896,900)	2.136	\$ (19,158)	(907,700)	2.110	\$ (19,152)	(620,600)	2.176	\$ (13,504)	(508,400)	2.271	\$ (11,546)	\$ (63,360)
45 SHREWSBURY TWP		2.862	\$ -		2.960	\$ -		3.266	\$ -	(29,100)	2.911	\$ (847)	\$ (847)
46 LAKE COMO	(329,500)	1.697	\$ (5,592)	(1,207,600)	1.764	\$ (21,302)	(2,269,100)	1.825	\$ (41,411)	(1,315,400)	1.700	\$ (22,362)	\$ (90,667)
47 SPRING LAKE	(5,328,400)	0.626	\$ (33,356)	(5,040,100)	0.683	\$ (34,424)	(3,021,800)	0.698	\$ (21,092)	(7,908,400)	0.686	\$ (54,252)	\$ (143,123)
48 SPRING LAKE HGTS	(1,651,100)	1.360	\$ (22,455)	(1,999,300)	1.377	\$ (27,530)	(2,426,800)	1.373	\$ (33,320)	(2,882,700)	1.343	\$ (38,715)	\$ (122,020)
49 TINTON FALLS	(1,795,300)	1.987	\$ (35,673)	(2,234,100)	2.032	\$ (45,397)	(3,524,600)	2.007	\$ (70,739)	(8,881,900)	2.097	\$ (186,253)	\$ (338,062)
50 UNION BEACH	(776,600)	2.791	\$ (21,675)	(873,200)	2.789	\$ (24,354)	(1,266,500)	2.739	\$ (34,689)	(1,426,100)	3.322	\$ (47,375)	\$ (128,093)
51 UPPER FREEHOLD	(1,298,900)	2.401	\$ (31,187)	(3,331,300)	2.372	\$ (79,018)	(5,188,700)	2.347	\$ (121,779)	(3,532,932)	2.329	\$ (82,282)	\$ (314,266)
52 WALL TWP	(12,755,334)	1.847	\$ (235,591)	(23,809,510)	1.813	\$ (431,666)	(3,504,800)	2.888	\$ (101,219)	(6,064,400)	2.825	\$ (171,319)	\$ (939,795)
53 WEST LONG BRANCH	(698,600)	2.216	\$ (15,481)	(3,502,200)	2.172	\$ (76,068)	(3,361,300)	2.175	\$ (73,108)	(1,183,100)	2.331	\$ (27,578)	\$ (192,235)
Source: President's Report			\$ (3,694,280)			\$ (3,996,304)			\$ (6,632,364)			\$ (5,428,841)	\$ (19,751,789)

It is conservatively estimated, using a median General Tax Rate of \$2.500, that if the ADP Assessment Calendar was in place Statewide for the years 2014 through 2017, (based on the **ACTUAL** assessment reductions from County Tax Board judgment of **\$7,699,781,637**), New Jersey municipalities would have avoided the budgetary shortfall of **\$186,724,611**.

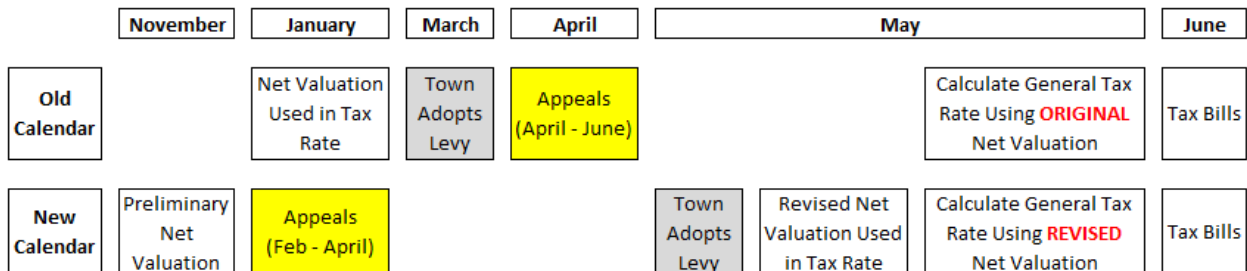
COUNTY TAX BOARD APPEAL SUMMARY										
COUNTY	2014		2015		2016		2017		Total 2014 - 2017	
	Tax Board Appeals	Assessment Reduction Due to Tax Board Appeals	Tax Board Appeals	Assessment Reduction Due to Tax Board Appeals	Tax Board Appeals	Assessment Reduction Due to Tax Board Appeals	Tax Board Appeals	Assessment Reduction Due to Tax Board Appeals	Total Assessment Reduction Due to CTB Appeals	Est.* County Total Anticipated but Uncollected Taxes Due to CTB Appeals
ATLANTIC	9,000	(417,027,800)	10,227	(475,614,400)	9,169	(352,838,940)	9,366	(280,556,500)	(1,526,037,640)	(38,150,941)
BERGEN	6,679	(338,058,776)	4,242	(252,308,146)	3,817	(307,080,707)	3,336	(194,537,397)	(1,091,985,026)	(27,299,626)
BURLINGTON	1,742	(81,607,164)	1,429	(60,798,627)	1,576	(54,517,150)	1,605	(45,761,863)	(242,684,804)	(6,067,120)
CAMDEN	1,979	(32,522,901)	1,969	(33,568,927)	1,620	(32,048,550)	1,533	(23,072,330)	(121,212,708)	(3,030,318)
CAPE MAY	979	(81,045,000)	827	(60,551,100)	620	(41,537,900)	503	(29,021,800)	(212,155,800)	(5,303,895)
CUMBERLAND	752	(52,704,100)	572	(27,648,700)	506	(23,315,000)	605	(18,130,700)	(121,798,500)	(3,044,963)
ESSEX	5,377	(110,697,600)	5,455	(74,307,437)	3,830	(126,901,433)	4,140	(106,065,000)	(417,971,470)	(10,449,287)
GLOUCESTER	1,206	(36,387,650)	1,240	(31,970,390)	846	(38,697,300)	954	(26,122,860)	(133,178,200)	(3,329,455)
HUDSON	6,815	(232,874,626)	6,898	(158,542,652)	4,063	(88,883,455)	3,631	(86,287,873)	(566,588,606)	(14,164,715)
HUNTERDON	567	(12,734,322)	204	(8,477,100)	232	(10,734,800)	235	(9,665,873)	(41,612,095)	(1,040,302)
MERCER	1,349	(30,587,200)	1,020	(32,885,975)	923	(32,947,400)	1,458	(45,010,550)	(141,431,125)	(3,535,778)
MIDDLESEX	3,191	(45,808,497)	3,147	(50,598,470)	1,899	(25,077,384)	1,993	(53,952,207)	(175,436,558)	(4,385,914)
MONMOUTH	4,992	(275,180,014)	6,063	(351,409,278)	5,017	(206,600,470)	3,858	(187,679,004)	(1,020,868,766)	
MORRIS	1,764	(61,488,023)	1,610	(45,751,130)	1,178	(27,061,100)	1,170	(48,791,200)	(183,091,453)	(4,577,286)
OCEAN	5,666	(234,798,700)	3,974	(140,004,890)	2,901	(107,408,105)	3,063	(138,316,620)	(620,528,315)	(15,513,208)
PASSAIC	9,630	(359,061,324)	3,701	(62,696,800)	4,406	(84,430,700)	3,265	(62,267,650)	(568,456,474)	(14,211,412)
SALEM	399	(12,940,257)	516	(16,434,124)	602	(20,986,265)	603	(15,763,200)	(66,123,846)	(1,653,096)
SOMERSET	914	(36,583,795)	767	(25,108,742)	557	(19,921,174)	487	(13,937,400)	(95,551,111)	(2,388,778)
SUSSEX	744	(24,885,250)	980	(29,689,600)	1,408	(28,154,100)	1,068	(21,473,800)	(104,202,750)	(2,605,069)
UNION	4,470	(42,683,750)	4,776	(58,063,108)	3,593	(36,491,800)	3,208	(38,040,700)	(175,279,358)	(4,381,984)
WARREN	819	(40,165,494)	717	(13,300,953)	523	(8,942,051)	542	(11,178,534)	(73,587,032)	(1,839,676)
	69,034	(2,559,842,243)	60,334	(2,009,730,549)	49,286	(1,674,575,784)	46,623	(1,455,633,061)	(7,699,781,637)	(166,972,822)
									Monmouth County Actual:	(19,751,789)
									Estimated* Total Statewide Collection Shortfall:	(186,724,611)

ASSESSMENT DEMONSTRATION PROGRAM (ADP)
S1213 - A1591 now P.L. 2013 Ch. 15

The ADP restructures the Assessment Calendar to position the appeal process before the budgetary process.

ASSESSMENT FUNCTION	OLD DATE	NEW DATE
Assessing Date	October 1 PTY	October 1 PTY
Revaluation Completion	Nov 1 PTY	1 week prior to November 1st
Preliminary Assessments Certified to County Board (all towns) Post all PRC to County Website	Not applicable	Nov 1 PTY
Revaluation Assessment Notice Mailed (Reval Towns Only)	Not prior to November 10 PTY	Nov 1 PTY
Postcards Mailed (all non-reval towns)	On or before February 1	Nov 15 PTY
Taxpayer Review Hearings completed (Reval Towns Only)	Not later than December 10 PTY	Not later than November 30
Postcards Mailed (includes all hearing revisions) (Reval Towns Only)	On or before February 1	On or before December 1
Added / Omitted Assessment Appeal Filed to CTB	On or before December 1	On or before December 1
Added / Omitted Assessment Appeal Judgment Rendered by CTB	On or before December 31	On or before December 31
Tax Appeals Filed (non-revaluation town)	April 1	January 15
Tax Appeals Filed (revaluation town)	May 1	January 15
Appeal Judgments Mailed	June 30	April 30
Tax List Filed by Assessor	January 10	May 5
Town Adopts Budget	March 31	May 15
Tax List Finalized By Tax Board (Equalization)	March 10	May 25
Tax Rate Certified by Tax Board	May 20	May 31
Tax Bills Mailed	June 14	June 14

Below is a summary of the re-sequencing of the components of the assessment function.



Section 2: Measuring Accuracy of Tax Distribution

The purpose of this section is to objectively analyze the true effectiveness of different assessment models used throughout the state. Those seeking to reform the assessment function suggest that the traditional assessment model is antiquated and does not fairly distribute property taxes. Three of the twenty-one counties have deviated from the traditional model to test the effectiveness of different approaches.

The intent of this chapter is to analyze current and historical statistical data published by the NJ Division of Taxation in order to determine where assessment accuracy (and inaccuracy) is found throughout the State and why. Since assessment accuracy cannot be considered by one single data point, this section will explore several Coefficient of Deviation analytics.

Introduction to Property Tax and the Assessment Function

The relationship the assessment function plays in the overall property tax system is not well understood by the public. One fundamental misunderstanding that the general public has about property tax is a belief that assessments generate tax revenue. This is not true. The assessment function is only a *distribution* mechanism of the separately determined tax levy. County, municipal and school budget costs determine the amount of property tax to be collected by the municipalities- *not* the assessments. In strict adherence with the NJ Constitution, the apportionment of the levy is to be based on the value of property.

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.

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 in accordance with the NJ Constitution.

With New Jersey ranked as having the highest property taxes in the nation, establishing and maintaining accurate distribution has become increasingly more important over the past several years.

The Traditional Assessment Model

At the core of the traditional model, there exists an assumption that all properties within a municipal boundary appreciate or depreciate at the same rate. Assessments are set in a revaluation year and are then left stagnant for several subsequent years.

Obviously, the market is constantly changing and the stagnant assessments become further removed from market value as time goes on. The traditional model attempts to address the market changes by applying a "common level of assessment ratio" to each property annually. The calculation to determine the "common level of assessment ratio", also known as the "Director's Ratio", includes all property classifications; and assumes that all markets and submarkets react the same way to the market environment. Commercial, condominium, townhome, single family, multifamily, vacant land, multimillion dollar estates, one bedroom bungalows, etc. are all combined to develop this "common level ratio".

Annually, ratio and coefficient of deviation studies are conducted by the NJ Division of Taxation and then interpreted by the County Tax Boards to measure the accuracy of the assessments and resulting tax distribution. Typically, about a decade after a revaluation, the municipality's tax distribution is deemed to be at a level of inappropriate apportionment by its respective County Tax Board. The board then orders the municipality to conduct another revaluation to fix the assessments back to market value. Revaluations are done by outside contractors and normally cost hundreds of thousands of dollars. The criteria of assessment accuracy acceptability used throughout the state by the various County Tax Boards is not followed in any standardized way. Some municipalities go decades before being ordered to re-evaluate their portfolio of properties.

Assessment function reformists believe that the traditional model is fundamentally flawed. They suggest that lack of assessment maintenance creates an environment ripe for taxes to be inappropriately distributed.

Somerset County

Decades ago, a few pioneer municipalities in Somerset County began voluntarily conducting annual reassessments in accordance with certain provisions that allow for it under the traditional assessment statutes. As time went on, more and more municipalities in the county joined in as the positive results of the reassessments were undeniable. Assessments were more accurate, appeals filed were reduced, appeals granted reductions were diminished and municipalities enjoyed savings in the cost of the assessment function itself as expensive revaluations were eliminated.

As of 2017, 15 of the 21 municipalities in Somerset are conducting annual reassessments. The Somerset County Tax Board expects to eventually have all municipalities opt into the program in the next several years.

Gloucester County

P.L.2009, c. 118, signed into law on October 1st, 2009, established a pilot program in Gloucester County for the transfer of the municipal property assessment function to a county assessor. The idea behind the reforms was geared towards cost savings through a consolidation of the assessment function to a county wide level. The thought is that, by consolidating offices, cost savings would be found. As part of the phase in of the program, all municipalities were required to perform revaluations, however the assessments have not been maintained since. Most of the County had revaluations prior to 2014.

Monmouth County

Monmouth County was the first (and currently only) county to opt into the *Assessment Demonstration Program* (P.L.2013, c. 15) which was signed into law by Governor Christie in 2013.

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 (annual assessment maintenance). This is accomplished by the County and the engaged municipalities 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.

Other cost saving and public service reforms were instituted as part of the ADP. For example, the entire assessment calendar was shifted so that assessment appeals be heard prior to budgets being finalized. Outside of the ADP, municipal tax rates are struck prior to knowing appeal impact of the ratable base. The unfortunate but certain result is anticipated but uncollected taxes (budgetary shortfalls). Often, municipalities will have to emergency bond (with interest) to cover these refunds. The ADP model has demonstrated that hundreds of millions of dollars of budgetary shortfalls could be avoided annually by simply shifting the calendar. Other sections of this report address these reforms. This section will primarily focus on the accuracy of tax distribution.

NJ Division of Taxation Statistical Studies

Measuring Accuracy of Tax Distribution

Each October, the NJ Division of Taxation conducts statistical studies which measure the accuracy of current year assessments. These studies could be considered as an “assessment gradebook” for that year’s assessments and resulting tax distribution.

General Coefficient of Deviation

The General Coefficient of Deviation (COD) is widely held as the best indicator in determining proper tax distribution. The General COD is a way to measure how tightly clustered assessments are in relation to the average ratio. A lower coefficient of deviation means more accurate and fair tax distribution. The COD normalizes ratios to show accuracy within a municipality regardless of what the Director’s Ratio is in any given year. The General Coefficient of Deviation factors all property classes in a municipality.

Stratified Residential Coefficient of Deviation

The Stratified Residential Coefficient of Deviation is comparable to the General COD, however it only factors residential properties in a municipality. The General COD is proportionately affected by sales activity of different property classifications. Isolating out the Residential Coefficient of Deviation removes commercial property and vacant land outlier influences. Since the vast majority of properties in the state are residential; the Residential COD is an important metric for consideration in determining the general assessment accuracy of a given jurisdiction.

Homogeneity: Addressing Expectations for Comparison

When comparing across county boundaries (or even across municipal boundaries), it is important to take into consideration the different levels of homogeneity.

The more homogeneous the properties in a municipality/county are, the better the assessment accuracy should be. Complex marketplaces provide for an enhanced level of modeling difficulty when compared to cookie cutter developments.

For example, a municipality that is made up of mostly townhouses should be expected to yield better assessment accuracy than a municipality which consists of a complex mix of residential, multifamily and commercial properties. Cities and shore towns may be more difficult to model, but having annual flexibility allows for proper adjustment to be made as new information is presented to the data analyst.

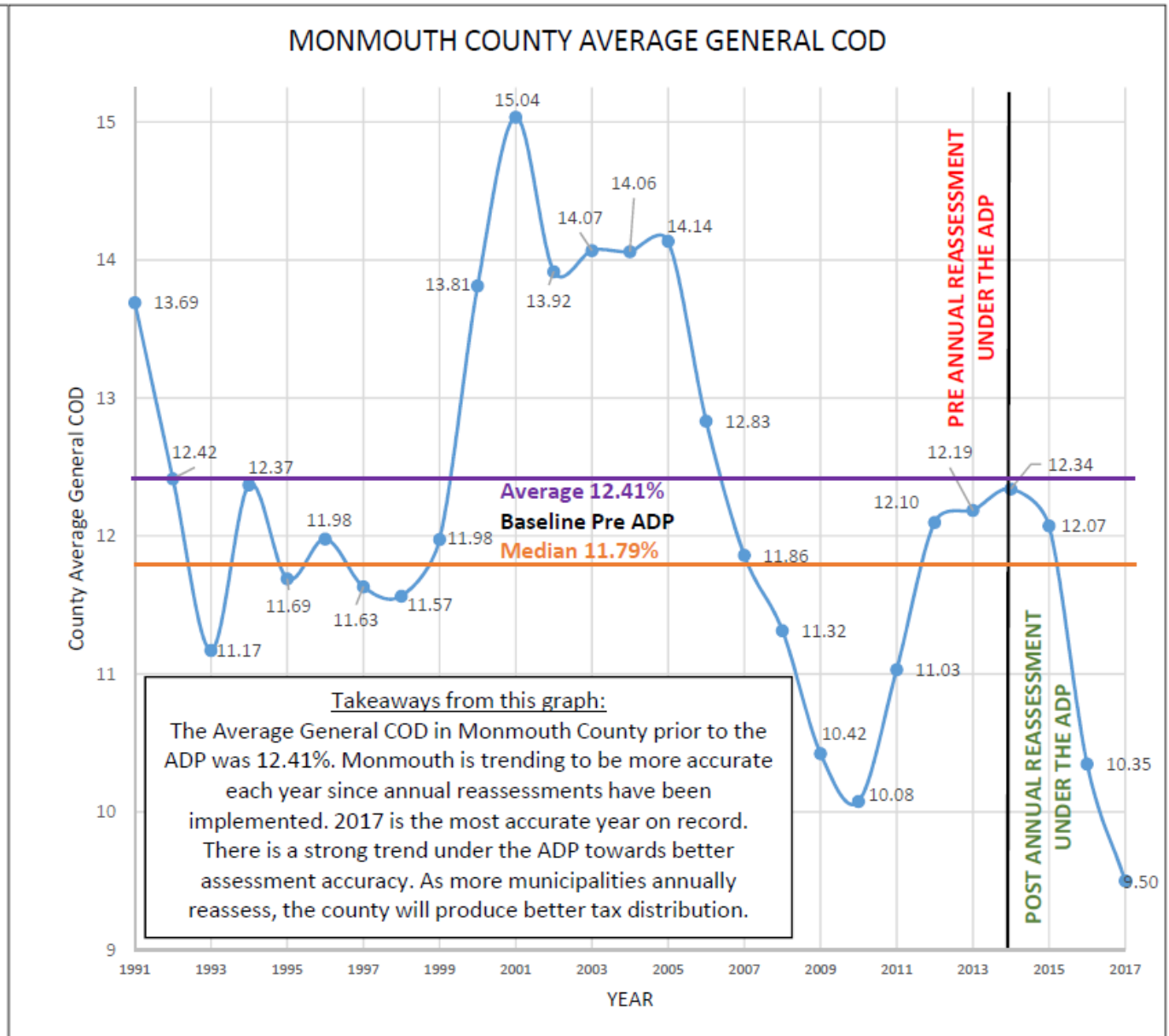
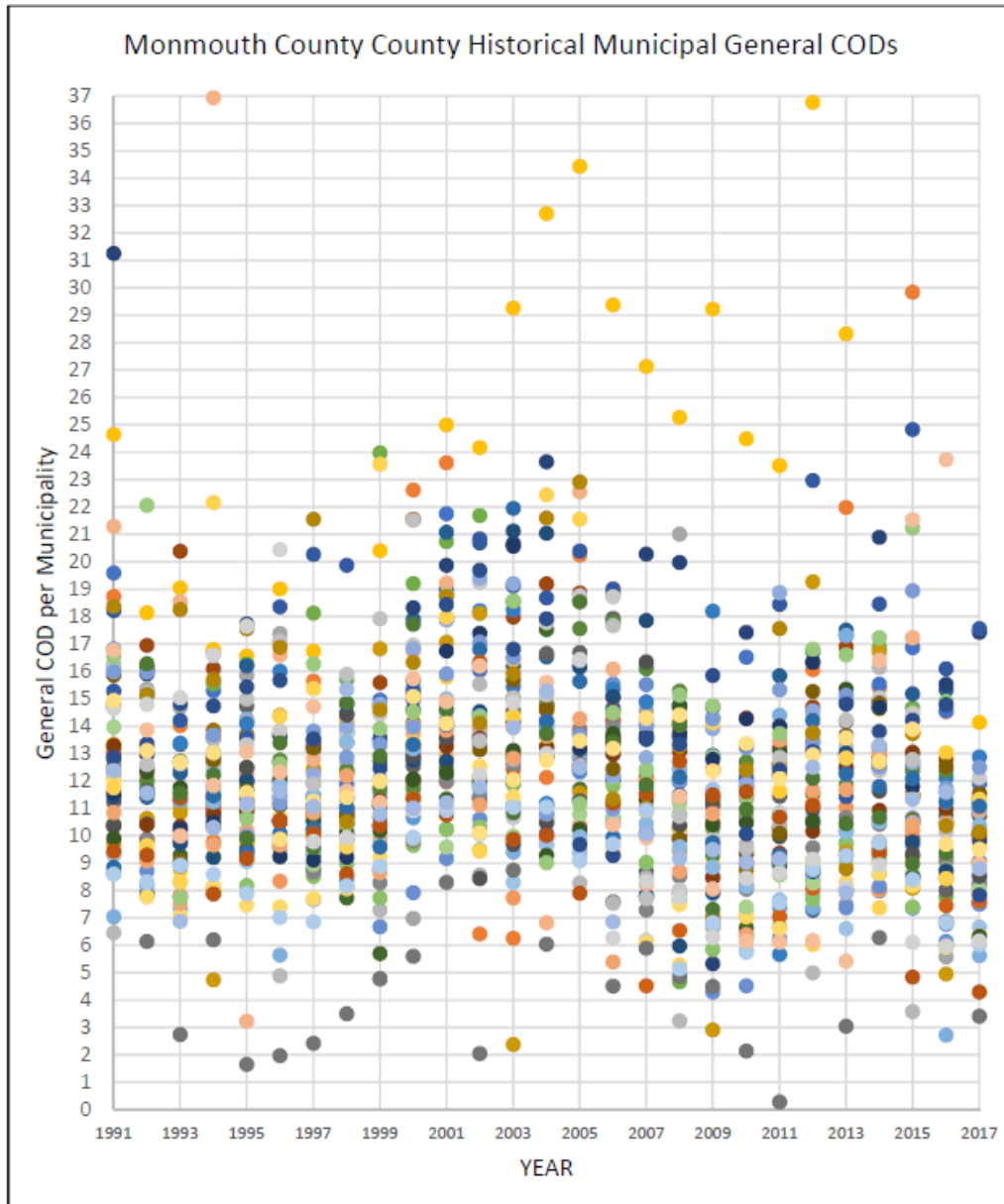
In order to demonstrate a successful model, historical norms should be established within the same sample group and then compared against current data. The first group of studies focuses on tax distribution improvement within Monmouth County under the ADP.

