

New Jersey



Assessors



AFFILIATES

Bulletin



VOL. 10 No. 5

Association of Municipal Assessors of New Jersey

FEB., 1972

Meet Your New President



Walter W. Salmon, SMA CTA

(The following is the result of an interview between your President and the Editor)

President Walter W. Salmon is a resident of Moorestown, but is serving as the Assessor of Mt. Laurel Township, Burlington County, a post he assumed in June after having served as the assessor in Morrestown since December of 1962. Mr. Salmon is a member of the Society of Municipal Assessors of New Jersey, a Certified Tax Assessor, and a candidate for the I.A.A.O. designation C A E.

Among his many activities he has served as Treasurer, Secretary, and has recently been elected to a fourth term as President of the Burlington County Assessors Association. He has served the State Association as its Sergeant-at-Arms, Co-chairman of the Legislative Committee, Chairman of Registrations at I.A.A.O. Regional Conference, and as a member of the State Association Executive Committee.

During the past couple of years he headed the column in the Bulletin known as the SMA Gazette, has been a member of the "Brush-up Team" for aspiring SMA members, and has written articles that have appeared in the Bulletin. As a speaker on behalf of the Assessor, Assessment Procedures, and Assessment Legislature he has appeared before more than two dozen groups and organizations including the Assembly Tax Study Committee. He has also served as a member of the Planning Committee for the Rutgers Conference and as an instructor in its courses.

President Salmon is aiming to build on the "solid foundation of the organization that was laid by those who served before us," and to strengthen the organization in any way that may be open to the members through their cooperation and efforts.

A complete review of the Constitution and By-Laws will be made to determine whether there is a need for up-dating and closer relationships with the Legislators of the many Counties will be maintained.

(continued on page 2)

JOIN THE I.A.A.O.

New President

(continued from page 1)

Full strength and effort in Educational programs must be exercised through Politics, Pressure, Publicity, and Public Awareness, said our President who further stated that he is not so naive as to make any rash promises of what he is going to do, but is concerned as to what WE should do as an organization of professionals for the people who have trusted US with the responsibility of the assessment function.

"In return for that responsibility we can not relax in our quest for recognition and for commensurate wages," said Mr. Salmon. "We need the implementation of Legislation to firmly establish qualified assessors in our communities and we, the officers and members of the Association, must be willing to share a part of that responsibility whenever we are called to a task," he continued. In his closing remarks President Salmon stated that some innovations of closer association with all members through timely communication will probably be initiated and a committee will be appointed to serve in this interest.

Experience is what keeps a man who makes the same mistake twice from admitting it the third time around.

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ADVISORY COMMITTEE

The following report was submitted by Carl Alongi on action taken by the Advisory Committee from April 1 - November 1, 1971.

1. Thomas Sabatini, Montville

Issue: Certification by Municipal Clerk of name of non-qualified candidate for office of tax assessor.

Action Taken: Name of non-qualified opponent not certified for election ballot by Municipal Clerk.

2. Joseph Gessner, Kingwood.

Issue: Municipality Reduced Salary.

Action Taken: Communicated with Municipal Attorney.

Results: Awaiting decision by municipality.

3. William Kenny, Hopatcong.

Issue: Dismissal of Tax Assessor who claimed tenure.

Action Taken: Correspondence and telephone calls.

Results: Assessor advised he did not have tenure but did have possible action as to circumstances surrounding dismissal.

4. Edward Fitzgerald and William Holdsworth, Piscataway.

Issue: Court suit taken by one member of Tax Board against other two seeking to declare a single assessor existant after change in form of government.

Action Taken: As a result of conference, the Township which was originally undecided supported the two assessors in Court and amended an ambiguous ordinance in their favor.

Results: Concurrent motions were made by counsel for a Summary Judgement which was granted by the Middlesex County Superior Court. An appeal was taken to the Appellate Division, which appeal is pending.

5. Don Nottee, Lyndhurst.

Issue: Tenure question.

Action Taken: Telephone conferences.

Results: Assessor advised he lacked tenure and advised how to proceed otherwise. Assessor has retained counsel and is litigating the matter. The municipality has hired two non-certified assessors on the three member board.

