

TOMS RIVER TOWNSHIP REVALUATION

TO BE IMPLEMENTED AS OF 10/01/2021 FOR TAX YEAR 2022

**Why is a revaluation necessary in Toms River?**

The Township was ordered to perform one by the authority who oversees assessment compliance within Ocean County. It is a major role of the Ocean County Board of Taxation to monitor statistical data and ensure that every district in the county is within compliance of the true market standard. A district is considered to be non-compliant when the Director’s ratio reaches 85%. When that occurs a revaluation order is served upon the Township.

<b>TOMS RIVER TOWNSHIP</b>			
<b>Year</b>	<b>Ratable total</b>	<b>Directors Ratio</b>	<b>True Value</b>
2011	16950641460	101.08	16,769,530,503
2012	16316308418	102.58	15,905,935,288
2013	11358769560	90.03	12,616,649,517
2014	12429069960	94.16	13,199,946,856
2015	12524602960	88.42	14,164,898,168
2016	12672646060	86.78	14,603,187,440
2017	12840926260	83.70	15,341,608,435
2018	12900040060	83.42	15,463,965,548
2019	12913764460	81.57	15,831,512,149
2020	12909498560	79.37	16,264,959,758

\*The above chart demonstrates that the Township has been out of compliance since the 2017 tax year.

<b>TOMS RIVER TOWNSHIP</b>		
<b>YEAR</b>	<b>GENERAL COEFFICIENT</b>	
2011	10.20	
2012	10.74	
2013	12.08	
2014	14.72	
2015	15.03	
2016	14.50	
2017	15.09	
2018	14.34	
2019	14.98	

**Coefficient of dispersion (COD).** The average deviation of a group of numbers from the median expressed as a percentage of the median. In ratio studies, the average percentage deviation from the median ratio.

\*The IAAO suggests residential COD should fall between 5-10 for optimal uniformity, but never higher than 15

## Timeline Since the County and State Order was Received

Below are the significant events after the Township became non-compliant regarding the ratio study, triggering the order.

- January 17, 2018... The initial order to perform a Revaluation was received by the Township. The order mandated that revaluation project be implemented for the **2020 tax year**.
- August 27, 2019.... The Township applied for a one year extension. This request was based on staffing issues within the Assessor's office and delays with Tax Map approval by the New Jersey State Division of Taxation.
- September 12, 2019.... The one year extension ( **to the 2021 tax year**) was approved by the Ocean County Tax Board. As required by law, a letter was then sent to the Director of the Division of Taxation of NJ for that agency's approval.
- February 14, 2020.... The Tax Map of Toms River Township was approved by the New Jersey Division of Taxation.
- March 16<sup>th</sup>, 2020.... The bid specification for the revaluation project was advertised to qualified firms.
- April 2<sup>nd</sup>, 2020.... A second extension ( **to the 2022 tax year**) was sought and granted by the tax board. This extension was based on the inability to complete the project with the time remaining.
- April 8<sup>th</sup>, 2020... The opening of the bids was cancelled as a reaction to COVID-19.
- April-June, 2020... The Township "paused" to monitor the general health of the economy following the outbreak of COVID-19, and inquired into a third extension to permit the economy time to "return to normal" in light of the Covid-19 pandemic. The Township was advised that no further extensions would be considered.
- June, 2020... The Township was contacted by the Office of the Attorney General of NJ for not progressing the project.
- June 12, 2020... The bid specification for the revaluation project was advertised a second time.
- July, 8<sup>th</sup> 2020... Proposals were returned for a second time.
- July 28<sup>th</sup>, 2020.... The revaluation contract was awarded to Professional Property Appraisers after a consensus was reached of the review committee.

### But what about COVID-19? Isn't the real estate market in trouble due to the global pandemic?

Initially this was a concern of the Township officials. The original bids (also referred to as RFP's) were set to be opened on April 8<sup>th</sup>, 2020 during the peak of the pandemic in New Jersey. The Township decided to cancel the public opening of the RFP's and pause. Since the initial opening was cancelled, the market data has been monitored closely.

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## Year Over Year Comparison

This Year: 3/1/2020 to 8/1/2020

Last Year: 3/1/2019 to 8/1/2019

For: 8/5/2020

Property type Residential; Status of 'Closed'; County of 'Ocean'; Municipality of 'Toms River Twp (TOM)'

Average Sale Price		
Last Year	This Year	PCT
385,921	409,534	+6
385,921	409,534	+6
352,712	372,586	+6

\*The MLS data above shows that there has been a 6% increase in the average sale price in the residential market.

### Summary

Toms River Township has been ordered to revalue all properties by the County Tax Board. That order was reinforced by the State Attorney General. We were successful in obtaining two 1-year extensions. It is illegal to defy the County Tax Board's order. The revaluation order, and the various benchmarks it imposes, are mandatory both statutorily and constitutionally. **In issuing a revaluation order, the County Board may not act unilaterally or arbitrarily. The order must be based on specific criteria established by state regulation and statute, and must be approved by the Director of the Division of Taxation.** Thus, a revaluation order is not a "take-it-or-leave it" bureaucratic recommendation, but effectively a state edict of constitutional dimension. Defiance is both illegal and unconstitutional. The Township has **no** discretion once a County and State ordered property tax revaluation is ordered.