Monmouth County Pre ADP vs. Post ADP

As Monmouth County has transitioned into the ADP over the past five years, each of the 53 municipalities have had some level of assessment maintenance. The majority of the municipalities have completed reassessments to market value each of the past three years. The first three studies in this section allow for historical comparison within the same respective sample groups. Studies 2 and 3 remove the ten municipalities in Monmouth that did not perform a revaluation or reassessment to market value in 2017.

The studies indicate that assessments under the ADP are the most accurate they have been in more than 25 years. The studies show a strong correlation between the assessment maintenance and the accuracy of assessments.

Study 1: Monmouth County Historical General CODs (All 53 Municipalities)



Study 2: Monmouth County Historical General CODs (43 Municipalities Reassessed in 2017)

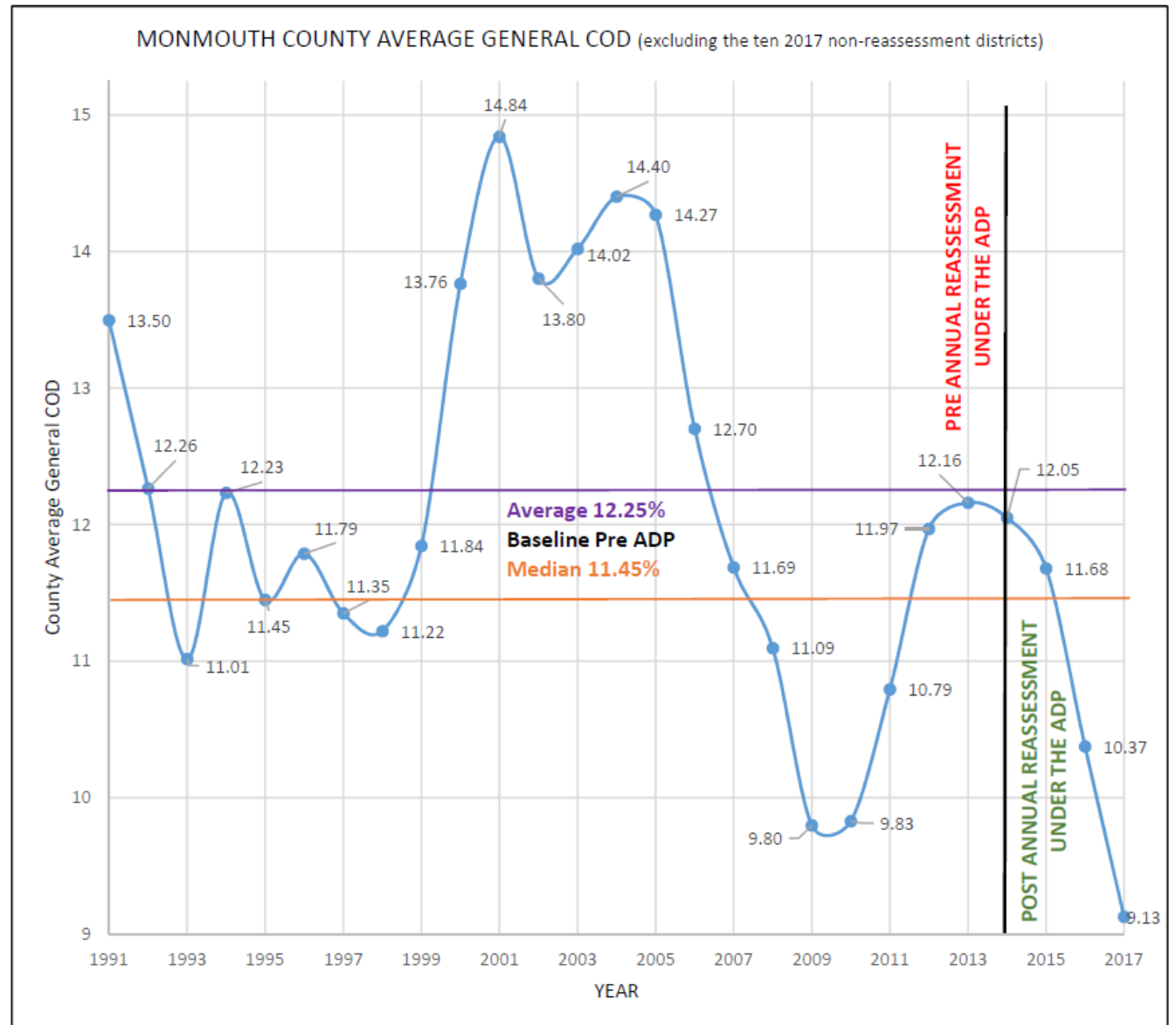
This study extracts the ten municipalities that were either “ADP opt-out” or have not yet reassessed to 100% under the ADP. The data used in this study contains the Historical General CODs from the 43 towns that reassessed to 100% in 2017.

Things to Note:

The Average General COD Prior to the ADP was 12.25%
Compared to the 2017 Average COD of 9.13%.

The Median General COD Prior to the ADP was 11.45%
Compared to the 2017 Median COD of 8.98%.

Monmouth is trending to be more accurate each year since annual reassessments have been implemented. 2017 is the most accurate year on record.



Study 3: Monmouth County Historical General CODs (43 Municipalities that Reassessed in 2017)

Tax distribution in ADP engaged Monmouth County municipalities is, on average, 34% more accurate than it was prior to the ADP. The 2017 General COD is lower than the historical Pre ADP norms in 40 of the 43 participating jurisdictions. Based on the historical trends, General CODs will continue to drop further as consecutive years of reassessments are implemented.

All Monmouth Municipalities that Reassessed in 2017 (43 Municipalities)				
Municipality	Average General COD 1991-2013 (pre ADP)	2017 General COD	Tax Distribution Change: 2017 General COD vs. Pre ADP General COD	
ABERDEEN	10.58	8.29	28%	more accurate
ALLENHURST	14.57	8.02	82%	more accurate
ASBURY PARK	24.21	14.14	71%	more accurate
BELMAR	15.07	10.08	50%	more accurate
BRADLEY BEACH	14.80	10.73	38%	more accurate
BRIELLE	12.96	7.54	72%	more accurate
COLTS NECK	11.78	7.53	56%	more accurate
DEAL	15.02	17.43	-14%	less accurate
EATONTOWN	9.95	10.85	-8%	less accurate
ENGLISHTOWN	10.91	5.63	94%	more accurate
FAIR HAVEN	11.00	7.89	39%	more accurate
FARMINGDALE	10.00	10.89	-8%	less accurate
FREEHOLD BORO	11.03	9.62	15%	more accurate
FREEHOLD TWP	10.14	7.51	35%	more accurate
HAZLET	9.55	8.56	12%	more accurate
HOLMDEL	10.69	7.62	40%	more accurate
HOWELL	10.36	8.23	26%	more accurate
INTERLAKEN	11.55	9.96	16%	more accurate
KEYPORT	13.49	11.22	20%	more accurate
LITTLE SILVER	10.84	6.67	62%	more accurate
LOCH ARBOUR	15.52	6.36	144%	more accurate
LONG BRANCH	13.49	12.12	11%	more accurate
MANALAPAN	9.03	6.33	43%	more accurate
MATAWAN	12.05	9.82	23%	more accurate
MIDDLETOWN	11.57	10.10	15%	more accurate
MONMOUTH BEACH	12.42	11.55	7%	more accurate
NEPTUNE TWP	13.10	11.27	16%	more accurate
NEPTUNE CITY	11.78	6.33	86%	more accurate
OCEAN TWP	11.38	10.38	10%	more accurate
RED BANK	14.10	11.16	26%	more accurate
ROOSEVELT	13.77	11.33	22%	more accurate
RUMSON	13.68	12.50	9%	more accurate
SEA BRIGHT	14.08	8.97	57%	more accurate
SEA GIRT	12.09	11.08	9%	more accurate
SHREWSBURY BORO	10.50	4.30	144%	more accurate
SHREWSBURY TWP	4.67	3.42	37%	more accurate
LAKE COMO	15.37	10.15	51%	more accurate
SPRING LAKE	14.28	7.84	82%	more accurate
SPRING LAKE HGTS	12.70	9.03	41%	more accurate
TINTON FALLS	8.67	6.03	44%	more accurate
UNION BEACH	11.66	8.98	30%	more accurate
UPPER FREEHOLD	11.85	6.16	92%	more accurate
WEST LONG BRANCH	10.92	8.80	24%	more accurate
MONMOUTH COUNTY AVERAGE	12.26	9.13	34%	more accurate

Study 4: Setting a Baseline by Ranking the Counties by Level of Recent Assessment Maintenance

The ultimate goal of this section of the report is to determine if there is any correlation between more frequent assessment maintenance and more accurate tax distribution. To increase the sample size, the following studies use statewide data. Assessment function reformists believe that conducting more frequent reassessments will provide better assessment accuracy which results in a more fair tax distribution. In order to determine which counties are most active with assessment maintenance, revaluation and reassessment activity was analyzed for each county in 2013, 2014, 2015, 2016 and 2017. The percentage of the county that underwent a reassessment or revaluation was calculated for each respective year. The five year percentages were then totaled up to rank each county to show which of them have been most/least active with assessment maintenance in the past five years. The scale ranges from 0 to 500; with 0 being the least active and 500 being the most active. A score of 0 would represent that *none* of the municipalities in the respective group performed a revaluation or reassessment in *any* of the most recent five years. A score of 500 would represent that *every* municipality in the group performed a revaluation or a reassessment in *all five* of the most recent five years. Study 4 can be used as a guide to compare against the remaining studies in this section to determine if the more accurate assessments are indeed correlated with more frequent assessment maintenance.



RANK	Group	Assessment Maintenance Score (0-500)	Percent of County that Reval or Reassessed In 2017	Percent of County that Reval or Reassessed In 2016	Percent of County that Reval or Reassessed In 2015	Percent of County that Reval or Reassessed In 2014	Percent of County that Reval or Reassessed In 2013
1	Somerset (21 Municipalities)	328.57	71.43%	76.19%	66.67%	61.90%	52.38%
2	Monmouth (53 Municipalities)	256.60	79.25%	86.79%	73.58%	5.66%	11.32%
3	Hunterdon (26 Municipalities)	88.45	15.38%	15.38%	19.23%	19.23%	19.23%
4	Sussex (24 Municipalities)	79.16	0%	8.33%	12.50%	33.33%	25.00%
5	Gloucester (24 Municipalities)	70.84	4.17%	0.00%	16.67%	12.50%	37.50%
6	Morris (39 Municipalities)	61.53	15.38%	17.95%	7.69%	7.69%	12.82%
7	Bergen (70 Municipalities)	61.43	18.57%	10.00%	10.00%	8.57%	14.29%
8	Ocean (33 Municipalities)	57.57	9.09%	9.09%	9.09%	9.09%	21.21%
9	Atlantic (23 Municipalities)	56.53	8.70%	4.35%	13.04%	21.74%	8.70%
10	Cape May (16 Municipalities)	56.25	6.25%	18.75%	12.50%	12.50%	6.25%
11	Passaic (16 Municipalities)	56.25	6.25%	6.25%	18.75%	6.25%	18.75%
12	Essex (22 Municipalities)	50.00	22.73%	0.00%	0.00%	9.09%	18.18%
13	Burlington (40 Municipalities)	47.50	7.50%	2.50%	0.00%	22.50%	15.00%
14	Camden (37 Municipalities)	45.95	10.81%	2.70%	10.81%	5.41%	16.22%
15	Mercer (12 Municipalities)	41.65	8.33%	8.33%	8.33%	8.33%	8.33%
16	Cumberland (14 Municipalities)	28.57	7.14%	0.00%	14.29%	0.00%	7.14%
17	Warren (22 Municipalities)	27.28	0%	4.55%	0.00%	13.64%	9.09%
18	Middlesex (25 Municipalities)	20.00	8%	4.00%	0.00%	8.00%	0.00%
19	Hudson (12 Municipalities)	16.66	8.33%	0.00%	0.00%	8.33%	0.00%
20	Salem (15 Municipalities)	6.67	6.67%	0.00%	0.00%	0.00%	0.00%
21	Union (21 Municipalities)	4.76	0%	4.76%	0.00%	0.00%	0.00%
	Averages	69.63	14.95%	13.33%	13.96%	13.04%	14.35%

Study 5: Average General Coefficient of Deviation (COD)

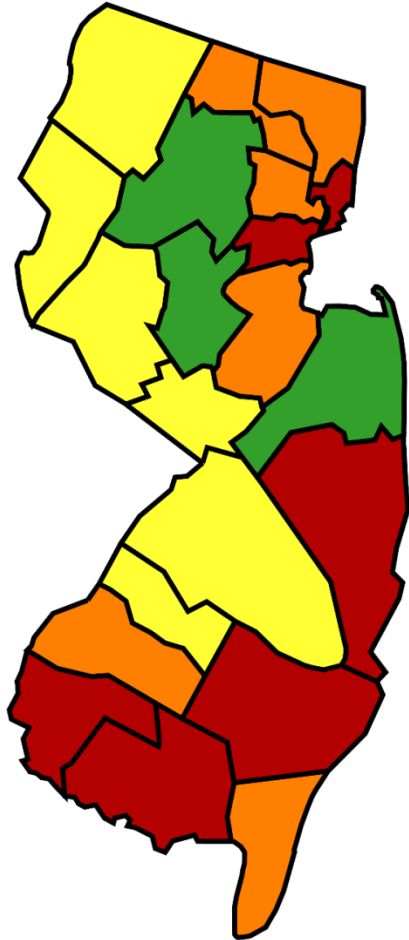
The purpose of this study is to display the range of property tax distribution accuracy by ranking each county's Average General Coefficient of Deviation. The Average General COD averages the 2017 General COD of all municipalities in each respective county. The below chart displays the counties in order from most accurate tax distribution to least accurate tax distribution.



RANK	County	Assessment Maintenance Score (0-500)	General Coefficient									
			Average General Coefficient		Median General Coefficient		Average General Coefficient Weighted By Number of Sales		Percent of County With General Coefficient Over 12%		Percent of County With General Coefficient Over 15%	
			2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
1	Somerset (21 Municipalities)	328.57	8.42%	8.08%	7.94%	6.62%	8.71%	8.60%	11%	19%	0%	0%
2	Hunterdon (26 Municipalities)	88.45	9.35%	9.71%	9.99%	9.16%	8.86%	8.66%	19%	20%	0%	4%
3	Monmouth (53 Municipalities)	256.60	9.50%	10.35%	9.51%	10.45%	9.51%	10.27%	11%	26%	4%	8%
4	Sussex (24 Municipalities)	79.16	10.15%	10.08%	10.06%	9.96%	10.24%	10.57%	13%	18%	4%	5%
5	Morris (39 Municipalities)	61.53	10.61%	10.17%	9.86%	10.02%	10.56%	10.24%	23%	21%	10%	5%
6	Gloucester (24 Municipalities)	70.84	11.34%	9.81%	11.24%	9.84%	10.25%	9.60%	33%	13%	17%	0%
7	Camden (37 Municipalities)	45.95	11.43%	11.09%	10.27%	11.05%	11.28%	11.23%	36%	27%	15%	6%
8	Burlington (40 Municipalities)	47.50	11.78%	11.09%	10.25%	11.29%	11.17%	11.00%	43%	38%	20%	13%
9	Cape May (16 Municipalities)	56.25	11.82%	11.01%	11.86%	10.66%	10.83%	11.12%	50%	38%	7%	6%
10	Bergen (70 Municipalities)	61.43	11.90%	11.27%	11.22%	10.98%	11.48%	11.21%	39%	33%	12%	7%
11	Mercer (12 Municipalities)	41.65	11.98%	11.24%	10.68%	10.41%	11.95%	11.25%	33%	17%	17%	8%
12	Warren (22 Municipalities)	27.28	12.45%	12.50%	10.82%	10.98%	11.61%	11.58%	36%	36%	18%	23%
13	Ocean (33 Municipalities)	57.57	12.49%	13.11%	12.46%	12.82%	13.50%	14.24%	58%	70%	18%	21%
14	Passaic (16 Municipalities)	56.25	12.64%	13.16%	12.24%	13.01%	12.74%	13.06%	56%	56%	19%	31%
15	Middlesex (25 Municipalities)	20.00	12.71%	12.13%	12.42%	11.47%	12.68%	12.21%	60%	48%	20%	12%
16	Essex (22 Municipalities)	50.00	13.03%	13.15%	11.35%	11.22%	17.88%	17.54%	36%	41%	14%	14%
17	Union (21 Municipalities)	4.76	14.20%	13.14%	13.43%	12.72%	14.50%	13.66%	75%	65%	35%	15%
18	Cumberland (14 Municipalities)	28.57	15.34%	14.40%	13.16%	14.49%	15.49%	15.07%	62%	64%	38%	36%
19	Atlantic (23 Municipalities)	56.53	15.58%	15.79%	14.10%	14.34%	14.38%	15.62%	68%	73%	36%	41%
20	Salem (15 Municipalities)	6.67	17.73%	14.33%	16.67%	12.11%	16.44%	13.51%	93%	53%	67%	33%
21	Hudson (12 Municipalities)	16.66	19.03%	18.88%	18.38%	17.87%	24.46%	24.20%	92%	83%	75%	67%
Averages		69.63	12.55%	12.12%	11.81%	11.50%	12.79%	12.59%	45.10%	40.90%	21.24%	16.90%

Study 6: Median General Coefficient of Deviation (COD)

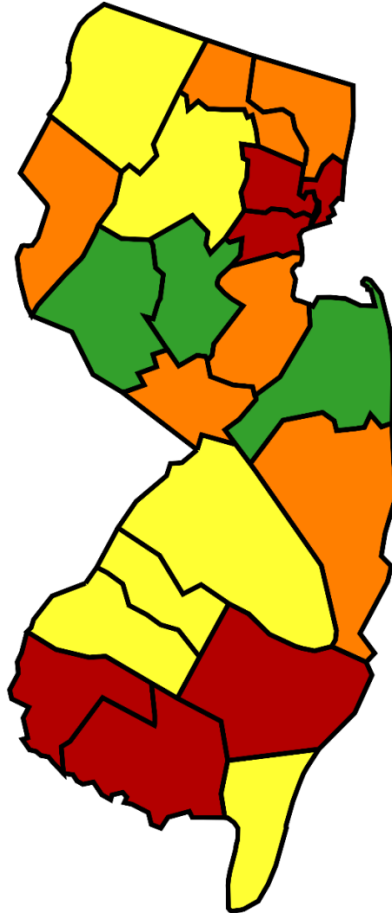
The purpose of this study is to display the range of property tax distribution accuracy by ranking each county's Median General Coefficient of Deviation. The County's Median General COD is the middle General COD when all 2017 General CODs of each municipality are arranged sequentially. The below chart displays the counties in order from most accurate tax distribution to least accurate tax distribution.