(continued on page 6)

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FOR THE

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This is a New Jersey business owned and operated by the former Tax Assessor of the Borough of Dunellen.

NEW OFFICERS 1971-1972



President — Walter W. Salmon, SMA, Mount Laurel; Vice Presidents — H. Randolph Brokaw, Hamilton Twp. (hold over), Charles Fouquet, Parsippany, (hold over), John Murray, SMA, Millburn, (hold over), Kenneth Beck, Dover Twp., Michael J. Heaney, Summit City, Richard R. Dann, Woodbury City, Joseph B. Krupinski, Teaneck; Treasurer — William A. Brewer, SMA; Secretary — William T. Bailey, SMA, CTA, East Brunswick Twp.; Sgt. of Arms — Robert J. Smith, Hazlet TWP.

Annual Treasurers Report November 17, 1971

Nov. 18, 1970	Balance In Checking Account	\$2,598.49
	INCOME	
	Membership Dues for 1970 (29 members)	\$ 145.00
	Membership Dues for 1971 (757 members)	7570.00
	Associate Members (29 members)	1450.00
	Bulletin Ads	1000.00
	Interest Income	250.00
	S.M.A.	445.00
	Miscellaneous	15.00
	Total Income	\$10,875.00
	EXPENSES	
	Bulletin	\$1186.50
	Presidents Expense	750.00
	Postage & Stationary	352.00
	Meetings	1012.97
	S.M.A.	449.60
	Secretary & Treasurer Salary	1000.00
	Assessors International Seminar	500.00
	Travel Expense	475.00
	Legal Defense	1050.00
	IAAO Representative Expense	200.00
	IAAO Educational Fund	300.00
	Miscellaneous	228.32
		\$7,504.83
Nov. 17, 1971	— Balance in Checking Acct.	\$5,968.66
	Balance in Savings Acct.	615.28
	Certificate of Deposit	5,000.00
	Al Weiler Fund	122.57
Nov. 17, 1971	— Net Condition	\$11,706.51

Respectfully submitted,
William A. Brewer, Treasurer

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CONVENTION MINUTES

The Annual Meeting of the Association of Municipal Assessors of New Jersey was held in Atlantic City, November 17, 1971. The meeting was called to order by President Samuel Befarrah at 2:25 p.m., with approximately 360 members in attendance.

Invocation was given by Walter Salmon.

President Sam Befarrah requested a moment of silent prayer for departed assessors during the year.

Minutes of the Annual Meeting of November 19, 1970 held in Atlantic City were approved as submitted in the February Bulletin of 1971.

The Treasurer's report was submitted by William Brewer, Treasurer, and showed a balance of \$11,706.51 in all accounts.

Bill also gave a report on membership; 757 assessor members, 15 members from the Local Property Tax Bureau and 29 associate members.

The Auditing Committee reported the books are in "A-1" condition.

Russel Wilson, Chairman of the Budget Committee, submitted the following budget:

Anticipated Revenue	\$11,600.00
Expenses	10,200.00

After a discussion, it was moved, seconded and carried that the budget be adopted. A copy of the budget is on file.

Ed Markowich reported on the education program. A copy of the budget is on file.

Ernest Reock also reported on the education program submitted by Rutgers. A copy of the report is on file.

Al Greene reported on the "task force" which was held May 7th and wishes to thank all the assessors who participated in the program which was very successful. The following topics were discussed:

- 1) Farmland
- 2) Educational
- 3) Certification and Tenure
- 4) Revaluation
- 5) Salary Range

Marriott Haines reported on the farmland bill for special treatment.

Carl Alongi, Advisory Committee Chairman, gave a report on cases during the year. The report is on file.

Russ Fleming, Council for the Association, gave the cases processed and the outcome of each. He also stated he would like to see a committee appointed to find out who is not certified and have them removed from office.

President Sam Befarrah presented Russ Fleming with a "Presidential Citation" in recognition of his efforts for the Association.

Claire Young, S.M.A. Chairman, presented a "S.M.A. Certificate" to Ackley Elmer, Assessor of Ventnor City, N. J., Atlantic City.

