2020 REASSESSMENT

DECEMBER 2019
PROPERTY TAX OVERVIEW

2020 ASSESSMENT MODELING

MAKING SURE YOUR ASSESSMENT IS ACCURATE

Q&A
TAXATION IN NEW JERSEY

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

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

PROPERTY TAXES ARE USED TO FUND LOCAL GOVERNMENT SERVICES

- COUNTY SERVICES
- SCHOOL SERVICES
- MUNICIPAL SERVICES
THE TOTAL BILL
TO UNDERSTAND PROPERTY TAXES AS A WHOLE, WE MUST RECOGNIZE ALL OF THE MOVING PARTS

MONMOUTH COUNTY COLLECTS ABOUT $300M IN PROPERTY TAXES ANNUALLY. RUMSON TAXPAYERS PAY THEIR SHARE OF THAT BILL BASED ON THE VALUE OF RUMSON IN RELATION TO THE OTHER 52 MUNICIPALITIES IN THE COUNTY (Rumson Represents About 3%)

RUMSON HAS ONE OF THE BEST SCHOOLS IN THE STATE. THE TAXPAYER COST OF RUNNING THE SCHOOL SYSTEM WAS $31.2M IN 2019. THE SCHOOL IS THE LION’S SHARE OF THE PROPERTY TAX IN MOST TOWNS. IN RUMSON IT REPRESENTS 57.8% OF THE BILL

THIS IS THE ONLY PORTION OF THE BILL THE MAYOR AND COUNCIL HAVE CONTROL OVER. THE COST OF RUNNING THE TOWNSHIP REPRESENTS ABOUT 23% OF AN INDIVIDUAL’S BILL.
THE ASSESSMENT FUNCTION IS HOW THE TOTAL BILL ($54M) GETS DISTRIBUTED FAIRLY

**THE BREAKDOWN**

Total to be raised: $54,028,387

<table>
<thead>
<tr>
<th>Tax Levy Component</th>
<th>2019 Tax Levy</th>
<th>Percent of Bill</th>
</tr>
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<tbody>
<tr>
<td>County Budget</td>
<td>$8,865,086</td>
<td>16%</td>
</tr>
<tr>
<td>County Library</td>
<td>$634,189</td>
<td>1%</td>
</tr>
<tr>
<td>Local Elementary School Budget</td>
<td>$17,332,020</td>
<td>32%</td>
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<tr>
<td>Regional High School Budget</td>
<td>$13,898,869</td>
<td>26%</td>
</tr>
<tr>
<td>Local Municipal Purposes</td>
<td>$12,244,746</td>
<td>23%</td>
</tr>
<tr>
<td>County Open Space Fund</td>
<td>$1,023,753</td>
<td>2%</td>
</tr>
<tr>
<td>Excess for Rate Rounding</td>
<td>$29,725</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total Tax Levy</strong></td>
<td>$54,028,387</td>
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THE TAX LEVY GETS SPLIT UP BASED ON PROPORTIONATE SHARE OWNERSHIP OF THE BOROUGH

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

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How is the Tax Rate Calculated?

<table>
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<tr>
<th>Year</th>
<th>Tax Levy</th>
<th>Ratables</th>
<th>Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>50,550,825</td>
<td>3,441,172,574</td>
<td>1.469%</td>
</tr>
<tr>
<td>2018</td>
<td>52,997,862</td>
<td>3,576,104,047</td>
<td>1.482%</td>
</tr>
<tr>
<td>2019</td>
<td>54,028,387</td>
<td>3,677,902,471</td>
<td>1.469%</td>
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Realistically can expect a tax rate between 1.400% and 1.450%.

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<td>54,028,387</td>
<td>1.469%</td>
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<tr>
<td>2020</td>
<td>3,910,191,122</td>
<td>54,028,387</td>
<td>1.382%</td>
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* Assumes a 1.5% reduction in ratables from appeals and same tax levy from 2019

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<th>Ratables</th>
<th>Tax Levy</th>
<th>Tax Rate</th>
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<tr>
<td>2020</td>
<td>3,910,191,122</td>
<td>55,649,239</td>
<td>1.423%</td>
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</table>