RANK	Group	Assessment Maintenance Score (0-500)	General Coefficient									
			Average General Coefficient		Median General Coefficient		Average General Coefficient Weighted By Number of Sales		Percent of County With General Coefficient Over 12%		Percent of County With General Coefficient Over 15%	
			2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
1	Somerset (21 Municipalities)	328.57	8.42%	8.08%	7.94%	6.62%	8.71%	8.60%	11%	19%	0%	0%
2	Monmouth (53 Municipalities)	256.60	9.50%	10.35%	9.51%	10.45%	9.51%	10.27%	11%	26%	4%	8%
3	Morris (39 Municipalities)	61.53	10.61%	10.17%	9.86%	10.02%	10.56%	10.24%	23%	21%	10%	5%
4	Hunterdon (26 Municipalities)	88.45	9.35%	9.71%	9.99%	9.16%	8.86%	8.66%	19%	20%	0%	4%
5	Sussex (24 Municipalities)	79.16	10.15%	10.08%	10.06%	9.96%	10.24%	10.57%	13%	18%	4%	5%
6	Burlington (40 Municipalities)	47.50	11.78%	11.09%	10.25%	11.29%	11.17%	11.00%	43%	38%	20%	13%
7	Camden (37 Municipalities)	45.95	11.43%	11.09%	10.27%	11.05%	11.28%	11.23%	36%	27%	15%	6%
8	Mercer (12 Municipalities)	41.65	11.98%	11.24%	10.68%	10.41%	11.95%	11.25%	33%	17%	17%	8%
9	Warren (22 Municipalities)	27.28	12.45%	12.50%	10.82%	10.98%	11.61%	11.58%	36%	36%	18%	23%
10	Bergen (70 Municipalities)	61.43	11.90%	11.27%	11.22%	10.98%	11.48%	11.21%	39%	33%	12%	7%
11	Gloucester (24 Municipalities)	70.84	11.34%	9.81%	11.24%	9.84%	10.25%	9.60%	33%	13%	17%	0%
12	Essex (22 Municipalities)	50.00	13.03%	13.15%	11.35%	11.22%	17.88%	17.54%	36%	41%	14%	14%
13	Cape May (16 Municipalities)	56.25	11.82%	11.01%	11.86%	10.66%	10.83%	11.12%	50%	38%	7%	6%
14	Passaic (16 Municipalities)	56.25	12.64%	13.16%	12.24%	13.01%	12.74%	13.06%	56%	56%	19%	31%
15	Middlesex (25 Municipalities)	20.00	12.71%	12.13%	12.42%	11.47%	12.68%	12.21%	60%	48%	20%	12%
16	Ocean (33 Municipalities)	57.57	12.49%	13.11%	12.46%	12.82%	13.50%	14.24%	58%	70%	18%	21%
17	Cumberland (14 Municipalities)	28.57	15.34%	14.40%	13.16%	14.49%	15.49%	15.07%	62%	64%	38%	36%
18	Union (21 Municipalities)	4.76	14.20%	13.14%	13.43%	12.72%	14.50%	13.66%	75%	65%	35%	15%
19	Atlantic (23 Municipalities)	56.53	15.58%	15.79%	14.10%	14.34%	14.38%	15.62%	68%	73%	36%	41%
20	Salem (15 Municipalities)	6.67	17.73%	14.33%	16.67%	12.11%	16.44%	13.51%	93%	53%	67%	33%
21	Hudson (12 Municipalities)	16.66	19.03%	18.88%	18.38%	17.87%	24.46%	24.20%	92%	83%	75%	67%
Averages		69.63	12.55%	12.12%	11.81%	11.50%	12.79%	12.59%	45.10%	40.90%	21.24%	16.90%

Study 7: Weighted Average General Coefficient of Deviation (COD)

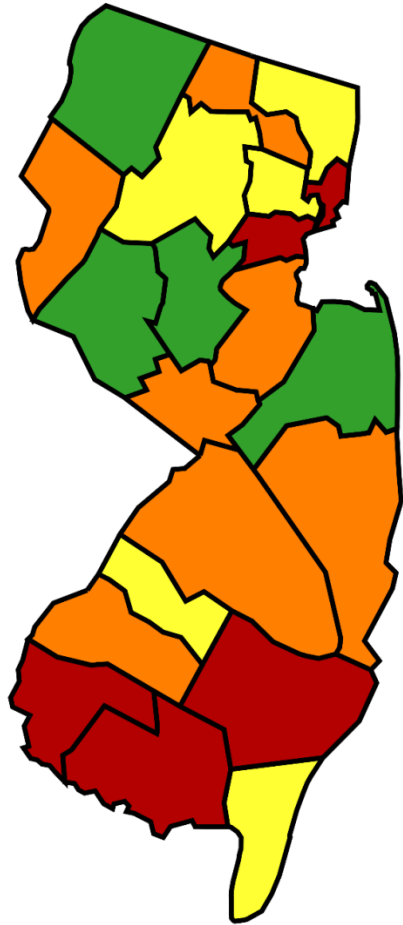
The purpose of this study is to display the range of property tax distribution accuracy by ranking each county's Weighted Average General Coefficient of Deviation. The Weighted Average General COD is a study that properly weighs credibility to each municipality in a county based on the number of sales that were used to establish the individual municipal General CODs. For example, a municipality with 100 sales used to establish its 2017 General COD would get half the credibility when compared to a municipality that had 200 sales used to establish its 2017 General COD. This is arguably the most important view because this study sufficiently recognizes that the size of a town in a given county should be proportionally weighted in the averaging calculation. When using a simple average (like study 5), the smaller towns are equally weighted to the larger towns. Study 7 addresses this concern. The below chart displays the counties in order from most accurate tax distribution to least accurate tax distribution.



RANK	Group	Assessment Maintenance Score (0-500)	General Coefficient									
			Average General Coefficient		Median General Coefficient		Average General Coefficient Weighted By Number of Sales		Percent of County With General Coefficient Over 12%		Percent of County With General Coefficient Over 15%	
			2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
1	Somerset (21 Municipalities)	328.57	8.42%	8.08%	7.94%	6.62%	8.71%	8.60%	11%	19%	0%	0%
2	Hunterdon (26 Municipalities)	88.45	9.35%	9.71%	9.99%	9.16%	8.86%	8.66%	19%	20%	0%	4%
3	Monmouth (53 Municipalities)	256.60	9.50%	10.35%	9.51%	10.45%	9.51%	10.27%	11%	26%	4%	8%
4	Sussex (24 Municipalities)	79.16	10.15%	10.08%	10.06%	9.96%	10.24%	10.57%	13%	18%	4%	5%
5	Gloucester (24 Municipalities)	70.84	11.34%	9.81%	11.24%	9.84%	10.25%	9.60%	33%	13%	17%	0%
6	Morris (39 Municipalities)	61.53	10.61%	10.17%	9.86%	10.02%	10.56%	10.24%	23%	21%	10%	5%
7	Cape May (16 Municipalities)	56.25	11.82%	11.01%	11.86%	10.66%	10.83%	11.12%	50%	38%	7%	6%
8	Burlington (40 Municipalities)	47.50	11.78%	11.09%	10.25%	11.29%	11.17%	11.00%	43%	38%	20%	13%
9	Camden (37 Municipalities)	45.95	11.43%	11.09%	10.27%	11.05%	11.28%	11.23%	36%	27%	15%	6%
10	Bergen (70 Municipalities)	61.43	11.90%	11.27%	11.22%	10.98%	11.48%	11.21%	39%	33%	12%	7%
11	Warren (22 Municipalities)	27.28	12.45%	12.50%	10.82%	10.98%	11.61%	11.58%	36%	36%	18%	23%
12	Mercer (12 Municipalities)	41.65	11.98%	11.24%	10.68%	10.41%	11.95%	11.25%	33%	17%	17%	8%
13	Middlesex (25 Municipalities)	20.00	12.71%	12.13%	12.42%	11.47%	12.68%	12.21%	60%	48%	20%	12%
14	Passaic (16 Municipalities)	56.25	12.64%	13.16%	12.24%	13.01%	12.74%	13.06%	56%	56%	19%	31%
15	Ocean (33 Municipalities)	57.57	12.49%	13.11%	12.46%	12.82%	13.50%	14.24%	58%	70%	18%	21%
16	Atlantic (23 Municipalities)	56.53	15.58%	15.79%	14.10%	14.34%	14.38%	15.62%	68%	73%	36%	41%
17	Union (21 Municipalities)	4.76	14.20%	13.14%	13.43%	12.72%	14.50%	13.66%	75%	65%	35%	15%
18	Cumberland (14 Municipalities)	28.57	15.34%	14.40%	13.16%	14.49%	15.49%	15.07%	62%	64%	38%	36%
19	Salem (15 Municipalities)	6.67	17.73%	14.33%	16.67%	12.11%	16.44%	13.51%	93%	53%	67%	33%
20	Essex (22 Municipalities)	50.00	13.03%	13.15%	11.35%	11.22%	17.88%	17.54%	36%	41%	14%	14%
21	Hudson (12 Municipalities)	16.66	19.03%	18.88%	18.38%	17.87%	24.46%	24.20%	92%	83%	75%	67%
Averages		69.63	12.55%	12.12%	11.81%	11.50%	12.79%	12.59%	45.10%	40.90%	21.24%	16.90%

Study 8: Percent of County with General Coefficient of Deviation (COD) Over 15%

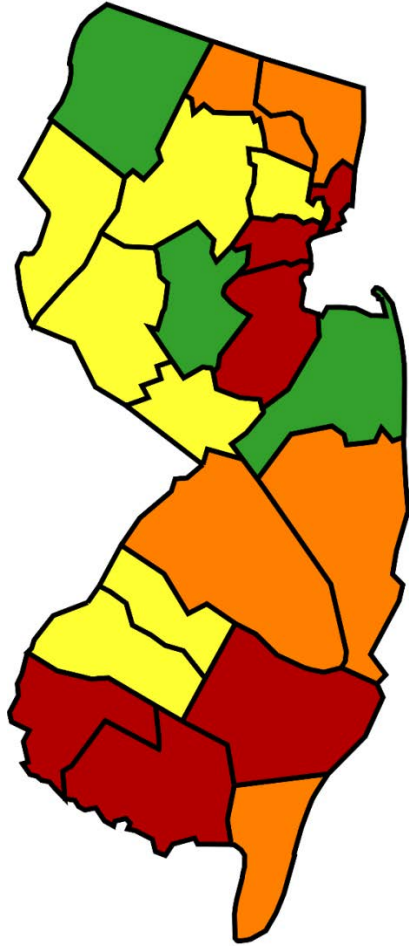
The purpose of this study is to display the range of property tax distribution accuracy by ranking each county by the percentage of the county that has a General COD over 15%. Current Division of Taxation regulations recognize that a COD over 15% represents a level of tax distribution inaccuracy that it is considered to be in default. Obviously, a lesser percentage of a county in default is better. The below chart displays the counties in order from most accurate tax distribution to least accurate tax distribution. All municipalities without 2017 General CODs (less than two sales in sample) were excluded from the calculations.



RANK	Group	Assessment Maintenance Score (0-500)	General Coefficient									
			Average General Coefficient		Median General Coefficient		Average General Coefficient Weighted By Number of Sales		Percent of County With General Coefficient Over 12%		Percent of County With General Coefficient Over 15%	
			2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
1	Somerset (21 Municipalities)	328.57	8.42%	8.08%	7.94%	6.62%	8.71%	8.60%	11%	19%	0%	0%
2	Hunterdon (26 Municipalities)	88.45	9.35%	9.71%	9.99%	9.16%	8.86%	8.66%	19%	20%	0%	4%
3	Monmouth (53 Municipalities)	256.60	9.50%	10.35%	9.51%	10.45%	9.51%	10.27%	11%	26%	4%	8%
4	Sussex (24 Municipalities)	79.16	10.15%	10.08%	10.06%	9.96%	10.24%	10.57%	13%	18%	4%	5%
5	Cape May (16 Municipalities)	56.25	11.82%	11.01%	11.86%	10.66%	10.83%	11.12%	50%	38%	7%	6%
6	Morris (39 Municipalities)	61.53	10.61%	10.17%	9.86%	10.02%	10.56%	10.24%	23%	21%	10%	5%
7	Bergen (70 Municipalities)	61.43	11.90%	11.27%	11.22%	10.98%	11.48%	11.21%	39%	33%	12%	7%
8	Essex (22 Municipalities)	50.00	13.03%	13.15%	11.35%	11.22%	17.88%	17.54%	36%	41%	14%	14%
9	Camden (37 Municipalities)	45.95	11.43%	11.09%	10.27%	11.05%	11.28%	11.23%	36%	27%	15%	6%
10	Gloucester (24 Municipalities)	70.84	11.34%	9.81%	11.24%	9.84%	10.25%	9.60%	33%	13%	17%	0%
11	Mercer (12 Municipalities)	41.65	11.98%	11.24%	10.68%	10.41%	11.95%	11.25%	33%	17%	17%	8%
12	Warren (22 Municipalities)	27.28	12.45%	12.50%	10.82%	10.98%	11.61%	11.58%	36%	36%	18%	23%
13	Ocean (33 Municipalities)	57.57	12.49%	13.11%	12.46%	12.82%	13.50%	14.24%	58%	70%	18%	21%
14	Passaic (16 Municipalities)	56.25	12.64%	13.16%	12.24%	13.01%	12.74%	13.06%	56%	56%	19%	31%
15	Burlington (40 Municipalities)	47.50	11.78%	11.09%	10.25%	11.29%	11.17%	11.00%	43%	38%	20%	13%
16	Middlesex (25 Municipalities)	20.00	12.71%	12.13%	12.42%	11.47%	12.68%	12.21%	60%	48%	20%	12%
17	Union (21 Municipalities)	4.76	14.20%	13.14%	13.43%	12.72%	14.50%	13.66%	75%	65%	35%	15%
18	Atlantic (23 Municipalities)	56.53	15.58%	15.79%	14.10%	14.34%	14.38%	15.62%	68%	73%	36%	41%
19	Cumberland (14 Municipalities)	28.57	15.34%	14.40%	13.16%	14.49%	15.49%	15.07%	62%	64%	38%	36%
20	Salem (15 Municipalities)	6.67	17.73%	14.33%	16.67%	12.11%	16.44%	13.51%	93%	53%	67%	33%
21	Hudson (12 Municipalities)	16.66	19.03%	18.88%	18.38%	17.87%	24.46%	24.20%	92%	83%	75%	67%
Averages		69.63	12.55%	12.12%	11.81%	11.50%	12.79%	12.59%	45.10%	40.90%	21.24%	16.90%

Study 9: Percent of County with General Coefficient of Deviation (COD) Over 12%

The purpose of this study is to display the range of property tax distribution accuracy by ranking each county by the percentage of the county that has a General COD over 12%. Many other states that have proven to be well ahead of NJ with assessment maintenance recognize that a COD over 12% represents a level of tax distribution inaccuracy that it is considered to be in default. Obviously, a lesser percentage of a county in default is better. The below chart displays the counties in order from most accurate tax distribution to least accurate tax distribution. All municipalities without 2017 General CODs (less than two sales in sample) were excluded from the calculations.



RANK	Group	Assessment Maintenance Score (0-500)	General Coefficient									
			Average General Coefficient		Median General Coefficient		Average General Coefficient Weighted By Number of Sales		Percent of County With General Coefficient Over 12%		Percent of County With General Coefficient Over 15%	
			2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
1	Somerset (21 Municipalities)	328.57	8.42%	8.08%	7.94%	6.62%	8.71%	8.60%	11%	19%	0%	0%
2	Monmouth (53 Municipalities)	256.60	9.50%	10.35%	9.51%	10.45%	9.51%	10.27%	11%	26%	4%	8%
3	Sussex (24 Municipalities)	79.16	10.15%	10.08%	10.06%	9.96%	10.24%	10.57%	13%	18%	4%	5%
4	Hunterdon (26 Municipalities)	88.45	9.35%	9.71%	9.99%	9.16%	8.86%	8.66%	19%	20%	0%	4%
5	Morris (39 Municipalities)	61.53	10.61%	10.17%	9.86%	10.02%	10.56%	10.24%	23%	21%	10%	5%
6	Gloucester (24 Municipalities)	70.84	11.34%	9.81%	11.24%	9.84%	10.25%	9.60%	33%	13%	17%	0%
7	Mercer (12 Municipalities)	41.65	11.98%	11.24%	10.68%	10.41%	11.95%	11.25%	33%	17%	17%	8%
8	Camden (37 Municipalities)	45.95	11.43%	11.09%	10.27%	11.05%	11.28%	11.23%	36%	27%	15%	6%
9	Warren (22 Municipalities)	27.28	12.45%	12.50%	10.82%	10.98%	11.61%	11.58%	36%	36%	18%	23%
10	Essex (22 Municipalities)	50.00	13.03%	13.15%	11.35%	11.22%	17.88%	17.54%	36%	41%	14%	14%
11	Bergen (70 Municipalities)	61.43	11.90%	11.27%	11.22%	10.98%	11.48%	11.21%	39%	33%	12%	7%
12	Burlington (40 Municipalities)	47.50	11.78%	11.09%	10.25%	11.29%	11.17%	11.00%	43%	38%	20%	13%
13	Cape May (16 Municipalities)	56.25	11.82%	11.01%	11.86%	10.66%	10.83%	11.12%	50%	38%	7%	6%
14	Passaic (16 Municipalities)	56.25	12.64%	13.16%	12.24%	13.01%	12.74%	13.06%	56%	56%	19%	31%
15	Ocean (33 Municipalities)	57.57	12.49%	13.11%	12.46%	12.82%	13.50%	14.24%	58%	70%	18%	21%
16	Middlesex (25 Municipalities)	20.00	12.71%	12.13%	12.42%	11.47%	12.68%	12.21%	60%	48%	20%	12%
17	Cumberland (14 Municipalities)	28.57	15.34%	14.40%	13.16%	14.49%	15.49%	15.07%	62%	64%	38%	36%
18	Atlantic (23 Municipalities)	56.53	15.58%	15.79%	14.10%	14.34%	14.38%	15.62%	68%	73%	36%	41%
19	Union (21 Municipalities)	4.76	14.20%	13.14%	13.43%	12.72%	14.50%	13.66%	75%	65%	35%	15%
20	Hudson (12 Municipalities)	16.66	19.03%	18.88%	18.38%	17.87%	24.46%	24.20%	92%	83%	75%	67%
21	Salem (15 Municipalities)	6.67	17.73%	14.33%	16.67%	12.11%	16.44%	13.51%	93%	53%	67%	33%
Averages		69.63	12.55%	12.12%	11.81%	11.50%	12.79%	12.59%	45.10%	40.90%	21.24%	16.90%

Study 10: Accuracy of Assessments (Towns that Maintain Assessments vs. Towns that Do Not Maintain Assessments)

Municipalities throughout the state have varying approaches to addressing assessment maintenance. At one end of the spectrum, many municipalities do little, or in some cases, nothing to maintain assessment accuracy. At the other end of the spectrum, some municipalities annually reassess their portfolios to ensure more accurate distribution of tax levies. Studies 10-15 analyze groupings of towns based on recent assessment maintenance. The studies show that there is a direct and profound correlation between assessment maintenance frequency and assessment accuracy.