Walter Salmon, Chairman of the Legislative Committee, reported on bills pertaining to assessors during the year. The report is on file.

President Sam Befarrah introduced the officers on the podium.

President Sam Befarrah read the letter of resignation from Theodore Swarer, Secretary.

Charles Fouquet reported on the convention now being held in Atlantic City.

Joseph Krupinski, I.A.A.O. representative from New Jersey, gave a resume on the convention held at Boston, stating that the assessors of New Jersey have received the "McCarron" award for 1971 and that Al Greene received the "M" award for new membership to the I.A.A.O.

Al Greene thanked all assessors who gave him support in Boston.

Charles Fouquet said prizes would be given at each meeting at the convention.

William Bailey gave a report for the Personnel Committee. The report is on file.

Clarence Delgado, Chairman of the Nominating Committee, submitted the following candidates for the year 1972:

President — Margaret Jeffers

Vice Presidents—Kenneth Beck

Joseph Krupinski

Richard Dann

Michael Heaney

Sgt.-at-Arms — Robert Smith

Secretary — Norman Harvey

President Sam Befarrah appointed Milford Levenson to conduct the election.

Milford Levenson presented the slate from the Nominating Committee and opened the nominations from the floor.

Ralph Melero and Walter Salmon were nominated from the floor. Both were seconded and carried for the office.

A general discussion was held as to what percentage of votes would be needed to require election; largest number would be required.

A motion was made, seconded and carried that nominations be closed.

The election was held and Walter Salmon was duly elected as President.

Milford Levenson opened the nominations for Vice Presidents. There being none from the floor a motion was made, seconded and carried that nominations be closed.

Milford Levenson opened the nominations for Sgt.-at-Arms. There being none from the floor a motion was made, seconded and carried that nominations be closed.

Milford Levenson opened the nominations for Secretary. William Bailey was nominated from the floor and was duly seconded and carried.

A motion was made, seconded and carried that nominations be closed.

Election was held and the voting results were as follows:

William Bailey was elected as Secretary.

Milford Levenson declared the election closed.

The officers were elected as follows:

President — Walter Salmon

Vice Presidents—Kenneth Beck

Joseph Krupinski

Richard Dann

Michael Heaney

Sgt.-at-Arms — Robert Smith

Secretary — William Bailey

The officers for the ensuing year were unanimously approved.

Officers to be installed at the meeting of November 18, 1971.

There being no further business, a motion was made, seconded and carried that the meeting be adjourned.

The meeting was adjourned at 5:15 p.m.

Respectfully submitted,
Theodore Swarer
Secretary

PIPE LINE MEETING

As the result of the Supreme Court decision in the case of Transcontinental Pipe Line vs. Bernardo, et al, a meeting was held with Director Sidney Glaser at the State House.

Attending were representatives of the pipelines, municipal attorneys, County Tax Boards, the Local Property Tax Bureau and assessors.

Those assessors in attendance were Ed Renk (Chairman of the Pipelines Committee which resulted in Special Ruling #3), Walt Salmon, Ed Markowitch, Leland Harbour, Bill Brewer and Randy Brokow.

It was reported that if uniformity can not be achieved by agreement then other methods by another level of government may administer the taxation of pipe lines.

Another meeting will be held in the near future.

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Association of Municipal Assessors of New Jersey

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P. O. Box 909, Plainfield, N. J. 07061 — PL 6-3497

Quarterly Publication

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 Joseph Krupinski H. Randolph Brokaw
 Richard Dann Charles Fouquet
 Michael Heaney John Murray
 Secretary — William T. Bailey
 Treasurer — William A. Brewer
 Sergeant-At-Arms — Robert J. Smith

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Louis Schick, CTA — Editor
 Norman Harvey
 Walter W. Salmon, SMA
 Wm. A. Brewer, SMA

NON-USABLE CATEGORY #28

Everything is relative. But, some things are more important than others. Some things, like a magnet, draw others to it. The magnet in the assessor's life, the star of the show, and the guiding power in his everyday chores is the Awesome Ratio.

