

2020 PROPERTY TAXES

Property Tax Components

The Borough serves as the billing and collecting entity for all property taxes. However, the Borough through the municipal budget only accounts for approximately 20% of total property taxes. The remaining 80% of property taxes are determined by other authorities (e.g. Board of Education and County of Bergen) and the Mayor and Council have no role in these components of your property taxes. **Questions on School or County components should be addressed directly to the Ramsey Board of Education or Bergen County Freeholders respectively.** Below is a summary of how each component is determined:

Board of Education – Represents approximately 69% of total property taxes. The tax rate is determined by the budgets adopted by the Board of Education and include impacts of any voter approved referendums and ballot questions (e.g. approved 2018 bond referendum and approved 2019 ballot question for full day kindergarten operating costs). Budgets have been adopted for school years covering calendar year 2020.

Municipal – Represents approximately 20% of total property taxes. The tax rate is determined by the budget adopted by the Mayor & Council. The budget has been adopted for 2020.

County & County Open Space – Represents approximately 10% of total property taxes. The county tax rate is determined by the Bergen County Executive and Board of Chosen Freeholders. County Open Space Tax is set by the County at \$0.01 in the tax rate. County budget for 2020 has not been adopted yet, estimated rate below based on some planning guidance from the County.

Library – Represents approximately 1% of total property taxes. The funding for the library tax levy is set by State Statute and is calculated as a percentage (0.0333%) of each town’s total equalized assessed value.

Estimated 2020 Property Tax Rate and Change from 2019

Below is the estimated 2020 property tax rate for the Borough broken down by tax component. Using the municipal component as a discussion example the annual rate increase from 2019 is 1.83%, (lowest % increase of the components) while the impact of the other components’ increases (Board of Education 5.17%, County estimated at 4.84% and Library at 2.94%) brings the overall tax rate increase to 4.43%. In terms of annual dollar increases on the average assessed home in Ramsey of \$526,045 the annual municipal increase is \$47, while the total increase reflecting all components is \$573. **Therefore, the municipal increase in dollar terms is only 8% of the total 2020 increase with 92% of the increase determined by the Board of Education (80%), County (11%) and Library (1%) components.**

Property Tax Component	2020 Tax Rate & Increase By Component			Dollar Impact of Tax Increase By Component		
	2019 Property Tax Rate	2020 Property Tax Rate	% Increase from 2019 By Tax Component	Total Tax Levy Increase from 2019 in \$	Property Tax Increase on Avg Home Assessed at \$526.045	Component % of Total 2020 Property Tax Increase
Board of Education	1.683	1.770	5.17%	\$ 3,138,740	\$ 458	80%
County & Open Space	0.248	0.260	4.84%	\$ 433,428	\$ 63	11%
Library	0.034	0.035	2.94%	\$ 48,515	\$ 5	1%
Municipal	0.493	0.502	1.83%	\$ 343,584	\$ 47	8%
Total	2.458	2.567	4.43%	\$ 3,964,267	\$ 573	100%

Estimated Tax Bills – 3rd Quarter Due August 1st

Due to COVID-19 and delays in County and State budget certifications State has recommended municipalities issue estimated property tax bills for payments due August 1st. Total final 2020 property tax amount will be determined later in the year once final rates have been certified by the State and County. The third quarter estimated bill reflects the estimated 2020 rate less payments made in the first two quarters of the year, which were based on 2019 final rate without any 2020 increases.

PLEASE DO NOT MULTIPLY YOUR ESTIMATED TAX BILL BY FOUR TO GET YOUR YEARLY AMOUNT OF TAXES OWED, THAT IS NOT THE CORRECT AMOUNT