Group	Assessment Maintenance Score (0-500)	General Coefficient									
		Average General Coefficient		Median General Coefficient		Average General Coefficient Weighted By Number of Sales		Percent of Group With General Coefficient Over 12%		Percent of Group With General Coefficient Over 15%	
		2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
16 Towns Reassessed each of past 5 years (2017, 2016, 2015, 2014 AND 2013)	500.00	7.13%	6.34%	7.62%	6.17%	6.73%	6.80%	8%	8%	0%	0%
56 Towns Reassessed each of past 3 years (2017, 2016 AND 2015)	380.36	8.74%	8.59%	8.19%	8.48%	8.19%	8.42%	12%	15%	4%	4%
209 Towns Reassessed at least once in past 4 years (2014, 2015, 2016 or 2017)	189.00	10.73%	10.67%	10.23%	10.51%	10.76%	11.62%	26%	30%	11%	10%
All 565 New Jersey Municipalities	79.99	11.99%	11.68%	11.22%	11.08%	13.13%	13.13%	40%	38%	17%	14%
356 Towns DID NOT Reassess in any of past 4 years (2014, 2015, 2016 or 2017)	16.01	12.74%	12.26%	11.91%	11.44%	14.00%	13.71%	49%	42%	21%	16%
299 Towns DID NOT Reasses in any of past 5 years (2013, 2014, 2015, 2016 or 2017)	-	12.83%	12.35%	12.00%	11.61%	13.74%	13.44%	50%	44%	22%	17%

Study 11: Target Practice



This heat map radar graphic displays the individual General CODs in each of the Municipalities within the below three groups.

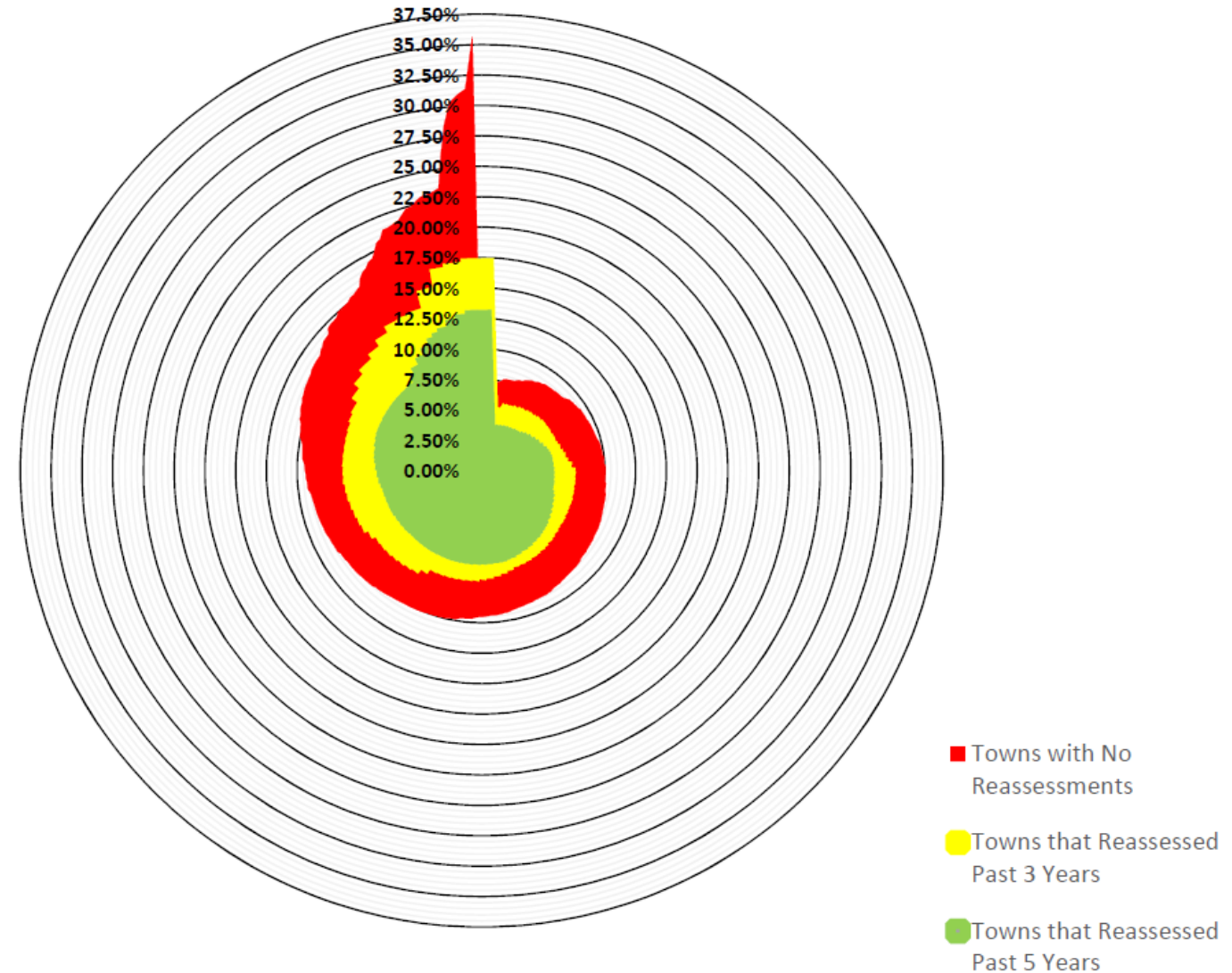
Like a bullseye, CODs should target the center of this graphic. The wider the grouping's blotch, the less accurate tax distribution is within that group.

The graphic clearly shows that there is a direct and profound correlation between the more frequent reassessments and the accuracy of tax distribution.

The following three pages show each of these groups that are being overlaid on this graphic.

<p>16 Towns Reassessed each of past 5 years (2017, 2016, 2015, 2014 AND 2013)</p>
<p>56 Towns Reassessed each of past 3 years (2017, 2016 AND 2015)</p>
<p>299 Towns DID NOT Reasses in any of past 5 years (2013, 2014, 2015, 2016 or 2017)</p>

NJ PROPERTY TAX DISTRIBUTION INACCURACY



Study 13: Target Practice

Accuracy in municipalities that have reassessed in each of the past three years



This heat map radar graphic displays the individual General CODs in each of the municipalities that have reassessed each year in the past three years (Most of Monmouth is in this Category).

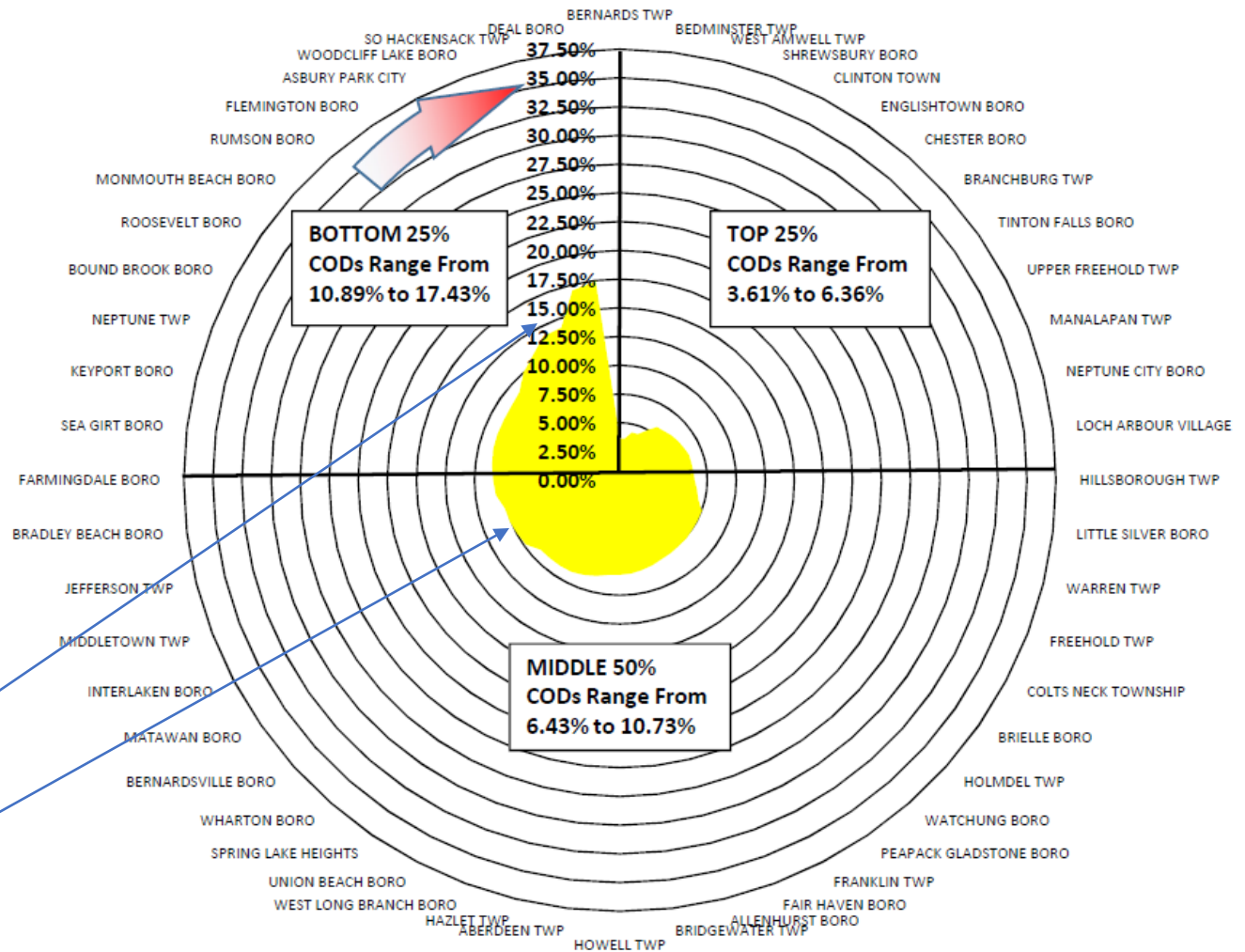
Each municipality's General COD is plotted sequentially on the chart and arranged clockwise from most accurate to least accurate.

Like a bullseye, CODs should target the center of this graphic. The wider the grouping's blotch, the less accurate tax distribution is within that group.

Takeaways from this graph:

- Only two towns in this group have a General COD in default (General COD over 15%)
- The majority have General CODs under 10%

Accuracy of Tax Distribution (General COD)
56 NJ Towns Have Reassessed Each Year In Past Three Years
*Study excludes any municipalities with no 2017 General COD (less than two sales in sample)



Study 14: Target Practice

Accuracy in municipalities that have reassessed in each of the past five years



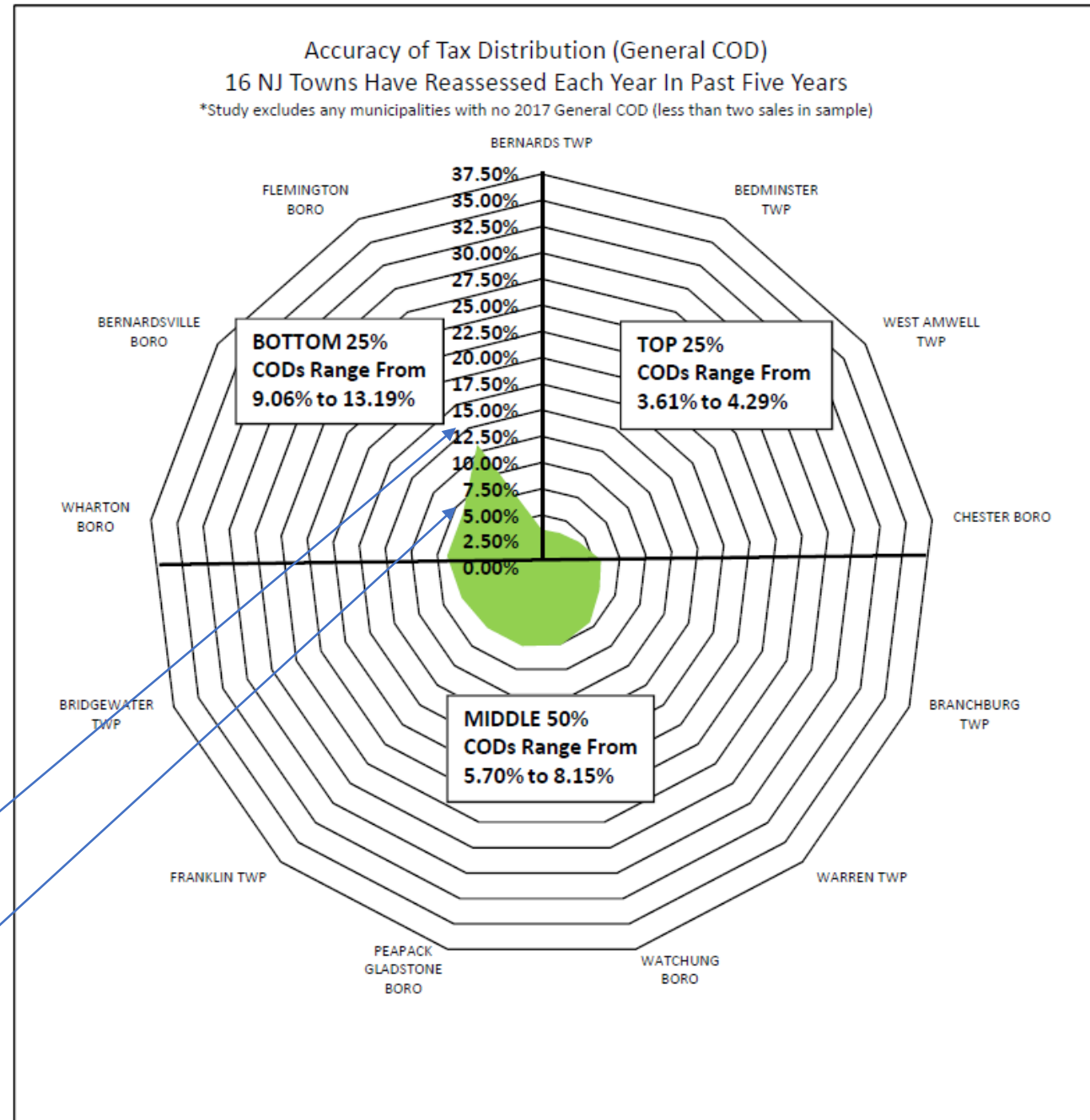
This heat map radar graphic displays the individual General CODs in each of the municipalities that have reassessed each year in the past five years.

Under the ADP, most of Monmouth has only been targeting 100% for the past three years. Studies 1-3 support the trend towards greater accuracy.

The municipalities in this group are the most active in the state with assessment maintenance. Tax distribution accuracy is significantly better than less active municipalities.

Takeaways from this graph:

- No town has a General COD near default (General COD over 15%)
- Almost all have General CODs under 10%



Study 15: Tax Distribution Inaccuracy

General CODs in Reassessment districts vs. Non-Reassessment districts

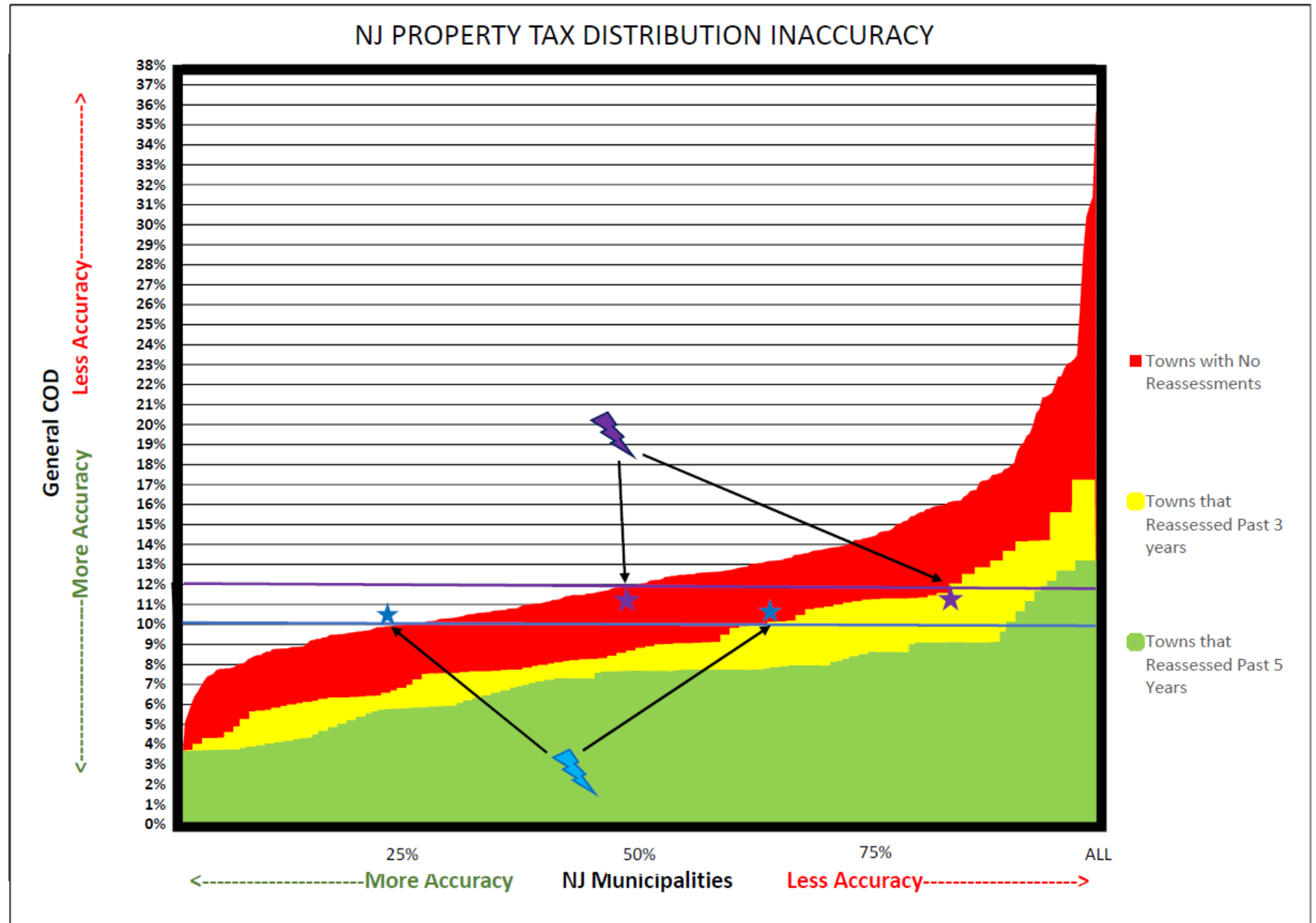
Takeaways from this graph:



CODs over 10%:
Over 75% of the non-reassessment towns compared to only 35% of the reassessment towns

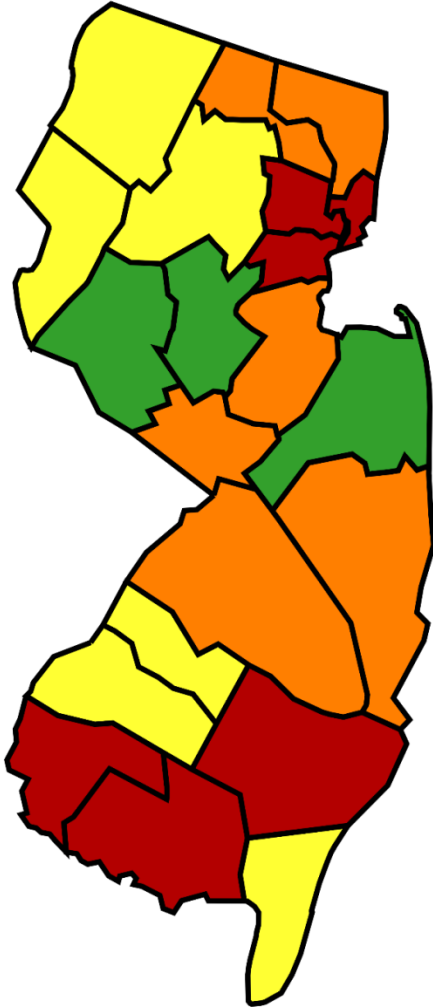


CODs over 12%:
More than half of the non-reassessment towns compared to only 12% of the reassessment towns



Study 16: Average Residential Coefficient of Deviation (COD)

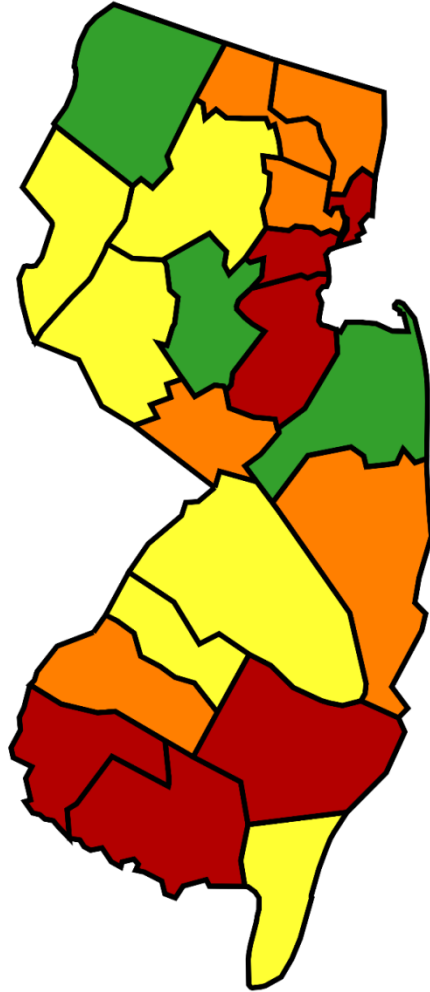
The purpose of this study is to display the range of property tax distribution accuracy by ranking each county's Average Stratified Residential Coefficient of Deviation. The Average Residential COD averages the 2017 Stratified Residential CODs of all municipalities in each respective county. The below chart displays the counties in order from most accurate tax distribution to least accurate tax distribution.



