

Storm-damaged homes eligible for reduced tax assessment

Written by Cindy Nevitt

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OCEAN CITY — Sandy knocked Cape May County around a bit, and now damage from the storm could knock down tax assessments from 5 percent to 30 percent on homes that suffered minimal to significant losses, and 60 to 90 percent on homes that suffered extreme structural damage.

Joe Elliott, tax assessor in Ocean City, where approximately 4,900 structures have been identified as potentially eligible for reduced assessments, said all municipalities have been instructed by the state Board of Taxation in how to apply its formula in determining damage and the corresponding reduction. The deadline to apply for storm-related reductions is Jan. 10, 2013, although tax officials said filing sooner rather than later is recommended.

“The damage has to impact the value into next year,” Elliott said. “If there was flooding in the interior, that affects the value of the property next year.”

Moderate first-floor damage could result in a 15 percent reduction in the tax assessment. Flood and structural damage could result in a 30 percent reduction, Elliott said. All reductions in Cape May County will be based on damage to improvements as no land washed away, unlike in other counties where Sandy consumed both structures and the ground upon which they were built.

Damage to flood panels designed to break away in storms and to insulation beneath structures do not qualify for consideration. For the most part, the damage has to have occurred in the first-floor living space of homes, although significant damage to permanent outdoor structures such as piers, docks and bulkheads, which would lower the market value of a property if left unrepaired, should be reported to the homeowner’s local tax assessor’s office.

The Cape May County tax administrator’s office said absentee property owners are complicating the tax reduction picture, as tax assessors need to access properties in order to make a determination of damage.

In Ocean City, Elliott said he and his staff were taking a proactive approach to the issue and visiting those areas of the island that are known to be in lower elevations.

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“We’re assuming most homes had water in Merion Park,” Elliott said, referring to a single-family, residential neighborhood in Ocean City of roughly 300 homes, 90 percent of which are original construction, some dating as far back as the 1940s.

They are also targeting properties that were built prior to base flood elevation (10 feet NGVD) becoming construction code.

“If the property was built before 1974, we’re assuming it had water in it,” Elliott said. “If you’re 10 feet above, you’re OK.”

Sandy hit Ocean City on Oct. 29 as a 50-year storm with its highest tide 10 feet above mean low water. On the NGVD scale, which is used in issuing elevation certificates, Sandy’s highest tide measured 8.5 feet. Elsewhere in the county, Sandy came in between the 10-year and 50-year storm marks.

Homeowners whose properties suffered storm-related damage are requested to contact their local tax assessor’s office for a form to complete for consideration of a tax reduction.