

New Jersey



Assessors

Bulletin



MEMBER
International Association
of Assessing Officers

Vol. 20, No. 2

May, 1981

PRESIDENT'S MESSAGE



I believe all assessors in the State of New Jersey by now are aware that our Association has been working very hard on our Title Change Bill which will solve most of the major problems pertaining to our office. Initially, it started out that we would like to solve three (3) problems pertaining to title, hours, and compensation. When the bill was drawn, it was realized that it was just not a new bill, but many existing laws had to be amended and some repealed. I had a meeting with the Association Attorney Ed Rosenblum, and spent a day reviewing existing statutes. It was the consensus of opinion that while we were attempting to solve our problems this bill should also clean up existing laws. With this in mind, all statutes presently on the books in Title 40, 40A, and 54 were reviewed. An amended version of our bill was typed and a meeting with Director Glaser was held and our amended version of the bill was reviewed. The bill was then retyped again with the changes and reviewed by our Association's full Legislation Committee. At this point, the bill has been completely rewritten and is being resubmitted to Senator Merlino. We will then ask the Senator to seek passage. I have attempted to seek advice from as many sources as possible to insure that all parties would support this bill. I am asking for the active support of each and every assessor.

James L. Anderson, C.T.A., S.M.A.
President

Dues for 1981-1982 Are Now Payable

Mobile Home Committee Report

The June 24th evening session of the 1981 Rutgers Continuing Education program will be devoted to the assessment of Mobile Homes for the tax year 1982 and thereafter.

George Lorbeck of the Appraisal Section of Local Property Tax Bureau will take us through a sample assessment of units in an existing Mobile Home Park, showing how it can be set up on the tax rolls and the appraisal of the units, using the new manual supplements for Mobile Homes. There will be hand-outs of the supplementary pages.

If time permits, we will also review what these changes will mean to the owners of the Mobile Homes in dollars and cents in re: deductions, rebates, pad fees, etc.

All assessors from municipalities which have Mobile home parks should make every effort to attend this important session.

The Appraisal Manual supplements are being printed now and will be distributed in plenty of time for your use for the 1982 tax year. There will also be sample data collection sheets for your property record cards.

The corresponding Legislation has not been adopted as yet, but that will not affect the Assessors's role in implementing the assessment procedure. I would strongly recommend you start your inspections and data collection as soon as you can and not wait until the last minute.

See you at Rutgers.

Joyce Jones, Chairperson

ASSEMBLY, NO. 2342

An Act concerning county boards of taxation and amending R.S. 54:3-2.

This bill exempts county tax board members with 2 or more years service on the board from having to furnish proof that they have completed the training courses designated in section 4 of P.L. 1967, c. 44 (C. 54:1-35.23).

WE WIN ONE

The South River Council voted to abolish the position of full-time assessor and demote Assessor Carlo Alongi to part time, at a substantial decrease in salary.

Alongi took the Boro to court, claiming this was illegal.

It was heard in New Brunswick by Superior Court Justice C. John Stroumstos.

Stroumstos ruled that under N.J.S.A. 40A:9-165 the Boro of South River had no right to reduce his salary. The statute prohibits the reduction of salaries of an assessor during his term and since Alongi has tenure the salary cannot be decreased until he retires, resigns or is removed by a court trial.

Stroumstos further stated that if any municipality has a grievance against an assessor, the complaints should be brought to the Director of Taxation and no other court.

Alongi was represented by Norman Robbins and Ed Rosenblum represented the N.J. Assessors' Association which participated as an Intervening Plaintiff because of its interest in the outcome.

SECOND EDITION OF HANDBOOK READY FOR DISTRIBUTION

The second edition of the Handbook for New Jersey Assessors has been received from the printers and will be hand delivered by Branch field personnel to all assessors and county boards of taxation in the near future.

Updating of portions of the Handbook was accomplished in 1965 and again in 1974. This second edition represents a complete updating and revision, with information source as of June, 1980.

The material in this revision of the Handbook was prepared with the assistance of all sections of the Local Property and Public Utility Branch, and with advice and help from the Association of Municipal Assessors of New Jersey and from the Department of Government Services, Rutgers, the State University.

Massachusetts Typical Assessor

Sixty-four percent receive less than \$2,000 per year for work as an assessor, eighty-two percent make less than \$5,000 per year.

Sixty-two percent are between the ages of 41 and 65.

Sixty percent have completed at least two years of college.

Forty-five percent have had more than six years experience as an assessor.

Forty-five percent have had some other appraisal experience. Twenty-three percent are real estate brokers or salesmen. Two percent are lawyers.

Thirty-five percent have attended the Annual Mass. Assessor's School at least once and seven percent have attained the MAA designation.

These statistics were compiled by the Massachusetts Bureau of Local Assessment.

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ASSEMBLY, NO. 3011

An act to amend "An act providing for payments for local services in lieu of taxes on State property, and repealing R.S. 54:4-2.1 and R.S. 54:4-2.2," approved October 26, 1977 (P.L. 1977, c. 272).