RANK	Group	Assessment Maintenance Score (0-500)	Stratified Residential Coefficient									
			Average Stratified Residential Coefficient		Median Stratified Residential Coefficient		Average Stratified Residential Coefficient Weighted By Number of Sales		Percent of County With Stratified Residential Coefficient Over 12%		Percent of County With Stratified Residential Coefficient Over 15%	
			2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
1	Somerset (21 Municipalities)	328.57	7.75%	8.03%	7.77%	6.92%	8.27%	8.34%	6%	15%	0%	0%
2	Hunterdon (26 Municipalities)	88.45	9.16%	9.32%	9.71%	8.92%	8.65%	8.44%	15%	20%	0%	0%
3	Monmouth (53 Municipalities)	256.60	9.30%	9.84%	9.13%	9.99%	9.25%	9.85%	9%	20%	4%	6%
4	Sussex (24 Municipalities)	79.16	9.97%	9.52%	9.25%	9.20%	10.05%	10.41%	13%	10%	4%	5%
5	Morris (39 Municipalities)	61.53	10.22%	10.01%	9.40%	9.81%	10.26%	10.02%	21%	21%	5%	5%
6	Cape May (16 Municipalities)	56.25	10.92%	10.92%	10.63%	10.54%	10.38%	10.84%	31%	38%	6%	6%
7	Gloucester (24 Municipalities)	70.84	11.00%	9.58%	10.80%	9.78%	9.85%	9.36%	29%	8%	8%	0%
8	Camden (37 Municipalities)	45.95	11.24%	10.83%	10.08%	10.95%	11.10%	10.97%	36%	30%	15%	3%
9	Warren (22 Municipalities)	27.28	11.25%	10.65%	10.41%	10.02%	10.62%	11.58%	27%	23%	9%	5%
10	Burlington (40 Municipalities)	47.50	11.35%	10.44%	10.27%	10.37%	10.99%	10.79%	38%	25%	18%	10%
11	Bergen (70 Municipalities)	61.43	11.38%	10.97%	10.69%	10.74%	11.09%	10.91%	30%	24%	7%	3%
12	Mercer (12 Municipalities)	41.65	11.78%	10.97%	10.77%	10.19%	11.57%	10.95%	25%	17%	8%	8%
13	Ocean (33 Municipalities)	57.57	12.13%	12.95%	11.77%	12.48%	13.04%	13.68%	48%	61%	12%	24%
14	Middlesex (25 Municipalities)	20.00	12.16%	11.48%	12.28%	11.41%	12.09%	11.61%	52%	44%	20%	12%
15	Passaic (16 Municipalities)	56.25	12.34%	12.72%	11.33%	12.31%	12.17%	12.41%	44%	50%	19%	31%
16	Essex (22 Municipalities)	50.00	12.44%	12.67%	10.80%	11.05%	16.49%	16.52%	23%	36%	14%	14%
17	Union (21 Municipalities)	4.76	13.73%	12.75%	12.67%	12.32%	13.91%	13.27%	70%	55%	35%	15%
18	Cumberland (14 Municipalities)	28.57	14.43%	12.70%	12.42%	13.12%	14.07%	14.45%	54%	50%	38%	29%
19	Atlantic (23 Municipalities)	56.53	14.85%	14.88%	13.58%	13.79%	13.97%	15.08%	67%	64%	29%	41%
20	Salem (15 Municipalities)	6.67	16.33%	14.13%	14.96%	12.11%	15.41%	13.12%	87%	53%	47%	33%
21	Hudson (12 Municipalities)	16.66	17.10%	18.31%	17.13%	17.84%	23.51%	23.43%	75%	83%	58%	58%
Averages		69.63	11.94%	11.60%	11.23%	11.14%	12.23%	12.19%	38.10%	35.57%	16.95%	14.67%

Study 17: Median Residential Coefficient of Deviation (COD)

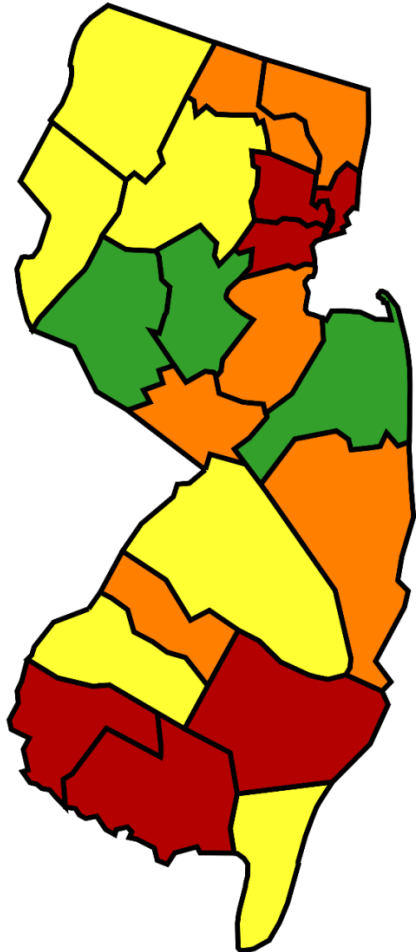
The purpose of this study is to display the range of property tax distribution accuracy by ranking each county's Median Residential Coefficient of Deviation. The County's Median Residential COD is the middle COD when all 2017 Stratified Residential CODs of each municipality are arranged sequentially. The below chart displays the counties in order from most accurate tax distribution to least accurate tax distribution.



RANK	Group	Assessment Maintenance Score (0-500)	Stratified Residential Coefficient									
			Average Stratified Residential Coefficient		Median Stratified Residential Coefficient		Average Stratified Residential Coefficient Weighted By Number of Sales		Percent of County With Stratified Residential Coefficient Over 12%		Percent of County With Stratified Residential Coefficient Over 15%	
			2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
1	Somerset (21 Municipalities)	328.57	7.75%	8.03%	7.77%	6.92%	8.27%	8.34%	6%	15%	0%	0%
2	Monmouth (53 Municipalities)	256.60	9.30%	9.84%	9.13%	9.99%	9.25%	9.85%	9%	20%	4%	6%
3	Sussex (24 Municipalities)	79.16	9.97%	9.52%	9.25%	9.20%	10.05%	10.41%	13%	10%	4%	5%
4	Morris (39 Municipalities)	61.53	10.22%	10.01%	9.40%	9.81%	10.26%	10.02%	21%	21%	5%	5%
5	Hunterdon (26 Municipalities)	88.45	9.16%	9.32%	9.71%	8.92%	8.65%	8.44%	15%	20%	0%	0%
6	Camden (37 Municipalities)	45.95	11.24%	10.83%	10.08%	10.95%	11.10%	10.97%	36%	30%	15%	3%
7	Burlington (40 Municipalities)	47.50	11.35%	10.44%	10.27%	10.37%	10.99%	10.79%	38%	25%	18%	10%
8	Warren (22 Municipalities)	27.28	11.25%	10.65%	10.41%	10.02%	10.62%	11.58%	27%	23%	9%	5%
9	Cape May (16 Municipalities)	56.25	10.92%	10.92%	10.63%	10.54%	10.38%	10.84%	31%	38%	6%	6%
10	Bergen (70 Municipalities)	61.43	11.38%	10.97%	10.69%	10.74%	11.09%	10.91%	30%	24%	7%	3%
11	Mercer (12 Municipalities)	41.65	11.78%	10.97%	10.77%	10.19%	11.57%	10.95%	25%	17%	8%	8%
12	Gloucester (24 Municipalities)	70.84	11.00%	9.58%	10.80%	9.78%	9.85%	9.36%	29%	8%	8%	0%
13	Essex (22 Municipalities)	50.00	12.44%	12.67%	10.80%	11.05%	16.49%	16.52%	23%	36%	14%	14%
14	Passaic (16 Municipalities)	56.25	12.34%	12.72%	11.33%	12.31%	12.17%	12.41%	44%	50%	19%	31%
15	Ocean (33 Municipalities)	57.57	12.13%	12.95%	11.77%	12.48%	13.04%	13.68%	48%	61%	12%	24%
16	Middlesex (25 Municipalities)	20.00	12.16%	11.48%	12.28%	11.41%	12.09%	11.61%	52%	44%	20%	12%
17	Cumberland (14 Municipalities)	28.57	14.43%	12.70%	12.42%	13.12%	14.07%	14.45%	54%	50%	38%	29%
18	Union (21 Municipalities)	4.76	13.73%	12.75%	12.67%	12.32%	13.91%	13.27%	70%	55%	35%	15%
19	Atlantic (23 Municipalities)	56.53	14.85%	14.88%	13.58%	13.79%	13.97%	15.08%	67%	64%	29%	41%
20	Salem (15 Municipalities)	6.67	16.33%	14.13%	14.96%	12.11%	15.41%	13.12%	87%	53%	47%	33%
21	Hudson (12 Municipalities)	16.66	17.10%	18.31%	17.13%	17.84%	23.51%	23.43%	75%	83%	58%	58%
Averages		69.63	11.94%	11.60%	11.23%	11.14%	12.23%	12.19%	38.10%	35.57%	16.95%	14.67%

Study 18: Weighted Average Residential Coefficient of Deviation (COD)

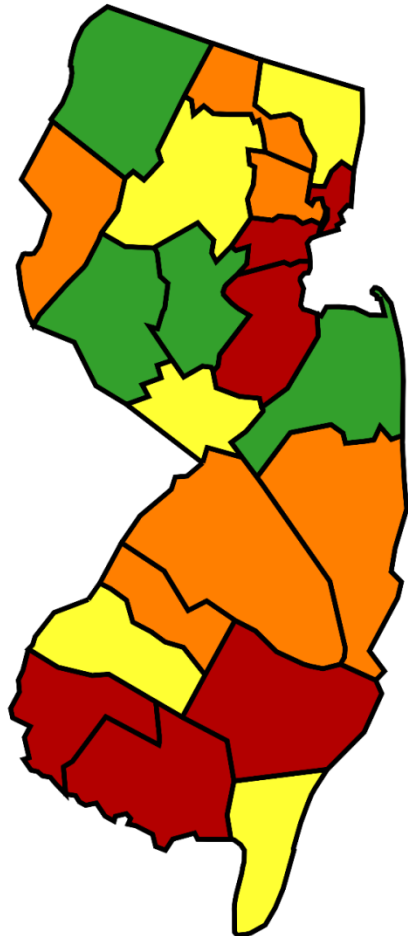
The purpose of this study is to display the range of property tax distribution accuracy by ranking each county's Weighted Average Residential Coefficient of Deviation. The Weighted Average Residential COD is a study that properly weighs credibility to each municipality in a county based the number of residential sales that were used to establish the individual municipal Stratified Residential COD. For example, a municipality with 100 sales used to establish its 2017 Stratified Residential COD would get half the credibility when compared to a municipality that had 200 sales used to establish its 2017 Stratified Residential COD. This is arguably the most important view of Residential CODs because this study sufficiently recognizes that the size of a town in a given county should be proportionally weighted in the averaging calculation. When using a simple average (like study 16), the smaller towns are equally weighted to the larger towns. Study 18 addresses this concern. The below chart displays the counties in order from most accurate tax distribution to least accurate tax distribution.



RANK	Group	Assessment Maintenance Score (0-500)	Stratified Residential Coefficient									
			Average Stratified Residential Coefficient		Median Stratified Residential Coefficient		Average Stratified Residential Coefficient Weighted By Number of Sales		Percent of County With Stratified Residential Coefficient Over 12%		Percent of County With Stratified Residential Coefficient Over 15%	
			2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
1	Somerset (21 Municipalities)	328.57	7.75%	8.03%	7.77%	6.92%	8.27%	8.34%	6%	15%	0%	0%
2	Hunterdon (26 Municipalities)	88.45	9.16%	9.32%	9.71%	8.92%	8.65%	8.44%	15%	20%	0%	0%
3	Monmouth (53 Municipalities)	256.60	9.30%	9.84%	9.13%	9.99%	9.25%	9.85%	9%	20%	4%	6%
4	Gloucester (24 Municipalities)	70.84	11.00%	9.58%	10.80%	9.78%	9.85%	9.36%	29%	8%	8%	0%
5	Sussex (24 Municipalities)	79.16	9.97%	9.52%	9.25%	9.20%	10.05%	10.41%	13%	10%	4%	5%
6	Morris (39 Municipalities)	61.53	10.22%	10.01%	9.40%	9.81%	10.26%	10.02%	21%	21%	5%	5%
7	Cape May (16 Municipalities)	56.25	10.92%	10.92%	10.63%	10.54%	10.38%	10.84%	31%	38%	6%	6%
8	Warren (22 Municipalities)	27.28	11.25%	10.65%	10.41%	10.02%	10.62%	11.58%	27%	23%	9%	5%
9	Burlington (40 Municipalities)	47.50	11.35%	10.44%	10.27%	10.37%	10.99%	10.79%	38%	25%	18%	10%
10	Bergen (70 Municipalities)	61.43	11.38%	10.97%	10.69%	10.74%	11.09%	10.91%	30%	24%	7%	3%
11	Camden (37 Municipalities)	45.95	11.24%	10.83%	10.08%	10.95%	11.10%	10.97%	36%	30%	15%	3%
12	Mercer (12 Municipalities)	41.65	11.78%	10.97%	10.77%	10.19%	11.57%	10.95%	25%	17%	8%	8%
13	Middlesex (25 Municipalities)	20.00	12.16%	11.48%	12.28%	11.41%	12.09%	11.61%	52%	44%	20%	12%
14	Passaic (16 Municipalities)	56.25	12.34%	12.72%	11.33%	12.31%	12.17%	12.41%	44%	50%	19%	31%
15	Ocean (33 Municipalities)	57.57	12.13%	12.95%	11.77%	12.48%	13.04%	13.68%	48%	61%	12%	24%
16	Union (21 Municipalities)	4.76	13.73%	12.75%	12.67%	12.32%	13.91%	13.27%	70%	55%	35%	15%
17	Atlantic (23 Municipalities)	56.53	14.85%	14.88%	13.58%	13.79%	13.97%	15.08%	67%	64%	29%	41%
18	Cumberland (14 Municipalities)	28.57	14.43%	12.70%	12.42%	13.12%	14.07%	14.45%	54%	50%	38%	29%
19	Salem (15 Municipalities)	6.67	16.33%	14.13%	14.96%	12.11%	15.41%	13.12%	87%	53%	47%	33%
20	Essex (22 Municipalities)	50.00	12.44%	12.67%	10.80%	11.05%	16.49%	16.52%	23%	36%	14%	14%
21	Hudson (12 Municipalities)	16.66	17.10%	18.31%	17.13%	17.84%	23.51%	23.43%	75%	83%	58%	58%
Averages		69.63	11.94%	11.60%	11.23%	11.14%	12.23%	12.19%	38.10%	35.57%	16.95%	14.67%

Study 19: Percent of County with Residential Coefficient of Deviation (COD) Over 15%

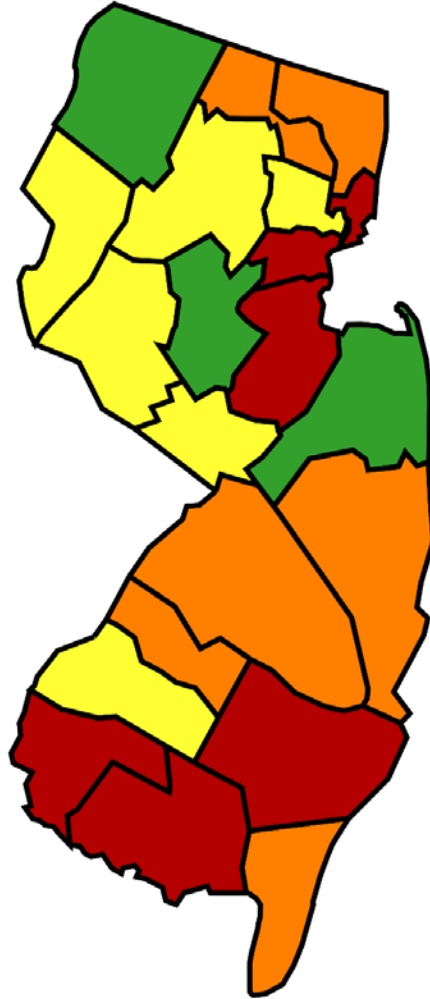
The purpose of this study is to display the range of property tax distribution accuracy by ranking each county by the percentage of the county that has a Residential COD over 15%. Current Division of Taxation regulations recognize that a COD over 15% represents a level of tax distribution inaccuracy that it is considered to be in default. Obviously, a lesser percentage of a county in default is better. The below chart displays the counties in order from most accurate tax distribution to least accurate tax distribution. All municipalities without 2017 Stratified Residential CODs (less than two sales in sample) were excluded from the calculations.



RANK	Group	Assessment Maintenance Score (0-500)	Stratified Residential Coefficient									
			Average Stratified Residential Coefficient		Median Stratified Residential Coefficient		Average Stratified Residential Coefficient Weighted By Number of Sales		Percent of County With Stratified Residential Coefficient Over 12%		Percent of County With Stratified Residential Coefficient Over 15%	
			2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
1	Somerset (21 Municipalities)	328.57	7.75%	8.03%	7.77%	6.92%	8.27%	8.34%	6%	15%	0%	0%
2	Hunterdon (26 Municipalities)	88.45	9.16%	9.32%	9.71%	8.92%	8.65%	8.44%	15%	20%	0%	0%
3	Monmouth (53 Municipalities)	256.60	9.30%	9.84%	9.13%	9.99%	9.25%	9.85%	9%	20%	4%	6%
4	Sussex (24 Municipalities)	79.16	9.97%	9.52%	9.25%	9.20%	10.05%	10.41%	13%	10%	4%	5%
5	Morris (39 Municipalities)	61.53	10.22%	10.01%	9.40%	9.81%	10.26%	10.02%	21%	21%	5%	5%
6	Cape May (16 Municipalities)	56.25	10.92%	10.92%	10.63%	10.54%	10.38%	10.84%	31%	38%	6%	6%
7	Bergen (70 Municipalities)	61.43	11.38%	10.97%	10.69%	10.74%	11.09%	10.91%	30%	24%	7%	3%
8	Mercer (12 Municipalities)	41.65	11.78%	10.97%	10.77%	10.19%	11.57%	10.95%	25%	17%	8%	8%
9	Gloucester (24 Municipalities)	70.84	11.00%	9.58%	10.80%	9.78%	9.85%	9.36%	29%	8%	8%	0%
10	Warren (22 Municipalities)	27.28	11.25%	10.65%	10.41%	10.02%	10.62%	11.58%	27%	23%	9%	5%
11	Ocean (33 Municipalities)	57.57	12.13%	12.95%	11.77%	12.48%	13.04%	13.68%	48%	61%	12%	24%
12	Essex (22 Municipalities)	50.00	12.44%	12.67%	10.80%	11.05%	16.49%	16.52%	23%	36%	14%	14%
13	Camden (37 Municipalities)	45.95	11.24%	10.83%	10.08%	10.95%	11.10%	10.97%	36%	30%	15%	3%
14	Burlington (40 Municipalities)	47.50	11.35%	10.44%	10.27%	10.37%	10.99%	10.79%	38%	25%	18%	10%
15	Passaic (16 Municipalities)	56.25	12.34%	12.72%	11.33%	12.31%	12.17%	12.41%	44%	50%	19%	31%
16	Middlesex (25 Municipalities)	20.00	12.16%	11.48%	12.28%	11.41%	12.09%	11.61%	52%	44%	20%	12%
17	Atlantic (23 Municipalities)	56.53	14.85%	14.88%	13.58%	13.79%	13.97%	15.08%	67%	64%	29%	41%
18	Union (21 Municipalities)	4.76	13.73%	12.75%	12.67%	12.32%	13.91%	13.27%	70%	55%	35%	15%
19	Cumberland (14 Municipalities)	28.57	14.43%	12.70%	12.42%	13.12%	14.07%	14.45%	54%	50%	38%	29%
20	Salem (15 Municipalities)	6.67	16.33%	14.13%	14.96%	12.11%	15.41%	13.12%	87%	53%	47%	33%
21	Hudson (12 Municipalities)	16.66	17.10%	18.31%	17.13%	17.84%	23.51%	23.43%	75%	83%	58%	58%
Averages		69.63	11.94%	11.60%	11.23%	11.14%	12.23%	12.19%	38.10%	35.57%	16.95%	14.67%

Study 20: Percent of County with Residential Coefficient of Deviation (COD) Over 12%

The purpose of this study is to display the range of property tax distribution accuracy by ranking each county by the percentage of the county that has a Residential COD over 12%. Many other states that have proven to be well ahead of NJ with assessment maintenance recognize that a COD over 12% represents a level of tax distribution inaccuracy that it is considered to be in default. Obviously, a lesser percentage of a county in default is better. The below chart displays the counties in order from most accurate tax distribution to least accurate tax distribution. All municipalities without 2017 Stratified Residential CODs (less than two sales in sample) were excluded from the calculations.