** Assumes a 1.5% reduction in ratables from appeals & 3% increase in Levy
2020 ASSESSMENT MODELING
DELINEATE BOROUGH VALUE CONTROL SECTORS (VCS)
ANALYZE LAND SALE DATA
ANALYZE ZONING ZONE DATA
ANALYZE FLOOD ZONE DATA
ANALYZE WETLANDS DATA
Site Value + [FF X $ per FF(d)]Depth Factor

Land Valuation Front Foot Method
Land Valuation: Acreage Method
Site Value + [Acreage X $ per Acre(d)]
ANALYZE RESIDENTIAL SALE DATA
INCOME PRODUCING PROPERTY VALUATION

• ASSESSMENTS BASED THE SAME WAY MARKET PARTICIPANTS VIEW PROPERTIES

• BUYERS AND SELLERS OF INCOME PRODUCING PROPERTIES ARE GENERALLY INTERESTED IN THE FACTORS THAT RESULT IN NET INCOME, RISK OF OWNERSHIP AND COST OF CAPITAL

• COMMERCIAL PROPERTIES REPRESENT ABOUT 3.72% OF THE RATABLE BASE IN 2020
HOW DO I KNOW IF I AM ASSESSED FAIRLY?
(SEE APPEAL FAQ HANDOUT)
WHERE DO I FIND MY ASSESSMENT?
(QUESTION 1 ON APPEAL FAQ)

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

• THE POST CARD YOU RECEIVED IN NOVEMBER WILL SHOW YOUR ASSESSMENT FOR 2020

• THE TAXES THAT ARE LISTED ON THE POSTCARD ARE NOT YOUR TAXES FOR NEXT YEAR... THEY ARE WHAT YOU PAID IN THE CURRENT YEAR

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

• THE ASSESSMENT IS INTENDED TO BE A REASONABLE REPRESENTATION OF MARKET VALUE (WHAT YOU WOULD BE ABLE TO SELL YOUR HOUSE FOR IN THE OPEN MARKET)
HOW DO YOU KNOW YOU ARE ASSESSED FAIRLY?
(QUESTION 2 ON APPEAL FAQ)

• COMPARE YOUR ASSESSMENT TO THE SALE PRICES OF HOUSES THAT RECENTLY SOLD TO MAKE SURE YOUR ASSESSMENT IS REASONABLY REPRESENTATIVE OF MARKET VALUE

• BE SURE TO COMPARE APPLES TO APPLES

(SIZE, STYLE, LOCATION, CONDITION, AMENITIES, ETC.)

• IF YOUR HOUSE IS RENOVATED, DO NOT COMPARE TO HOUSES THAT NEED TO BE RENOVATED!
DON’T BE AFRAID TO TALK TO THE ASSESSOR
(QUESTION 3 ON APPEAL FAQ)
(I’m not that scary)

• CALL THE ASSESSOR AND ASK FOR YOUR PROPERTY RECORD CARD (PRC)
• MAKE SURE THAT ALL OF THE PHYSICAL CHARACTERISTICS ARE PROPERLY NOTED ON THE RECORD
• BEING THAT THE ASSESSOR ANNUALLY MAINTAINS THE ASSESSMENT MODEL, THE ASSESSMENT SHOULD REASONABLY REPRESENT THE MARKET ASSUMING ALL OF THE PHYSICAL DATA OF YOUR PROPERTY BEING USED IN THE MODELING IS CORRECT!
• THE ASSESSOR CAN BEST EXPLAIN HOW YOUR ASSESSMENT IS BEING ARRIVED AT

BOTH FAQ HANDOUTS ARE ON OUR WEBSITE
THEY HAVE INFORMATION ABOUT THE ASSESSMENT FUNCTION AND HOW YOU CAN BE SURE YOUR ASSESSMENT IS FAIR
IF YOU STILL DISAGREE AFTER TALKING TO THE ASSESSOR AND REVIEWING SALES DATA, YOU CAN FILE AN APPEAL WITH THE MONMOUTH COUNTY TAX BOARD

FILING AN APPEAL IS NOT THAT DIFFICULT AND CAN BE DONE ONLINE
HTTPS://SECURE.NJAPPEALONLINE.COM/PRODAPPEALSLOGIN.ASPX (SEE FAQ)

...AT THE COUNTY TAX BOARD, NOT THE STATE TAX COURT
APPEAL VENUE: COUNTY VS STATE
(QUESTION 5 ON APPEAL FAQ)

OLD ASSESSMENT SYSTEM

Final Tax List Filed

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

Tax Rate Calculated with Ratable Base Value

Appeals Reduce But Appeal Reductions Not Factored In Ratable Base
Result:
Applying *this* tax rate to individual assessments that are lower than the initial value DOES NOT result in an under collection of the Tax Levy.
ASSIGNMENT REDUCTIONS CREATED FROM CTB APPEALS DO NOT RESULT IN REFUNDS

Which Means....