This bill amends the State payment in lieu of taxes law with regard to the current maximum payment restriction, calculated as 25% of the municipal purposes levy. The bill raises that restriction to 50% of the municipal purposes levy in those cases where the value of State property exceeds 50% of the value of all taxable property in a municipality.

ASSEMBLY, NO. 3058

An act concerning notice to taxpayers of certain real property tax deductions and rebates.

The purpose of this bill is to increase public awareness of certain real property tax deduction and rebate programs so that those eligible to participate in such programs may do so. The bill requires the recording officer of each county of this State, after duly recording a deed, to mail or cause to be delivered to the grantee at the address listed on the deed or such other address as the grantee may designate a notice prepared and printed by the Director of the Division of Taxation in the Department of the Treasury. The notice shall describe the homestead rebate program, veteran's deduction program, the senior citizen's and permanently and totally disabled citizen's deduction program, and the application procedures for these programs.

RESOLUTION NO. 81-27

WHEREAS, municipalities within the State of New Jersey have in recent years experienced the financial burden of conducting property assessment Revaluations; and

WHEREAS, municipalities have, attendant thereto, borne public outrage, consternation and agony, along with bearing the knowledge of the growing danger of disastrous consequences to the financial stability of many residential taxpayers; and

WHEREAS, such dangers are resulting from the present statutory methodology under which property revaluations are conducted with its basic concept of determining values of residential properties utilizing reproduction and sales data and determining values of income-producing properties utilizing capitalization data; and

WHEREAS, such property revaluation method has disturbingly and inequitably placed residential properties at a disadvantage and income-producing properties at an advantage, with the percentages of increase notably and unconscionably shifted to residential property owners; and

WHEREAS, the Borough Council of the Borough of Lodi, New Jersey, desires to proclaim and disseminate its total dissatisfaction with the presently constituted procedures and outcome and effect of Revaluations and wishes to apprise its State legislators and tax officials of the severe problems facing municipalities in this matter and to emphasize the disastrous effect on homeowners; and

WHEREAS, this governing body deems it highly necessary for remedial legislation to be studied, considered and enacted in this matter to prevent the inevitable dire consequences in the near future of property abandonment and tax delinquency; NOW THEREFORE,

BE IT RESOLVED that this governing body does hereby strongly urge and recommend that any tax study and consideration of legislation include with special emphasis that the method of revaluation to be used for all classes of property be the Reproduction method of determining values; and

BE IT FURTHER RESOLVED that a copy of this Resolution be forwarded to the leaders of the New Jersey State Assembly and Senate, to their tax committees, to the State director of Taxation, to the Borough of Lodi's representatives in the State Assembly and Senate, to municipalities of the State of New Jersey, and to Governor Brendan Byrne.

Senate Joint Resolution No. 3008 and Assembly Joint Resolution No. 3010

A joint resolution establishing a commission, to be known as the Property Tax Study Commission, to evaluate and study the methods of financing local government, inquire into the feasibility and practicability of alternative methods of allocating the costs of such financing, and pursuant to the results of its study, make recommendations to the Governor and Legislature.

RETIREMENT

Edgar V. Renk, C.T.A., Assessor for the Township of South Brunswick and Evelyn M. Moore, C.T.A., Assistant Assessor, will both be feted on Friday, June 26 at the Sheraton-Regal Inn, Route 287, Kingsbridge Road, Piscataway.

Both Edgar and Evelyn are retiring as of June 30.

Edgar has been the Assessor of South Brunswick since 1952. He received his SMA Certificate in 1963 and his CTA in 1967. He is a member of the I.A.A.O. and the N.J. Assessors Association, having served on the Executive Committee and Pipeline Committee. He also served as President of the Middlesex County Assessors Association from 1962-1966.

Evelyn started working part time in the Assessor's office in 1952 and became full time in 1966. She received the SMA Certificate #2 in 1962, the first woman in the state to be so honored.

She received her C.T.A. Certificate in 1968.

For those interested in attending the dinner, the cost is \$20. per person. This includes cocktail hour and roast beef dinner. Reservations can be made by contacting the South Brunswick Municipal Hall or Courtney Powell, Assessor, Old Bridge.

Education is the ability to listen to almost anything without losing your temper or self-confidence.

MEET THE NEW GOVERNOR

All public officials are invited by the New Jersey Mayors Association to meet the gubernatorial candidates at a luncheon to be held at the Pines Manor, Edison on Saturday, May 16th.

Registration is at 10:30 A.M., Meeting at 11:00 A.M. and Luncheon at 12:30 P.M. The cost is \$11.00 per person, which includes the luncheon and gratuities. All interested can send a check or voucher to: New Jersey Mayors Association, Box 1, Dunellen, N.J. 08812.

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Most of us don't recognize opportunity until we see it's working for a competitor.

ASSEMBLY, NO. 3217

A supplement to "An act to place limits on expenditures by counties and municipalities and supplementing Title 40A of the New Jersey Statutes," approved August 18, 1976 (P.L. 1976, c. 68, C.40A:4-45.1 et seq.)