RANK	Group	Assessment Maintenance Score (0-500)	Stratified Residential Coefficient									
			Average Stratified Residential Coefficient		Median Stratified Residential Coefficient		Average Stratified Residential Coefficient Weighted By Number of Sales		Percent of County With Stratified Residential Coefficient Over 12%		Percent of County With Stratified Residential Coefficient Over 15%	
			2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
1	Somerset (21 Municipalities)	328.57	7.75%	8.03%	7.77%	6.92%	8.27%	8.34%	6%	15%	0%	0%
2	Monmouth (53 Municipalities)	256.60	9.30%	9.84%	9.13%	9.99%	9.25%	9.85%	9%	20%	4%	6%
3	Sussex (24 Municipalities)	79.16	9.97%	9.52%	9.25%	9.20%	10.05%	10.41%	13%	10%	4%	5%
4	Hunterdon (26 Municipalities)	88.45	9.16%	9.32%	9.71%	8.92%	8.65%	8.44%	15%	20%	0%	0%
5	Morris (39 Municipalities)	61.53	10.22%	10.01%	9.40%	9.81%	10.26%	10.02%	21%	21%	5%	5%
6	Essex (22 Municipalities)	50.00	12.44%	12.67%	10.80%	11.05%	16.49%	16.52%	23%	36%	14%	14%
7	Mercer (12 Municipalities)	41.65	11.78%	10.97%	10.77%	10.19%	11.57%	10.95%	25%	17%	8%	8%
8	Warren (22 Municipalities)	27.28	11.25%	10.65%	10.41%	10.02%	10.62%	11.58%	27%	23%	9%	5%
9	Gloucester (24 Municipalities)	70.84	11.00%	9.58%	10.80%	9.78%	9.85%	9.36%	29%	8%	8%	0%
10	Bergen (70 Municipalities)	61.43	11.38%	10.97%	10.69%	10.74%	11.09%	10.91%	30%	24%	7%	3%
11	Cape May (16 Municipalities)	56.25	10.92%	10.92%	10.63%	10.54%	10.38%	10.84%	31%	38%	6%	6%
12	Camden (37 Municipalities)	45.95	11.24%	10.83%	10.08%	10.95%	11.10%	10.97%	36%	30%	15%	3%
13	Burlington (40 Municipalities)	47.50	11.35%	10.44%	10.27%	10.37%	10.99%	10.79%	38%	25%	18%	10%
14	Passaic (16 Municipalities)	56.25	12.34%	12.72%	11.33%	12.31%	12.17%	12.41%	44%	50%	19%	31%
15	Ocean (33 Municipalities)	57.57	12.13%	12.95%	11.77%	12.48%	13.04%	13.68%	48%	61%	12%	24%
16	Middlesex (25 Municipalities)	20.00	12.16%	11.48%	12.28%	11.41%	12.09%	11.61%	52%	44%	20%	12%
17	Cumberland (14 Municipalities)	28.57	14.43%	12.70%	12.42%	13.12%	14.07%	14.45%	54%	50%	38%	29%
18	Atlantic (23 Municipalities)	56.53	14.85%	14.88%	13.58%	13.79%	13.97%	15.08%	67%	64%	29%	41%
19	Union (21 Municipalities)	4.76	13.73%	12.75%	12.67%	12.32%	13.91%	13.27%	70%	55%	35%	15%
20	Hudson (12 Municipalities)	16.66	17.10%	18.31%	17.13%	17.84%	23.51%	23.43%	75%	83%	58%	58%
21	Salem (15 Municipalities)	6.67	16.33%	14.13%	14.96%	12.11%	15.41%	13.12%	87%	53%	47%	33%
Averages		69.63	11.94%	11.60%	11.23%	11.14%	12.23%	12.19%	38.10%	35.57%	16.95%	14.67%

Section 3: Assessment Transparency

Oddly enough, in the traditional assessment model, an individual property’s assessment is not expected to be representative of the true market value. As discussed in Section 2, assessments in the traditional model are set in a revaluation year and are then left stagnant for several subsequent years. The traditional model attempts to address the market changes (in the background) by applying the “Director’s Ratio” to each property’s assessment annually. An individual assessment has to be divided by the director’s ratio to determine the “implied market value” to which the property is actually being assessed.

Out of the 565 municipalities statewide, the 2017 director’s ratio (for application to the tax year 2018 assessments) ranged from 8.36% to 132.9%. This means that the same 100,000 assessment (in the example below) could have represented vastly different implied market values dependent upon what municipality the property is located.

“Albert, what does my assessment mean???”



“Well, that depends on what town your property is located!”

	Assessment	/	Municipality's Ratio	=	Implied Market Value
Winfield Township (Union)	100,000	/	8.36%	= \$	1,196,172
Penns Grove Boro (Salem)	100,000	/	132.90%	= \$	75,245

“Thanks for nothing... I still don’t get it... You are saying the same assessment could mean different things depending where I live?”



“Precisely! Do you know your town’s ratio? Do you even know where to find it? You are not alone. This really is more confusing than it needs to be!”

The Chapter 75 Postcard

The assessment notice that is mailed to property owners annually is called the “Chapter 75 Assessment Postcard” (an example of one is below). This notice does not contain any specific information on what their municipality’s director’s ratio is; therefore a complete lack of transparency exists as to how the property is truly being assessed.

ASSESSOR'S OFFICE
KEANSBURG BOROUGH
29 CHURCH STREET
KEANSBURG NJ 07734

DISTRICT: KEANSBURG BOROUGH

DATE MAILED: 11/17/17

NOTICE OF PROPERTY TAX ASSESSMENT FOR 2018
THIS NOTICE IS REQUIRED UNDER N.J.S.A. 54:4-38.1

BLOCK: [REDACTED] LOT: [REDACTED] QUAL: [REDACTED]

PROPERTY LOCATION: [REDACTED] CLASS: 2

LAND: 45,300 BUILDING: 157,000 TOTAL: 202,300

NET PROPERTY TAXES BILLED FOR 2017 2017 ASSESSMENT TOTAL: 202,400

WERE: \$7,681.08

THIS IS NOT A BILL. SEE OTHER SIDE FOR APPEAL INFORMATION.

[REDACTED]

Without the municipality’s ratio and calculation of the implied market value posted on the assessment notice, this Keansburg property owner would not know that the assessment actually increased from 2017 to 2018.

	Assessment	/	Ratio	=	Implied Market Value
2017	202,400	/	90.04%	= \$	224,789
2018	202,300	/	87.31%	= \$	231,703

Chapter 123- Assessment Inaccuracy Acceptability

The property owner on the previous page faces an even greater level of complexity when he realizes that the traditional assessment model has a built in assessment inaccuracy acceptability of 30%! Yes, you read that correctly- 30%!

Chapter 123 (N.J.S.A. 54:3-22) mandates that an assessment is still accurate if true market value is found to be within 15% over the assessment or 15% under the assessment. Basically, a property with an implied market value of 1,000,000 means that the property’s true value is “somewhere between about 850,000 and 1,150,000”. In a municipality that has an equalized general tax rate of 2%, the translation to this example is that the assessment recognizes that the correct tax distribution for the respective property is “somewhere between about \$17,000 and \$23,000”. Anywhere in between would effectively be considered that the property has been assigned to pay the “correct” amount.

Further complicating matters is the math required to determine this 30% corridor of assessment acceptability which is unacceptably complex for the average property owner to compute. The 15% radial range is not applied directly to the assessment, or the implied market value. The 15% calculation is applied to the common level ratio. For example, Keansburg’s ratio acceptability brackets for 2018 are set in accordance with the below.

Director's Ratio:	87.31%	
Upper Limit	times 1.15 factor	100.41%
Lower Limit	times 0.85 factor	74.21%

Chapter 123 caps off the upper limit at 100%, therefore:

Director's Ratio:	87.31%	
Upper Limit	times 1.15 factor	100%
Lower Limit	times 0.85 factor	74.21%

Now the property owner can apply their assessment to the Chapter 123 corridor to finally determine what the assessment really represents:

Assessment:	202,300	
Upper Limit Ratio:	100%	\$ 202,300
Lower Limit Ratio:	74.21%	\$ 272,605

“I’m actually more confused. You’re saying my assessment means somewhere between 202,300 and 272,605? Why can’t NJ just be transparent with its taxpayers?”



“Good question... If a town annually reassesses, there is no need to go through any of those confusing exercises. The assessment on the postcard is the market value in reassessment districts. Maybe towns should just reassess.”

Monmouth County- Assessment Transparency

As painful as it was to read the beginning of this section, it was necessary to convey the complexity of the nuances of the antiquated traditional model. Monmouth County Assessment Demonstration Program participating municipalities have entirely done away with the lack of transparency of the individual assessment. In Monmouth County ADP towns, the assessment equals the market value. ADP engaged municipalities are getting closer to the 100% target each year. More importantly, the average municipal ratio deviation from the 100% target continues to shrink. The shrinking deviation from 100% is a reflection of the better assessment transparency being provided under the ADP. The below chart includes all 53 municipalities.

	Average Ratio	Median Ratio	Average Deviation From 100%
2014	93.52%	93.79%	9.27%
2015	94.65%	96.60%	6.93%
2016	95.91%	97.03%	5.15%
2017	95.52%	96.78%	4.92%

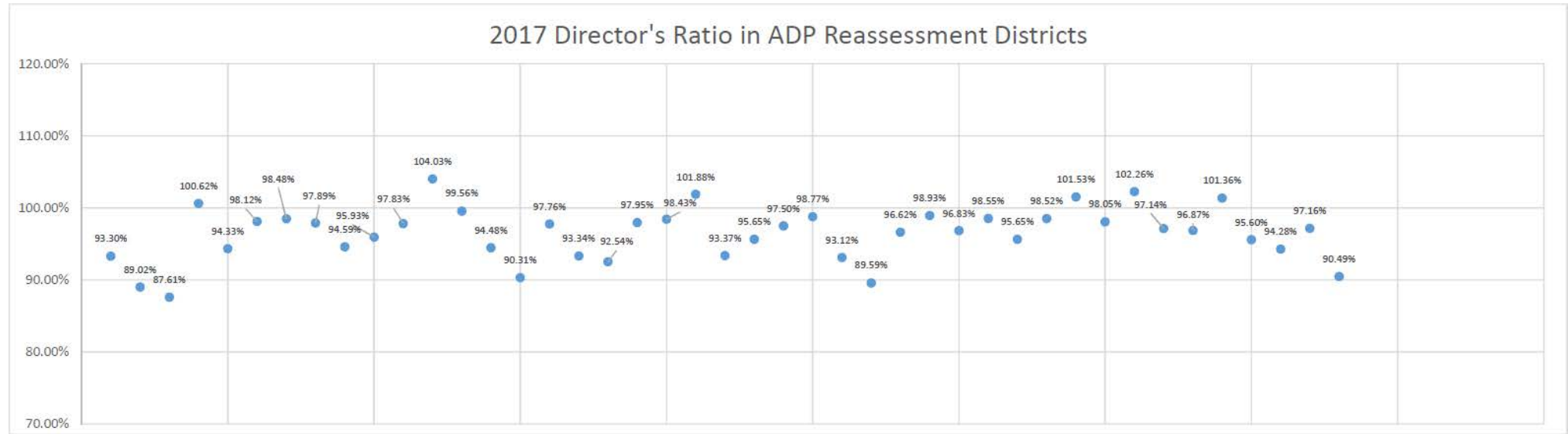
Monmouth County 2017 Director's Ratios Reassessment Districts (43 Municipalities Reassessed in 2017)

This study extracts the ten municipalities that were either "ADP opt-out" or have not yet reassessed to 100% under the ADP. The data used in this study contains the Director's Ratios from the 43 towns that reassessed to 100% in 2017.

Things to Note:

- The Average Director's Ratio is 96.41%
- The Median Director's Ratio is 97.14%
- The Average Deviation from 100% is 4.13%

2017 Director's Ratio of 43 Monmouth Municipalities that Reassessed in 2017					
ABERDEEN TWP	93.30%	HOLMDEL TWP	97.76%	ROOSEVELT BORO	98.55%
ALLENHURST BORO	89.02%	HOWELL TWP	93.34%	RUMSON BORO	95.65%
ASBURY PARK CITY	87.61%	INTERLAKEN BORO	92.54%	SEA BRIGHT BORO	98.52%
BELMAR BORO	100.62%	KEYPORT BORO	97.95%	SEA GIRT BORO	101.53%
BRADLEY BEACH BORO	94.33%	LITTLE SILVER BORO	98.43%	SHREWSBURY BORO	98.05%
BRIELLE BORO	98.12%	LOCH ARBOUR VILLAGE	101.88%	SHREWSBURY TWP	102.26%
COLTS NECK TOWNSHIP	98.48%	LONG BRANCH CITY	93.37%	LAKE COMO	97.14%
DEAL BORO	97.89%	MANALAPAN TWP	95.65%	SPRING LAKE BORO	96.87%
EATONTOWN BORO	94.59%	MATAWAN BORO	97.50%	SPRING LAKE HEIGHTS	101.36%
ENGLISHTOWN BORO	95.93%	MIDDLETOWN TWP	98.77%	TINTON FALLS BORO	95.60%
FAIR HAVEN BORO	97.83%	MONMOUTH BEACH BORO	93.12%	UNION BEACH BORO	94.28%
FARMINGDALE BORO	104.03%	NEPTUNE TWP	89.59%	UPPER FREEHOLD TWP	97.16%
FREEHOLD BORO	99.56%	NEPTUNE CITY BORO	96.62%	WEST LONG BRANCH BORO	90.49%
FREEHOLD TWP	94.48%	OCEAN TWP	98.93%		
HAZLET TWP	90.31%	RED BANK BORO	96.83%		



Historical Ratio Comparison in Monmouth County Reassessment Districts

Assessment transparency has greatly improved in all of the ADP participating municipalities.

2017 Director's Ratio Analysis (All ADP Engaged Municipalities)					
Municipality	Pre-ADP Average Ratio (1991-2013)	Pre-ADP Average Deviation From 100% (1991-2013)	2017 Ratio	2017 Deviation From 100% (1991-2013)	Quantify Improvement Points
ABERDEEN	79.51%	20.65%	93.30%	6.70%	13.95
ALLENHURST	87.91%	14.76%	89.02%	10.98%	3.78
ASBURY PARK	69.05%	32.69%	87.61%	12.39%	20.30
BELMAR	79.93%	22.88%	100.62%	0.62%	22.26
BRADLEY BEACH	93.77%	11.57%	94.33%	5.67%	5.90
BRIELLE	93.94%	17.61%	98.12%	1.88%	15.73
COLTS NECK	77.91%	23.17%	98.48%	1.52%	21.65
DEAL	85.89%	16.15%	97.89%	2.11%	14.04
EATONTOWN	90.46%	10.78%	94.59%	5.41%	5.37
ENGLISHTOWN	89.42%	16.89%	95.93%	4.07%	12.82
FAIR HAVEN	80.26%	20.21%	97.83%	2.17%	18.04
FARMINGDALE	90.49%	11.63%	104.03%	4.03%	7.60
FREEHOLD BORO	91.78%	9.66%	99.56%	0.44%	9.22
FREEHOLD TWP	82.90%	17.50%	94.48%	5.52%	11.98
HAZLET	76.34%	23.81%	90.31%	9.69%	14.12
HOLMDEL	81.34%	18.82%	97.76%	2.24%	16.58
HOWELL	89.13%	12.73%	93.34%	6.66%	6.07
INTERLAKEN	83.92%	18.05%	92.54%	7.46%	10.59
KEYPORT	88.33%	17.37%	97.95%	2.05%	15.32
LITTLE SILVER	86.54%	14.69%	98.43%	1.57%	13.12
LOCH ARBOUR	84.45%	18.35%	101.88%	1.88%	16.47
LONG BRANCH	89.16%	11.03%	93.37%	6.63%	4.40
MANALAPAN	79.87%	20.13%	95.65%	4.35%	15.78
MATAWAN	85.34%	17.83%	97.50%	2.50%	15.33
MIDDLETOWN	79.73%	20.27%	98.77%	1.23%	19.04
MONMOUTH BEACH	84.00%	16.17%	93.12%	6.88%	9.29
NEPTUNE TWP	85.16%	15.35%	89.59%	10.41%	4.94
NEPTUNE CITY	86.09%	15.63%	96.62%	3.38%	12.25
OCEAN TWP	82.82%	17.18%	98.93%	1.07%	16.11
RED BANK	89.10%	15.06%	96.83%	3.17%	11.89
ROOSEVELT	84.03%	17.59%	98.55%	1.45%	16.14
RUMSON	79.16%	21.08%	95.65%	4.35%	16.73
SEA BRIGHT	78.14%	22.29%	98.52%	1.48%	20.81
SEA GIRT	93.56%	14.12%	101.53%	1.53%	12.59
SHREWSBURY BORO	86.91%	15.46%	98.05%	1.95%	13.51
SHREWSBURY TWP	85.35%	16.75%	102.26%	2.26%	14.49
LAKE COMO	94.74%	15.81%	97.14%	2.86%	12.95
SPRING LAKE	91.63%	11.72%	96.87%	3.13%	8.59
SPRING LAKE HGTS	84.45%	17.07%	101.36%	1.36%	15.71
TINTON FALLS	85.54%	16.89%	95.60%	4.40%	12.49
UNION BEACH	90.46%	16.65%	94.28%	5.72%	10.93
UPPER FREEHOLD	92.95%	9.04%	97.16%	2.84%	6.20
WEST LONG BRANCH	91.30%	10.66%	90.49%	9.51%	1.15
	Pre ADP Average	Pre ADP County Average Deviation From 100%	2017 Average	2017 Group Average Deviation from 100%	Quantify Improvement Points
	85.65%	16.83%	96.41%	4.13%	12.70

Section 4: Technology

Technology within the ADP

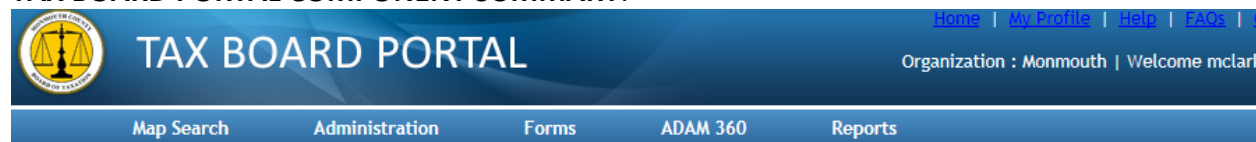
The overarching intent of the **Assessment Demonstration Program (ADP)** is to institute a revised assessment function that provides systemic cost savings and enhanced public service. At the core of the program is the ability to establish and annually maintain individual property assessments at 100% of current market value (annual assessment maintenance). This is accomplished by the County and the engaged municipalities working collaboratively to employ enhanced education, advanced appraisal techniques and **modern technology**.