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

SO WHAT DOES THAT MATTER TO ME?
WHEN YOU FILE AN APPEAL, YOU ARE DISCONNECTED FROM THE MODEL
LET'S NOT FORGET

THE LESS YOU ARE ASSESSED,
THE MORE OTHERS IN TOWN PAY....
THE MORE YOU ARE ASSESSED,
THE LESS OTHERS IN TOWN PAY....

BE FAIR EVERYONE!!!
• FREQUENTLY ASKED QUESTIONS ✅
• NEWSLETTER ✅
• ENCOURAGE DIALOGUE WITH THE ASSESSOR & CTB APPEALS OVER STATE TAX COURT ✅
• LETTER TO RESIDENTS PRIOR POSTCARDS ✅
• PUBLIC SESSION Q&A WITH THE ASSESSOR ✅
• ASK YOU (AND THE REST OF THE COMMUNITY) TO SPREAD THE INFORMATION ✅
TAX RELIEF... WE ALL NEED SOME!

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

$250 SENIOR/VETERAN DEDUCTION- APPLY WITH THE TAX ASSESSOR’S OFFICE

Other Property Tax Benefits

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

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

- **Property Tax Exemption for Disabled Veterans:** Full exemption from property taxes on a principal residence for certain totally and permanently disabled war veterans and veterans who served in peacekeeping missions and operations. This exemption also is available to a surviving spouse/civil union/domestic partner who has not remarried. This benefit is administered by the local municipality. [Claim Form](#)
TAX RELIEF... WE ALL NEED SOME!
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HOMESTEAD REBATE (PROGRAM RUN THROUGH THE STATE)

You may be eligible if you met these requirements:

- You were a New Jersey resident; and
- You owned and occupied a home in New Jersey that was your principal residence on October 1, 2016*; and
- Property taxes for 2016 were paid on that home; and
- You met the 2016 income requirements:
  - $150,000 for homeowners age 65 or over or blind or disabled, or
  - $75,000 for homeowners under age 65 and not blind or disabled.

*If you were not a homeowner on October 1, 2016, you are not eligible for a Homestead Benefit, even if you owned a home for part of the year.

You are not eligible unless you are required to pay property taxes on your home.

For example, you are not eligible if you:

- Are completely exempt from paying property taxes on your principal residence (such as certain totally and permanently disabled war veterans).
- Made P.I.L.O.T. (Payments-in-Lieu-of-Tax) payments to your municipality. These payments are not considered property taxes for purposes of the Homestead Benefit.

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

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

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

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

SENIOR FREEZE

CALL NOW!!!!!!

1-800-882-6597

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<tr>
<th>Age/Disability</th>
<th>You (or your spouse/civil union partner) were:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>65 or older, or</td>
</tr>
<tr>
<td></td>
<td>Actually receiving federal Social Security disability benefit payments (not benefit payments received on behalf of someone else).</td>
</tr>
</tbody>
</table>

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<tr>
<th>Residency</th>
<th>You lived in New Jersey continuously since December 31, 2007, or earlier, as either a homeowner or a renter.</th>
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| Home Ownership | Homeowners. You owned and lived in your home since December 31, 2014, or earlier (and you still owned and lived in that home on December 31, 2018).  
                | Mobile Home Owners. You leased a site in a mobile home park where you placed a manufactured or mobile home that you owned since December 31, 2014, or earlier (and still lived in that home/leased the site on December 31, 2018).  
                | If you moved from one New Jersey property to another and received a reimbursement for your previous residence for the last full year you lived there, you may qualify for an exception to re-applying to the Senior Freeze Program. Visit Requirements for Resuming Eligibility for more information. |

| Property Taxes/ Site Fees | Homeowners. You paid the full amount of the property taxes due on your home.  
                          | Mobile Home Owners. You paid the full amount of mobile home park site fees due. |

Income Limit | You met the income limits.
Q & A