

# Atlantic City property revaluation coming

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ATLANTIC CITY — The seaside resort will soon undergo its first property revaluation in more than a decade and only the second reassessment in the past 40 years.

Friday is the deadline for companies to submit bids to conduct Atlantic City's revaluation, which was ordered by the Atlantic County Board of Taxation.

The city's ratable base has shrunk by nearly 86% in 10 years, from \$20 billion in 2008 to less than \$3 billion last year. But even now, the city's property base is still overvalued, based on a formula used by Atlantic County.

A similar situation exists in nearby Pleasantville, which is also overvalued and has been ordered by the Atlantic County taxation board to perform a revaluation.

Prior to the last citywide revaluation, which was ordered by a state Tax Court in 2005 and completed in 2008, the last property reassessment was done in 1978.

“(A revaluation) is very much needed,” said Margaret Schott, the Atlantic County tax administrator.

A revaluation is designed to establish fair property values to equitably distribute the tax burden.

Lisa Ryan, spokeswoman for the state Department of Community Affairs, the agency that has fiscal oversight of Atlantic City, said the process would “significantly reduce the number of noncasino tax appeals that property owners file with the city.”

Council President Marty Small Sr. said it was “essential that people's properties are assessed at the right amount,” because the city loses money every year from tax appeals.

In 2018, the city budgeted \$1 million for property-tax appeals.

“Hopefully, the city's ratable base will go up, which will be a benefit to the taxpayers,” said Small.

Since a contract has not yet been awarded to a revaluation company, a start date for the process has not been determined, Ryan said.

“We can say, however, that DCA and the city are looking to expedite the review and approval process so a revaluation can get underway as quickly as possible,” she said.

Small said he was “ambitiously optimistic that (the revaluation) can get done by 2020, but, if not, definitely by 2021.”

Atlantic City's ratable base jumped from \$8.1 billion to \$20.1 billion following the 2008 revaluation. In 2010, the city's tax base was \$20.6 billion. By the time the state assumed fiscal oversight of Atlantic City in 2016, the tax base had fallen to \$6.5 billion, a figure that included the resort's casino properties.

The casinos now participate in a payment in lieu of taxes, or PILOT, program that excludes them from the city's reported ratable base.

In 2017, the base was \$3.1 billion, excluding the casinos, county records show. Last year, the city's ratable base was \$2.88 billion. However, according to the equalization rate used by the county — the ratio of the total assessed value of properties in a community to those properties' true market values — the city's base is "overvalued" by more than 10%.

Mayor Frank Gilliam Jr. said the combination of paying out "millions" in appeals and the lost tax revenue from undervalued properties creates a challenge for the city to fund essential needs, such as repaving roads or demolishing blighted properties. He said the city and the state have had to resort to "creative" solutions to allocate funding where it is needed.

"We need to create a sound understanding for what property values in the city really are," said Gilliam. "A revaluation is another tool, in my opinion, which will allow the city to begin forecasting potential budgets going forward."