MONMOUTH COUNTY ASSESSMENT DEMONSTRATION TECHNOLOGY OVERVIEW:

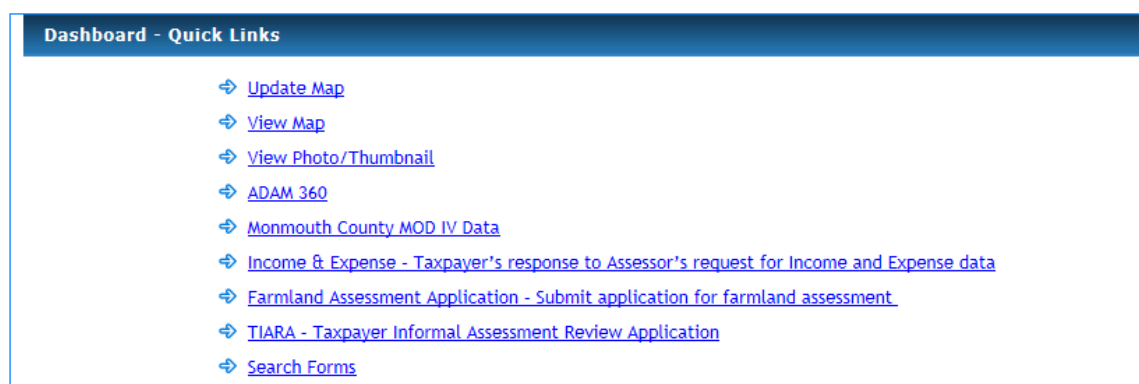
To that end, Monmouth County continues to develop a suite of tools called the **TAX BOARD PORTAL**. The Tax Board Portal is Monmouth County's online access point to a growing tool-kit of Assessment Function Technology tools for both the public and assessment practitioners. In our progressive property assessment model, the local Assessor annually maintains the assessments of each property within their district to market value. This proactive approach generates a need for new technology. The Tax Board Portal is a creative solution, intended to provide the public with transparent and cost effective access to assessment data. For the first time, the public can both validate and question the accuracy of individual assessments. The Tax Board Portal tools are intended to enhance the local Assessor's ability to annually analyze the current mass-appraisal costing model against recent property sales. The Tax Board Portal helps assessors determine areas in need of recalibration and assists in statistically quantifying the appropriate required adjustment.

TAX BOARD PORTAL COMPONENT SUMMARY:



Please [click here](#) for a summary of available functions.

The recent mailing for Income and Expense data may not have had the most direct information to contact your Assessor. Please [click here](#) for contact information should you need to communicate with your Assessor.



1. **ADAM 360 - Assessment Data Analysis Module.**

ADAM 360 is a suite of tools for analyzing the Assessor’s Preliminary Tax List and Annual Maintenance efforts. Meant in part to be an instrument for the local Assessor to review and revise the Preliminary Tax List before submission to the County, the technology will also serve as the “Guardian of the Gate” for the Tax Board oversight. ADAM 360 is intended to help ensure uniformity for properties within each town and uniformity amongst each town within the County. ADAM 360 provides year-over-year assessment change tools for the annual reassessment towns as well as the towns that have opted-out of annual reassessments. **Made available to Monmouth County Assessors in 2016. Offered as a shared service statewide in 2017.**

VCS Review

PRC Ratio for Municipality: Holmdel Twp. **Property Class:** RESIDENTIAL PROPERTY (1 - 4 FAMILY)
Sale Date Range: 2 Years **Neighborhood:** ALL **Added Assessments:** Included **Non Useable Sales:**
VCS: ALL **Style:** ALL **Judgments:** Included

VCS	Sale data Review					Year-Over-Year Assessment Change Review					
	Sale Count	# of Properties in VCS	% of Properties in VCS Sold	Average Ratio of VCS	General Coefficient of Deviation	PRIOR Total AV of VCS	CURRENT Total AV of VCS	Total AV of VCS Change	Average AV in VCS	Average AV Change YOY	% of Properties in VCS Changed
A106	2	13	15	101.61	0.04	1,069,300	1,069,300	0	82,254	0	0
A416	1	7	14	100.39	0	1,275,800	1,255,400	20,400	179,343	20,400	1
A119	1	8	13	97.24	0	688,600	688,600	0	86,075	0	0
A309	4	39	10	100.03	0.09	2,690,900	2,690,900	0	68,997	0	0
A227	3	30	10	99.64	0.04	3,357,700	3,357,700	0	111,923	0	0
A404	5	56	9	94.40	0.05	3,741,300	3,741,300	0	66,809	0	0
ABRA	8	90	9	98.10	0.06	4,905,400	4,905,400	0	54,504	0	0
A120	2	24	8	94.83	0.05	1,095,500	1,095,500	0	45,646	0	0
A411	2	24	8	98.16	0.01	2,317,000	2,317,000	0	96,542	0	0
A412	1	12	8	87.30	0	1,461,400	1,461,400	0	121,783	0	0
ABRC	7	92	8	99.31	0.02	5,476,500	5,476,500	0	59,527	0	0
ABRT	5	70	7	102.59	0.04	2,794,900	2,794,900	0	39,927	0	0
A409	3	44	7	92.17	0.06	1,849,400	1,849,400	0	42,032	0	0
A209	3	47	6	94.94	0.01	2,044,800	2,044,800	0	43,506	0	0
A422	6	95	6	96.62	0.04	4,480,600	4,542,700	-62,100	47,818	-10,350	0.33

2. **TIARA – Taxpayer Informal Assessment Review Application.**

If the taxpayer believes that the current assessment is inaccurate, TIARA provides the taxpayer with the ability to register within the system and submit a pre-tax year request to have the assessment reviewed by the Assessor. The system has a secure registration, property selection, email event notification and the ability to attach/upload documents/photographs in support of the taxpayer’s claim. TIARA is meant to be a proactive public service that seeks to address assessment concerns BEFORE they become binding on the municipality or the taxpayer. **Beta tested with Monmouth County residents in 2016. Made available to Monmouth County residents in July of 2017. Offered as a shared service statewide in 2017/2018.**

The screenshot shows the 'TIARA TAXPAYER INFORMAL ASSESSMENT REVIEW APPLICATION QUESTIONNAIRE' form within the 'TAX BOARD PORTAL'. The portal header includes navigation links like 'Home', 'My Profile', 'Help', 'FAQs', 'Contact Us', and 'Organization: Monmouth | Welcome mctax | Logout'. The form is divided into sections: 'PROPERTY IDENTIFICATION' with fields for Municipality (1301-Aberdeen Twp), Block, Lot, Qualifier, Property Class, Property Address, and Property Name; 'OWNER INFORMATION' with fields for Owner Name, Owner Phone, and Owner Email; and a section asking about improvements to the home in the last 15 years, with a 'Yes' checkbox and a text area for details. At the bottom, there is a checkbox for 'Fair' with the note '(No updates or renovations some repairs needed)'. The form has a 'Back' button in the top right corner.

3. **Income and Expense Portal – Taxpayer online submission of Ch. 91 income data.**

The “I & E Portal” is a technology solution to manage Ch. 91 *Income and Expense* requests and data. The goal is to provide a cost effective way to gather critical “income” data so that the Assessor can make more accurate individual value estimates of “Class 4” properties (Commercial, Industrial and Apartment). Online submissions are generally accepted as a more convenient process for the public. Also, online submissions provide the “data” to the assessor as opposed to a static image of the paper-form. The online environment provides the vehicle for the digital records to be merged with the paper-filed records.

At the request of the Assessor, the Tax Board shall mail the Ch 91 requests to all class 4 properties in the town. This “regular mail” is asking the taxpayer to visit the County’s Tax Board Portal, register, and submit Ch 91 data online.

The Assessor (or the Tax Board at the Assessor’s request) can generate the Certified Mailing package from the list of “non-respondent class 4 properties”. The Certified mailing package may include greater personalization of signature and letterhead.

If the municipality receives paper-filed returns for either the regular-mail or the certified-mail the Tax Board staff will, at the Assessor’s request, scan, index and return the paper documents so that the Assessor has a single file of all Ch. 91 data. This data will be available for mapping within the Tax Board Portal. This data will also be able to be exported as an excel file for further analysis. **Opened for Monmouth use in 2016. Offered as a shared service statewide in 2017.**

The screenshot shows the 'TAX BOARD PORTAL' interface. At the top, there are navigation links: Home, My Profile, Help, FAQs, Contact Us, Organization: Monmouth, Welcome mctax, and Logout. Below this is a menu with 'Map Search', 'Administration', 'Forms', 'ADAM 360', and 'Reports'. The main content area is titled 'INPUT FORM' and includes tabs for 'ATTACHMENTS' and 'SUBMIT'. A blue 'Instructions' link is visible. The form itself is for 'Form I & E-Commercial (MC4AB) - Applicable to all income producing properties other than apartments' and 'Form I & E-Apartment (MC4C) - Applicable to apartment properties only'. It is titled 'ANNUAL STATEMENT OF INCOME AND EXPENSES (Request made pursuant to N.J.S.A. 54:4-34)' and is for the 'Annual period beginning January 01, 2015 and ending on December 31, 2015'. There is a checkbox for 'CHECK THIS BOX IF THE PROPERTY IS "NON-INCOME PRODUCING"'. The form is divided into three parts: 'PART 1 - PROPERTY IDENTIFICATION' with fields for Municipality (1301-Aberdeen Twp.), Block (1), Lot (6), Qualifier, Property Class (4A), Property Address (49 ATLANTIC AVE), and Property Name; 'PART 2 - OWNER INFORMATION' with fields for Owner Name (TRADEMARK ENTERPRISES, LLC), Owner Phone #, and Owner Email; and 'PART 3 - PROPERTY INFORMATION' with a dropdown for Predominate use of building (Retail, Office, Warehouse, Apartment etc.).

4. **Farmland Application Portal - Taxpayer online submission of Farmland Application.**

The “Farmland Portal” is a technology solution to manage Farmland Assessment applications and data. The goal is to provide a cost effective way to gather critical data so that the Assessor can accurately administer the Farmland Program. Online submissions provide the “data” to the assessor as opposed to a static image of the paper-form. The online environment provides the vehicle for the digital records to be merged with the paper-filed records. Ultimately, the data gathered by the Assessor can be accessed, approved and shared as necessary with stakeholders in the State, specifically Agriculture, Forestry and Taxation who all in some part re-enter the same data.

At the request of the Assessor, the Tax Board shall mail a letter to all current recipients of Farmland Assessment (class 3B properties). This “regular mail” is asking the taxpayer to visit the County’s Tax Board Portal, register, and submit the Farmland Assessment data online.

The Assessor (or the Tax Board at the Assessor’s request) is able to generate the follow-up Paper Farmland Mailing package from the list of “non-respondent” class 3B properties. The Paper Farmland Mailing package may include greater personalization of signature and letterhead.

If the municipality receives paper-filed returns for either the regular-mail or the certified-mail the Tax Board staff will, at the Assessor’s request, scan, index and return the paper documents so that the Assessor has a single file of all Farmland Assessment Applications. This data will be available for mapping within the Tax Board Portal. This data can be exported as an excel file for further analysis. **Beta tested in 2016, open to all in 2017.**

The screenshot shows the 'APPLICATION FOR FARMLAND ASSESSMENT' form (FORM FA-1) on the Tax Board Portal. The form is for the year 2016 and is for a property in Aberdeen Township, NJ. It includes sections for identification information and a breakdown of land use classes.

FORM FA-1 APPLICATION FOR FARMLAND ASSESSMENT (REVISED 2/2016) N.J.S.A. 54:4-23.1 et seq.; N.J.A.C. 18:15-1.1 et seq. SEE INSTRUCTIONS (LINK ON TOP LEFT)

MUNICIPALITY: 1301-Aberdeen Twp. TAX YEAR: 2016

Check if this farmland management unit is entirely composed of woodlands under an approved Woodland Management Plan

SECTION 1 - IDENTIFICATION INFORMATION (Please print or type all information)

(1) Owner's Name: _____ (2) Mailing Address: _____ ABERDEEN, NJ 07747
 *(3) Telephone: _____ *(4) Email Address: _____
 (5) Land Location: _____ Property (6) Block(s), Lot(s), Qual. No.: _____ QFARM
 Class: 3B
 (7) The land is: Farmed solely by owner Rented to farmer Farmed by owner & tenant
 (8) Is farm deed restricted to agriculture? Yes No If Yes, # of Acres: _____
 (9) Farm operator(s) other than owner:
 (a1) Name: _____ (a2) Name: _____
 (b1) Address: _____ (b2) Address: _____
 (c1) Telephone: _____ (c2) Telephone: _____

SECTION 2 - BREAKDOWN OF LAND USE CLASSES (All entries and totals must be accurate)
 Insert the current year's acreage in the appropriate land use class. Indicate acres to the nearest hundredth (0.00) - DO NOT USE DIMENSIONS
 REFER TO DEFINITIONS OF LAND USE CLASSES UNDER "INSTRUCTIONS"

ACTIVELY DEVOTED LAND		LAND NOT ACTIVELY DEVOTED	
	Acreage		Acreage
(1) Cropland harvested:	(1) _____	(9) Land under and land used in connection with farmhouse	(9) _____
(2) Cropland pastured: (Don't include acreage in #6)	(2) _____	(10) All other land not devoted to agricultural or horticultural use	(10) _____

5. **Online Appeal System - County Tax Board Assessment Appeals.**

As part of the ongoing goal to increase public service and reduce costs, the Monmouth County Tax Board opened the *Online Appeal System* in 2010. In 2014 67% of the 4,992 appeals filed were filed electronically using the Online System. Originally only records retention, now the system provides Business Intelligence (BI) which increases the uniformity and accuracy of appeal judgments. In 2016 84% of the 5,007 appeals filed were filed electronically using the Online System. In 2017 3,242 appeals were filed electronically. **Currently a shared service with Burlington, Hudson and Union counties. Open to entire State.**

Appeal Filing System | Appeal Type: REGULAR | Organization: Monmouth | Welcome Matthew Clark | Account: Monmouth County Board of Taxation | LOGOUT

View Appeal Information | Tracking Number: 9035035273 | Appeal Number: 01-17000060 | Document Id: 90350 | Status: Hearing Date Scheduled | Entry Method: ELECTRONIC

Municipality: Aberdeen Twp. | Property Location: 7 HARRISON AVE

Block: 257 Lot: 10 Qualifier: Lot Size: 50X 100 Appeal Code: D

Owner Information
18 BIRCHWOOD COURT
UPPER SADDLE RIVER, NJ 07458

Current	Land	Improvement	Abatement	Total
Request	\$130,500	\$65,500		\$196,000
				\$134,000

Payment Information
Payment Type: Credit Card | Payment Amount: \$30 | Transaction Id: 8770651210

Block/Lot-Qualifier	Property Location	Sale Price	Sale/Deed Dt	Added By
306-7	187 Orchard St	\$150,000	01/15/2016	pogo76 On 11/29/2016 4:14PM
315-2	372 Shadynook St	\$170,000	06/29/2016	pogo76 On 11/29/2016 4:15PM
334-8	816 ARBORDALE DR	\$173,000	08/25/2016	pogo76 On 11/29/2016 4:17PM

Appeal Filing System | Appeal Type: REGULAR | Organization: Monmouth | Welcome Matthew Clark | Account: Monmouth County Board of Taxation | LOGOUT

Review Appeal Information | Tracking Number: 9035035273 | Appeal Number: 01-17000060 | Document Id: 90350 | Status: Hearing Date Scheduled | Entry Method: ELECTRONIC

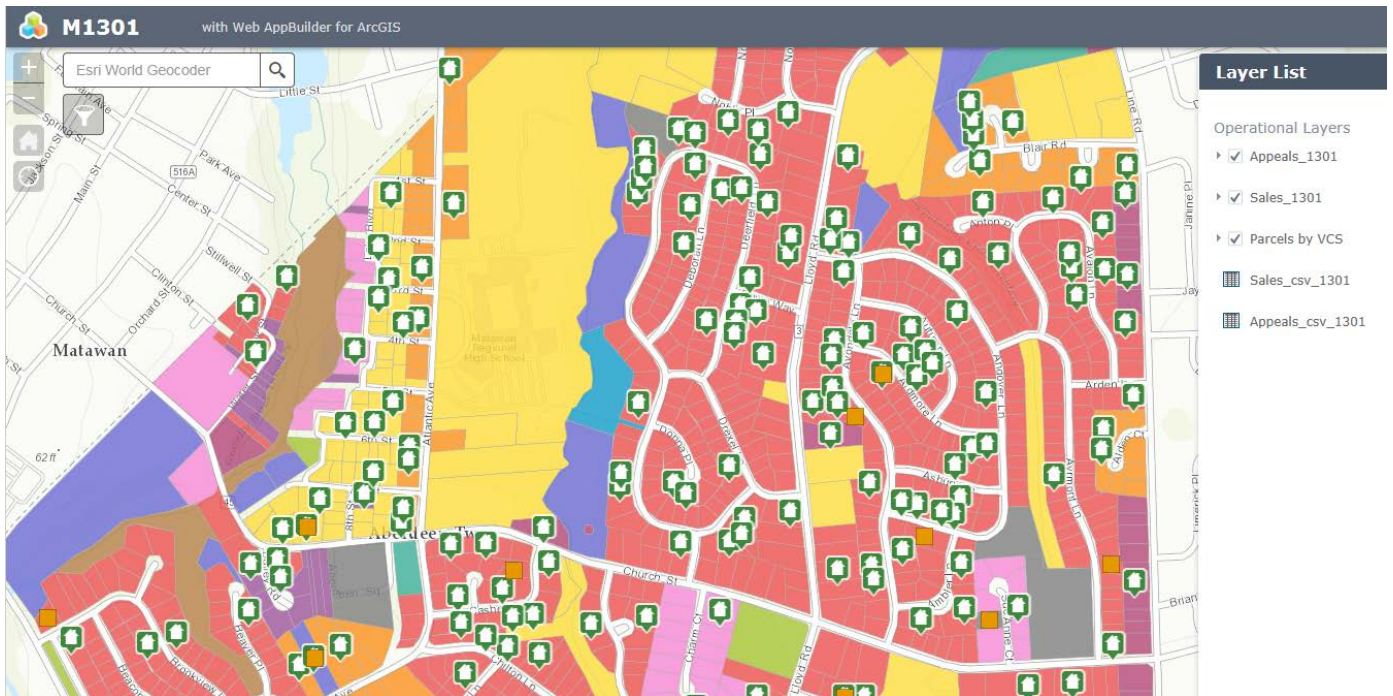
Municipality: 1301 Aberdeen | Location: 7 HARRISON AVE | Block/Lot/Qual: 257-10 | Price per Sq. Ft.: \$189.27

Attachment	Attachment Desc	Uploaded Dt
Comparable Sales Report	187 Orchard MLS	11/29/2016 04:22 PM
Comparable Sales Report	372 Shadynook MLS	11/29/2016 04:23 PM
Comparable Sales Report	350 Shadynook MLS	11/29/2016 04:25 PM
Comparable Sales Report	816 Arbordale MLS	11/29/2016 04:26 PM
Comparable Sales Report	401 Overlook MLS	11/29/2016 04:26 PM
Appeal Form	Appeal Form	11/29/2016 04:31 PM

Tax Map	PRC	Municipality	Location	Block-Lot-Qual	Class	NU Cd	Lot Size	Bldg. Desc	Year Built	Sale Date	Sale Price	Sq. Feet	Price per sq.ft.
102	PRC	Aberdeen	967 N CONCOURSE	375-2	2		51X 99	15+B FR	1920	02/27/2015	\$174,500	770	\$226.62
92	PRC	Aberdeen	882 WOODMERE DR	361-6	2		50X 100	15NB	1955	07/09/2015	\$190,000	724	\$262.43
88	PRC	Aberdeen	90 LAURELHURST DR	334-1	2		38X 100	15 NB FR	1945	10/20/2015	\$145,000	640	\$226.56
87	PRC	Aberdeen	822 OVERLOOK CIR	330-27	2		50X 89	15NB	1945	09/23/2016	\$183,500	656	\$279.73
61	PRC	Aberdeen	7 HARRISON AVE	257-10	2		50X 100	15AB	1960	05/19/2016	\$134,000	708	\$189.27
28	PRC	Aberdeen	187 Orchard St	306-7	2		63X 100	15+B FR	1967	01/15/2016	\$150,000	960	\$156.25
83	PRC	Aberdeen	372 Shadynook St	315-2	2		50X 100	15NB	1967	06/29/2016	\$170,000	875	\$194.29
88	PRC	Aberdeen	816 ARBORDALE DR	334-8	2		48X 102	15+A+B FR	1960	08/25/2016	\$173,000	888	\$194.82
ZZ	PRC	Aberdeen	350 Shadynook St	300-2	2	26	50X 100	15 NB FR	1920	09/20/2016	\$139,000	651	\$213.52
86	PRC	Aberdeen	401 Overlook Cir	325-10	2	26	88 X 100	15AB	1924	09/23/2016	\$120,000	688	\$174.42

6. GIS Mapping: *Expansion of data layers*

GIS Mapping is available to the Assessors through the integrated *Tax Board Portal* and to the public through the County's *Open Public Records Search* website (OPRS). Inclusion of: MODIV (Tax List, shows parcel ownership, assessment and taxability by town), SR1A (Sales Data – shows details of every Deed filed with the County Clerk), Appeals (Shows details of every assessment appeal filed), VCS (*Value Control Sector* – costing-model neighborhood segmentation for mass appraisal), Income & Expense (Ch. 91 I&E data), Farmland Application Data. With the help of our MODIV Vendor (Microsystems), Monmouth has created the "AUDIT FILE" which is a convergence of all of the separate data files and is used to empower the analytics found in the Tax Board Portal.





Moving Forward

Each component of our newly created technology is expected to be refined for accuracy and grow in functionality. Below is a view of a few of the planned enhancements.