The fluctuation of this elusive number has caused more than one assessor's blood pressure to ride up and down.

When the ratio declines the cost to the municipality rises and when the costs go up so do tempers and reasoning.

How does an assessor explain to his governing body the machinations of the fallen ratio?

How can he explain to them the pitfalls of the "point" system that inflates the selling price far above and beyond the true value? Although the assessment is basically sound the padded selling price belies the willing buyer-willing seller concept.

We also have Title #235 to contend with. How concerned about the price is the buyer when he can purchase a home with practically no money down and then live under the assurance that he only has to pay a certain portion of his income for mortgage payments and have the Federal government pick up the rest of the bill?

Another potent threat to the stabilization of the ratio is the court judgements.

We have to work under the assumption that the assessor is more familiar than anyone else with the value in his town. He has at his fingertips the current sale prices and recent building permits.

Yet, when an appeal is filed and heard before a county or state tax board in some instances, assessments are lowered.

According to the so-called "Freeze Act" this lowered assessment must, providing there are no extenuating circumstances, remain on the books for three years.

In three years values can and do change, particularly in these inflationary times.

What happens when a property that has benefited from a tax reduction is sold at a high price—a price that justifies the assessor's original valuation?

What happens is that the assessor is confronted with a low ratio!

It is our opinion that a three year "Non-Usable" period should exist when a reduction is granted via the tax court appeal route.

The Bulletin welcomes your opinion, pro or con.

WHAT NEXT??

The Wisconsin Legislature has introduced bills that would (1) amend exempt property occupied only during the months of June, July and August; (2) allow persons over 62 with income under \$5000. to deduct the school tax portion of Real Estate tax from Income Tax.

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ADVISORY COMMITTEE

(continued from page 2)

6. William W. Morrison, Jackson.

Issue: Replacement of single assessor by Board after public referendum. Tenured assessor entirely displaced by new Board and not even made a member of it.

Action Taken: Assessor retained counsel of his choosing and litigated matter at length. Appellate Division ruled against assessor. Time has expired for an appeal.

Results: Tenured assessor effectively removed from his position.

TEXAS SCHOOL TAX

A U. S. Federal Court has declared unconstitutional the Texas public school financing system, which is like that of every other state except Hawaii, and ordered the State Legislature to devise a new one.

The judges ruled that because the system is based largely on the local property tax it makes educational expenditures a function of local wealth. Therefore, the court said, the system discriminates against children from poorer districts.

An appeal to the Supreme Court is expected.

ASSESSOR WANTED


A Chief Tax Assessor is wanted for the Township of Scotch Plains. The assessor must be certified and familiar with all New Jersey assessment procedures. The assessor will be responsible for all the assessments in the Township and assume full duties of the office.

Salary will be commensurate with experience and proven ability. Applicants will please contact the Municipal Administrator, Township of Scotch Plains, Municipal Building, Scotch Plains, N. J. 07076

NEW ASSESSORS

John C. Gardner has replaced Allen R. Hill on the Leonia Board of Assessors.

Harry A. Schuman has assumed the duties of Tax Assessor for the City of Long Branch. He took the post on October 1, 1971.



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Real or Tangible Property?

(Excerpt from a speech given by Director Sidney Glaser at the 39th annual meeting of the National Association of Tax Administrators)

Without doubt, one of the most important questions to face the Division of Taxation in the administration of this tax concerns the need to distinguish between real and tangible personal property. The question takes on added significance when it is realized that for the most part there is a substantial spread between what the tax would be locally if the property is regarded as real property and what the tax would be on the same item of property if regarded as personalty. For example, in Trenton the general tax rate applicable to real property is about \$130 per thousand of assessed value. (Trenton is required to assess at 50% of true value.) Compare this with the tax of \$6.50 per \$1,000 of assessed value (original cost) under the Business Personal Property Tax Law. Although there are different bases of assessment, i.e., true value vs. original cost, taxation of the property as personalty will, in most cases, produce a significantly smaller tax.