1. **RAM Reassessment Application Management**

The Reassessment Application Management tool will permit the Assessor to submit the application for annual reassessment (Form AFR-A) online. The system will permit County Tax Board and Division of Taxation approval / denial and transmits email notifications along the way. The system will provide for the Assessor's submission of monthly progress reports and the tracking of internal inspections. Internal inspections will track scheduled date, attempt dates, entry date, signature and notes.

2. **CIA Commercial Income Approach Commercial Proforma Generator**

Typically, income producing commercial properties are bought and sold by investors based on potential income and expenses, a return on and return of the investment. An investor's willingness to pay for a commercial property is also driven by interest rates and the availability and cost of capital. While it has been identified in some states, generally within New Jersey there exists a lack of application of these concepts in assessment modeling. Furthermore, ability to address specific market and submarket changes becomes impossible when annual reassessments are not being applied. In order to achieve this, commercial property valuation must be rooted in methodology used by the actual buyers and sellers in that marketplace.

Since it is not practical to individually appraise each commercial property every year, we are building a program that supports a dynamic income approach mass appraisal and has a user friendly interface. The concept will require the assessor to segment properties into different categories and sub categories; then globally set and modify cost drivers per category. Ultimately, this will result in uniform treatment of properties within individual categories.

4. **CofE – Correction of Error**

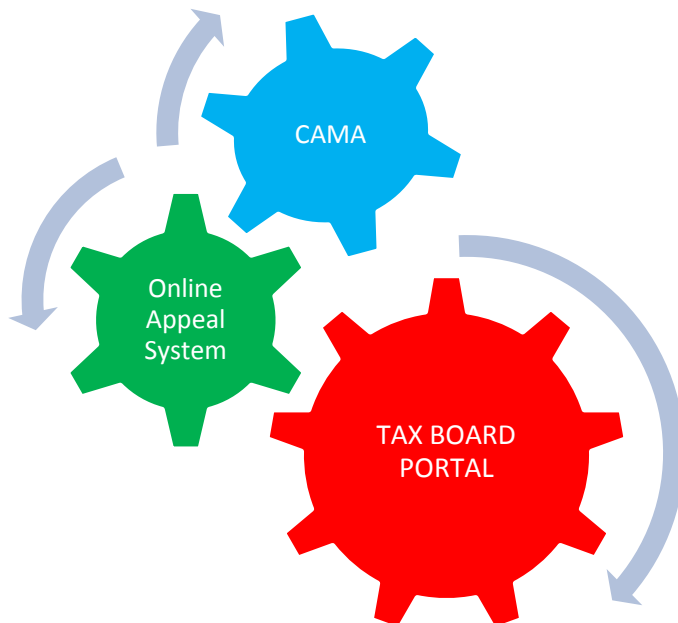
The CofE will permit the Assessor to electronically submit annual Correction of Error forms to the County Tax Board for approval and integration within the Final Tax List.

5. **Photo Repository – Revised and re-indexed to provide unique statewide naming convention for archiving old and new photos**

All photographs captured for the purpose of archival in the Tax Board Portal and accessed by Online Appeals and OPRS, must have a unique filename within the State. The formal convention of the filename is as follows:

CountyDistrict-Block-Lot-[Qualifier]-PhotoLoc -PhotoNumber.jpg

- The “Photo Location” describes the location of the photo. The purpose of this designation is to manage what is presented on public websites and what is accessible through OPRA. (Only Front photos should be presented through OPRS and no Internal photos should be delivered through OPRA.)
 - “F” = Front Photo
 - “R” = Rear Photo
 - “A” = Accessory (shed, pool.....)
 - “I” = Internal photo



Technology Conclusion

A fundamental goal of the ADP is to enhance public service by annually providing more accurate individual assessments. When individual assessments are more accurate, the public trust is improved, there is transparency to the process and the cost associated with the appeal process is lessened. By employing cutting-edge technology found in the **Tax Board Portal**, the municipal Assessors are truly “doing more with less”. Without costly valuation consultants, local municipal Assessors are annually establishing and maintaining market value assessments. Armed with ever-increasingly more accurate data, and the technology and education to interpret the data, Assessors within Monmouth are maintaining individual assessments closer to 100% of market value (Average Assessment Ratios are closer to 100%) and with a greater level of accuracy (Average Coefficients of Deviation are lower).

Moving forward, via cost-saving shared service agreements, Monmouth will seek the partnership of forward thinking tax practitioners throughout the State and country to further expand the abilities of this important technology platform.



Section 5: Other Notable Topics

Elimination of Revaluations

A fundamental characteristic of the ADP is “annual reassessments”. As part of the implementation plan, the municipal Assessor may review and revise 100% of all properties to the Director’s Ratio. This practice has an immediate impact on the municipality by requiring (must not may) the Assessor to “fold in” all assessments (up and down) to the Director’s Ratio. By doing so, parcels that were over-assessed are reduced – which has an immediate impact on appeals. Similarly, parcels observed as under-assessed are raised. During the period of “revising to the ratio”, the Chapter 123 corridor remains in place for assessment appeals.

Ultimately, the Assessor will submit a Preliminary Tax List which reflects 100% of market value. At this time, the use of Chapter 123 ends. Every year thereafter the Assessor shall review each property and revise the assessments to current market value. From this point forward the municipality is permanently relieved from:

1. The cost of traditional revaluation (the average cost of a revaluation was \$70 per parcel)
2. The public relations concerns associated with the fear of the shift in the tax burden resulting from the *right-sizing* of neglected assessments.

A traditional revaluation performed by an outside firm is comprised of **valuation, internal-inspection** and **appeal-defense** services. In the ADP model, the Assessor performs **valuation** and **appeal-defense**. The differential between the cost of “**internal-inspections**” and the traditional cost of \$70 per parcel is a permanent savings to the municipality.

If the entire State adhered to the current Administrative Code requirement to perform revaluations every ten (10) years – with roughly 2,500,000 parcels and at an average cost of \$70 per line item for revaluation services – the traditional model would cost \$175,000,000 every 10 years or \$17,500,000 per year statewide. With the municipal Assessor performing annual valuation services and making use of a 10-year internal inspection cycle the traditional cost can be cut in half - \$8,750,000 annual savings statewide.

Correction of Errors

N.J.S.A. 54:4-47 states:

The county board may ..., ..., after investigation, revise, correct and equalize the assessed value of all property in the respective taxing districts, increase or decrease the assessed value of any property not valued at its taxable value, assess property omitted from any assessment, as provided by law, at its taxable value, and in general do everything necessary for the taxation of all property in the county at its taxable value.

Exploiting the strengths of the ADP assessment calendar, which permits assessment changes without creating budgetary shortfalls, the Monmouth County Board of Taxation leverages the use of its omnipotent authority to revise assessments to annually ensure the most accurate Final Tax List (May 5th) and County Equalization Table (May 25th) achievable.

Data Addendum

N.J.S.A. 54:4-46 Tax List Revised by County Board

N.J.S.A. 54:4-47 Revision and Equalization

Appeal Filings and Reductions

Appeal volume is not a meaningful indicator of assessment accuracy. Many appeals are a reaction to the tax implication of the assessment, not the accuracy of the assessment. Nevertheless, it should be at least noted that appeal filing volume has dramatically decreased as annual reassessments have been implemented (see section 1 appeal filing numbers). The same results can also be found in Somerset County where annual reassessments have been

being done for several years. The public continues to grow a greater level of confidence in the assessment modeling.

Impact on State Tax Court

It was anticipated; and it has been observed to perform beyond initial expectations that annual reassessments systemically reduce the costs and exposure associated with State Tax Court Tax Appeals. The traditional assessment model legally prohibits the Assessor from annually changing individual assessments (regardless of what the market-data says). The ADP model **REQUIRES** (must not may) the Assessor to annually review each assessment and revise it to its current market value. **Annual reassessments mitigate multi-year Tax Court filings.** When administered by an engaged Assessor, the future assessments of property pending in Tax Court will reflect a defensible value, thereby reducing refund exposure and the general RISK associated with the unknown of appeal refunds (read Budgetary stabilization).

Assessment Volatility During Implementation

In the interest of full transparency, assessment volatility is necessary and unavoidable when transitioning from the traditional model to annual reassessments. The good news is that, generally, the year-over-year volatility lessens with each year of implementation.

No different than a revaluation in the traditional model, volatility comes with initial implementation. This required volatility is not embraced properly by some of the public. The fact is that it is needed to make the necessary corrections which the lack of assessment maintenance caused.

Upon implementation of revaluations, Monmouth has experienced challenges with educating the public and keeping them properly informed. It is strongly recommended to any municipalities or counties that implement reassessments that there is no limit to the amount of public relations, transparency and information distribution to the public that should be provided.

County Rollout Public Relations

As part of the countywide implementation, counties and municipalities should have no limit to the amount of information distributed to the public. Information should come in the forms of FAQs, letters to property owners, public meetings, meetings with homeowner associations, meetings with realtor associations, information posted on municipal and county websites, etc. It is also imperative that ALL governing bodies and municipal administrations fully understand and are able to field questions that the public may have related to the reassessments.

Data Addendum

Frequently Asked Questions – Sample

Freeze Act

The conclusive and binding effect of the Freeze Act shall terminate with the tax year immediately preceding the year in which a program for a complete revaluation or complete reassessment of all real property within the district has been put into effect.

A fundamental characteristic of the ADP is “annual reassessments”. Once a municipality submits the initial Tax List to 100% of market value, so long as the municipality performs annual reassessments, **there will no longer be a Freeze Act.**

Having listened to the concerns over the permanent loss of the Freeze Act, the policy was adopted to expect that all **prior-year judgements would change year-over-year to the amount observed within the immediate sub-market** (neighborhood/VCS). Using ADAM 360 tools, the Tax Board reviews the percentage change of prior-year Tax Board judgments. Any change greater than 5% may require an explanation from the Assessor.

Data Addendum

N.J.A.C. 18:12A-1.13 Freeze Act

N.J.S.A. 54:3-26 Freeze Act – County Tax Board

N.J.S.A. 54:51A-8 Freeze Act – Tax Court

New Jersey Constitution

N.J.S.A. Const. Art. 8, § 1, ¶ 1 States:

1. Taxation; assessment

*1. (a) 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.*

Simply put, the requirement **to assess at the same standard of value** (read market value) does not permit the “acceptance of gross inaccuracies accumulated over time in the traditional model. Now that a cost effective model to annually maintain assessments significantly closer to market value is tested and proven, it should not be elective. **Uniform distribution of the annual tax levy is not discretionary, it is the law.**

Data Addendum

N.J.S.A. Const. Art. 8, § 1, ¶ 1

Section 6: Recommendation

Technology-Based Real Property Assessment Transition Act 10-Year Transition into a Modern Assessment Function



1. (New Section)

1. Section 1 of P.L. , c. (C.) shall be known and may be cited as the “Technology-Based Real Property Assessment Transition Act.”

2. (New section)

a.

1. Establish a 10-year period for all municipalities to transition to a technology-based real property assessment system.
2. Requires the use of modern technology in every municipality,
3. Requires the statutory revisions to the assessment calendar,
4. Requires a mandatory district-wide annual reassessment requirement to set real property assessments at true value, and a
5. Requires a mandatory 10-year cycle of internal inspections of all real property in every municipality in the State.
6. The provisions of the “Technology-Based Real Property Assessment Transition Act” shall establish a program to be followed by every assessor in the State in order to more equitably distribute the property tax levy among all property taxpayers, provide a more accurate assessment of each parcel of real property in the State, ensure transparency in the real property assessment process, and reduce local costs related to the assessment of real property.
7. Establishes February 1st following the enactment, every county board of taxation shall adopt an implementation schedule which reflects the actions required to be taken by each municipal assessor in order to meet the requirements of the “Technology-Based Real Property Assessment Transition Act,” over a ten-year period, including the transition to assessors performing annual reassessments of all real property in their respective municipalities.
8. The implementation schedule shall be approved by the county board of taxation, and submitted to the Director of the Division of Taxation not later than August 31.
9. The county board of taxation shall hold at least one public meeting to hear from the public and municipal governing body regarding their respective concerns associated with the proposed implementation schedule.
10. The implementation schedule shall be a public document that provides a 10-year plan outlining the tax years in which the municipal assessor must revise assessments to the current director’s ratio, or to 100 percent if the director’s ratio exceeds 100 percent, the tax year in which all assessments must be set to 100 percent of true value, and the annual requirement of reassessment each year thereafter.
11. The municipality may petition the county board of taxation to modify the adopted schedule during the course of the 10-year plan, but all municipalities must set assessments equal to true value no later than the 10th year of implementation.

12. Not later than April 1 next following the enactment, the county tax administrator of every county board of taxation shall certify to the Director of the Division of Taxation in the Department of Treasury that the county board of taxation is either a State-certified vendor of MOD-IV technology, including computer assisted mass appraisal (CAMA) software, or that the county has contracted with a single State-certified MOD-IV vendor to provide MOD-IV technology, including CAMA software, to all of the municipalities in the county. The county tax administrator shall file with the director a copy of its MOD-IV/CAMA certification, or a copy of a valid contract with a State-certified MOD-IV vendor for MOD-IV/CAMA services.
13. Each county tax board shall pay all of the costs associated with the conversion to the county-based MOD-IV/CAMA system and the associated expansion of the technology infrastructure required to support the centralized system. Each county tax board shall annually provide technical training and financial support for the advancement of the local assessment function through education and technology expansion.
 - b. There shall be no direct appropriation of State funds used to effectuate the provisions of the “Technology-Based Real Property Assessment Transition Act.” The technical costs of the law shall be paid by each county board of taxation using assessment appeal filing fees collected by the county board taxation pursuant to section 18 of P.L.1979, c.499 (C.54:3-21.3a).
 - c.
 - (1) Not later than September 1 next following the enactment, and using its own funds therefor, each county board of taxation shall provide MOD-IV technology and CAMA software to each municipality that does not use the software, at no cost to those municipalities, and shall provide, at no cost to those municipalities, training in the use of the technology and the software to the assessors of those municipalities and to their respective staff members. Thereafter, each municipality shall pay an annual fee per each taxable line item in the municipality to the county board of taxation to cover the cost of the county providing the MOD-IV and CAMA service to the municipality. The amount of the annual fee shall be set by the director. Annual MOD-IV/CAMA service fees paid by municipalities shall be used exclusively by county boards of taxation to defray costs associated with the administration and advancement of the “Technology-Based Real Property Assessment Transition Act” and its associated services and technologies.
 - (2) On October 1 next following the enactment, every county shall operate under the countywide implementation schedule developed by the county tax administrator pursuant to subsection a. of this section. While following the implementation schedule, every county shall follow all statutory requirements and time frames concerning the assessment of real property in the State, as those statutory requirements and time frames have been amended pursuant to the provisions of P.L. , c. (C.) (pending before the Legislature as this bill).
 - d. Every municipal assessor shall utilize the same property assessment software as is used by the county tax board, and provided to the municipalities by the county tax board pursuant to subsection c. of this section. Every real property assessment function required to be performed by an assessor by law, or by rule or regulation adopted pursuant to law, shall be performed using the MOD-IV technology and the CAMA software provided by the county board of taxation to the municipal assessor.
 - e. In accordance with the provisions of this section and existing statutory law, or any rule or regulation promulgated pursuant thereto, every county board of taxation shall publicly adopt a transition schedule for each municipality within the county. The transition schedule shall not exceed 10 years. Beginning in the first year of the transition and every year thereafter, every assessor shall attempt to internally inspect no less than 10% of the districts line items so that 100% of all line items are attempted every 10 years. Beginning in the first year of transition up until the submission of the first preliminary tax list which reflects assessments set equal to 100% of true value, the

assessor shall annually review and revise each assessment to the current director's ratio. Every year following the implementation of 100% of true value, the assessor shall review and revise every assessment to 100% of current true value. During the transition period the county board of taxation may compel the implementation of a traditional revaluation of real property in any municipality at such time that the county board of taxation determines the need therefor. If a municipality fails to comply with a districtwide reassessment to the current Director's Ratio, revaluation, or annual reassessment, as appropriate, ordered by the county board of taxation in a timely manner, the county board of taxation shall cause the revaluation or reassessment, as appropriate, to be performed at the municipality's cost. The cost of a revaluation or annual reassessment, as appropriate, shall be directly billed to such a municipality, in addition to the apportionment valuation, through the adjustment of the county levy for that municipality pursuant to R.S.54:4-48 and R.S.54:4-49.

3. Section 5 of P.L.1973, c.123 (C.54:1-35b) is amended to read as follows:

1. Expand the sampling period for annual reassessments from "January 1st through June 30th" to July 1st PTY to June 30th.
2. Require that the State's sales-ratio program make use of the revised assessment when an assessment is changed through County Tax Board judgment or a Correction-of-Error.

4. Section 1 of P.L.1999, c.278 (C.54:1-35.25b) is amended to read as follows:

1. Require 10 additional education hours

5. Section 19 of P.L.1979, c.499 (C.54:3-5.1) is amended to

1. Requires Appeal summary President's Report to be filed by June 1st

6. R.S.54:3-17 is amended to read as follows:

1. Change Preliminary County Equalization date to May 15th

7. R.S.54:3-18 is amended to read as follows:

1. Change Final County Equalization Table to May 25th.

8. R.S.54:3-21 is amended to read as follows:

1. Changes County Tax Board Appeal Date to January 15th
2. Discontinues the bulk mailing of Ch. 75 Notification of Assessment postcards
3. Requires the posting of Ch. 75 Notification of Assessment postcards on County and or municipality's website.

9. Section 18 of P.L.1979, c.499 (C.54:3-21.3a) is amended to read as follows:

1. Permits the use of appeal filing fees to be used for mass-appraisal and tax map maintenance.

10. Section 2 of P.L.1971, c.370 (C.54:4-3.3b) is amended to read as follows:

1. Permits the exemption of certain property up until April 30th for the inclusion within the Final Tax List.
2. Provides for the prorated taxation of newly exempted property through the Added Assessment list.

11. R.S.54:4-23 is amended to read as follows:

1. Requires annual reassessment of every parcel to current market value.
2. Removes Compliance Plans

3. Requires “assessor must make 3 good-faith attempts to internally inspect the interior of at least 10% of all properties annually”.
4. Requires the assessor to use other observations and sources to assess the property when internal inspection is not obtained.
5. Permits the internal inspection of a property with every deed filed with the County Clerk.
6. Establishes the right to internally and externally inspect property.
7. Establishes the town’s right to assess any property that has refused entry to the highest likely value observed within the local market.
8. Establishes that the County Board will not hear an appeal unless internal inspection has been granted.

12. R.S.54:4-35 is amended to read as follows:

1. Established the submission of the Preliminary Tax List on November 1st of the pre-tax year.
2. Establishes the submission of the Final Tax List on May 5th of the current tax year.

13. Section 1 of P.L.1945, c.260 (C.54:4-35.1) is amended to read as follows:

1. Revises the date for material depreciation from January 1st to May 1st.
2. Provides for the prorated taxation of materially depreciated property through the Added Assessment list.

14. R.S.54:4-38 is amended to read as follows:

1. Removes the requirement of advertising the availability of the Tax List
2. Requires the notification to be made on free public website
3. Requires the mailing of notification upon taxpayer request.
4. Requires mailing for year-over-year assessment changes greater than 15%
5. Requires mailing for assessment changes to prior-year appeal-judgment is greater than 5%
6. Requires the County Board to deliver and post the year-over-year summary of assessment changes by municipality.

15. Section 32 of P.L.1991, c.75 (C.54:4-38.1) is amended to read as follows:

1. Removes the requirement of mailing the Ch 75 Notification of Assessment postcard.
2. Requires the notification to be made on free public website
3. Requires the mailing of notification of assessment postcard upon taxpayer request.
4. Requires mailing for year-over-year assessment changes greater than 15%
5. Requires mailing for assessment changes to prior-year appeal-judgment is greater than 5%
6. Requires the County Board to deliver and post the year-over-year summary of assessment changes by municipality.
7. **Require postcard to show Estimated Tax using 102% of prior levy and 98% of Preliminary Net Valuation Taxable.**

16. R.S.54:4-49 is amended to read as follows:

1. Requires the calculation of a Post-Tax Year reconciliation of apportionment to reflect the difference in the claimed ratio of 100% and the actual observed ratio shown in the following October’s Director’s Table. Difference in apportionment shall be applied as a debit and credit.

17. R.S.54:4-52 is amended to read as follows:

1. Established the date for the Certification of General Tax Rates as May 31st.

2. Established the date for the Abstract of Ratables as May 31st.

18. The following sections of law are repealed:

Sections 1 through 4 of P.L.2015, c.13 (C.54:1-101 through C.54:1-104); and Section 17 of P.L.2013, c.15.

Section 7: Data Addendum

Produced electronically upon request