Although the law specifically exempts "goods and chattels so affixed to real property as to become part thereof and not to be severable or removable without material injury thereto," our State Division of Tax Appeals in *Colorado Fuel & Iron Corporation v. Florence* (December, 1967) ruled that electric furnaces were to be taxed as personal property because they pertain to the manufacturing process and not to the building. The Division, in its opinion, indicated that it has received little help from the reported cases in New Jersey to solve the question. The Division asked, "If these furnaces in question are real estate, why isn't every other piece of machinery that it anchored to the ground of the same category?" The result of the decision is to adopt the Ohio and Maryland rules as guide to determining the circumstances under which property would be regarded as real or personal. In Maryland, the courts ruled that property that is necessary to the operation of a business within the building, as such, is real estate, and that property necessary to the operation of a business within the building is personal property, irrespective of how it is attached to the realty. The *Colorado Fuel and Iron Corporation* case introduces a new concept to New Jersey. (*Colorado Fuel and Iron Corporation v. Township of Florence*, Division of Tax Appeals, decided December 11, 1967, Dockets Nos. L-262-65, L-257-66.)

The question of properly identifying business personal property was dealt with at length in the 1968 Annual Report of the Division of Taxation to the Governor and Legislature as follows: "In the first year of operation of the state-administered business personal property tax a new problem has already become evident. The traditional antagonists in the tax arena, the taxpayer and the tax administrator, have been joined by a new set of adversaries. The new law brings to the fore the possi-

bility of concentration between the local taxing district and the State tax authority, respecting taxing jurisdiction over the subject matter. Some instances have come to light where property was reported by the taxpayer as business personal property to be taxed by the State at the fixed rate of 65c per \$100. of original cost while, at the same time, the local assessor included the same assets on his real property roll to be taxed at the local rate in the municipality where the property is located. Remedial legislation may be necessary to facilitate resolution of the conflict and to insure that assets will not be taxed both as real and personal property. It should be noted that the need for clear identification of property categories would still be presented even if the personal property tax were completely eliminated at both the local and state levels.

New Senior Citizens Bill

A bill reducing the residency requirement for senior citizens who are looking for exemptions on the local property taxes level has passed the Assembly and is awaiting Gov. William Cahill's signature.

At present, persons 65 or over who are entitled to the \$160. annual exemption must reside in the state for three years before they can receive it. The bill reduces this time period to one year.

The man who loses his head is usually the last one to miss it.

MEMBERSHIP REPORT

	NOVEMBER 17, 1971		Percent
	Members	Districts	
Atlantic	30	23	100%
Bergen	102	70	100%
Burlington	50	40	100%
Camden	56	37	100%
Cape May	00	16	00%
Cumberland	9	14	64%
Essex	32	22	100%
Gloucester	43	24	100%
Hudson	24	12	100%
Hunterdon	24	26	92%
Mercer	23	13	100%
Middlesex	40	25	100%
Monmouth	59	53	100%
Morris	70	39	100%
Ocean	44	33	100%
Passaic	25	16	100%
Salem	13	15	87%
Somerset	21	21	100%
Sussex	24	24	100%
Union	50	21	100%
Warren	18	23	70%
Total	757	567	
L.P.T.B.	15		
Associate Members	29		

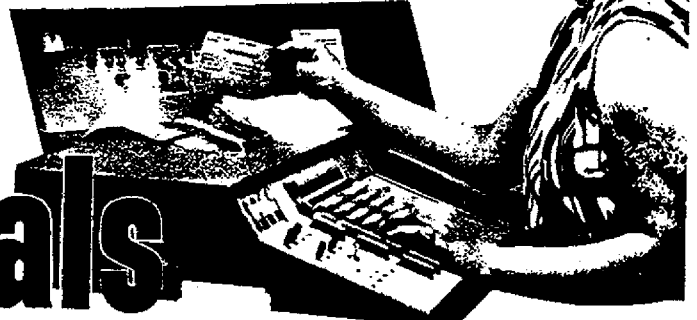
An exaggeration is a truth that has lost its temper.

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Don't miss the National Association of Assessing Officers Conference to be held May 21-25 at the Granit-2 Lodge, Kerhonskon, N. Y.

Association of Municipal Assessors of New Jersey
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