Currently, municipalities receiving in-lieu of tax payments are required to expend those payments within their budget "caps." The purpose of this bill is to give municipalities receiving in-lieu of tax payments from the State an option in how such revenues should be treated under the "Cap" law.

The first option would permit a municipality to treat in-lieu of tax payments from the State as exceptions and, therefore, not part of its previous year's final appropriation upon which the 5% increase permitted by the "Cap" law is computed.

The second option would permit a municipality to include in-lieu of tax payments from the State as part of its previous year's final appropriations upon which the 5% increase permitted by the "Cap" law is computed, but would allow such municipalities to treat any increase in that amount generated by an increase in valuations, new construction or improvements as exceptions to the "Cap" law.

LEGAL FUND NOTICE

All members of the Assessors Legal Fund and all members in good standing in the Association of Municipal Assessors of New Jersey are hereby advised that the New Jersey Assessors Legal Fund will now function on a fiscal year basis to coincide with the Association's year of July first thru June thirty, nineteen hundred eighty one.

Members who have already paid \$10. for 1981 are asked to send an additional \$5. and be paid up thru June 30, 1982.

Any new members to the Association or paid up members who have not previously contributed to the Legal Fund are advised that they may join by sending the required amount at once. There is a ninety day waiting period for all members before funds can be awarded to assist with the legal fees in all litigation.

Send your dues, **personal check only**, to the Fund Treasurer, Louis C. Piscane, C.T.A., 253 Linda Vista Avenue, North Haledon, N.J. 07508. Also write if you have any questions.

NOTE!!! Assessors having more than one taxing district must indicate on check what district or districts to which the payment applies.

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SENATE, NO. 3018

An act concerning the assessment of real property and improvements thereto, supplementing chapter 4 of Title 54 of the Revised Statutes and repealing P.L. 1941, c.397, s. 1.

Presently the law governing the assessment of improvements to real property provides that a newly erected structure may be assessed for real property taxation when it is substantially ready for use. This has created a financial hardship for builders and developers who cannot consummate sales of properties upon which they have constructed new dwellings. In order to alleviate much of this financial hardship to an already depressed building industry, this bill would provide that no assessment of a newly erected structure would be made until a certificate of occupancy has been issued.

People are able to stand adversity easier than they can stand prosperity.

SENATE, NO. 3039

An act relating to the tax exempt status of educational institutions in certain cases and supplementing article 2 of chapter 4 of Title 54 of the Revised Statutes.

This bill permits tax exempt educational institutions to lease portions of their properties to organizations or businesses during those portions of the year that the institutions are not in session without losing their tax exempt status, provided that the lease income received is expended in furtherance of the institutions' exempt purpose or purposes.

Association of Municipal Assessors of New Jersey

NEW JERSEY ASSESSORS BULLETIN

P. O. Box 187, New Brunswick, N. J. 08903 — (201) 745-5011

Quarterly Publication

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Syndications have become a significant force in the real estate market in recent years. This study found that the typical investor in such syndications:

- 1) is from 35-54 years old;
- 2) is most likely to have a principal occupation in business, sales, law, or medicine;
- 3) has maintained an investment portfolio for several years and currently holds a diversified portfolio; and
- 4) has no close friendship or family ties with the syndication general partner.

The investors responding to the questionnaire preferred investments providing a rapid rate of capital appreciation rather than periodic cash return. The length of the holding period is relatively unimportant. They sought protection against inflation and taxes and preferred to rely on the advice of syndicator/brokers rather than their own knowledge.

When asked to evaluate the potential for investment of common stocks, municipal bonds, and real estate syndications, the latter was clearly preferred. Respondents indicated real estate syndications require greater professional expertise but, in return, have greater opportunities for rapid capital appreciation and protection against inflation. Tax-shelter opportunities were rated about the same as municipal bonds, which are free from federal income taxation. Thus, real estate syndication represents a preferred form of investment for the investors responding to our survey.

In general, limited partners believe their general partner has done a good job of providing desired services. Their major areas of dissatisfaction have been 1) failure to receive information about sales of comparable properties, and 2) failure to investigate and communicate opportunities to produce income and thereby defray holding costs.

Wayne Etter & Donald Levi The Appraisal Journal

The six most important words in the world:

"I admit I made a mistake."

The five most important words in the world:

"You did a good job."

The four most important words in the world:

"What is your opinion?"

The three most important words in the world:

"If you please."

The two most important words in the world:

"Thank you."

The least important word in the world:

"I"

You're safe when you are silent because silence never betrays you.

Senate Concurrent Resolution No. 3001

A Concurrent Resolution proposing to amend Article VIII, Section I, paragraph 3, of the Constitution of the State of New Jersey.

Proposed Amendment

Amend Article VIII, Section I, paragraph 3, to read as follows:

Any citizen and resident of this State now or hereafter honorably discharged or released under honorable circumstances from active service, in time of war or of other emergency as, from time to time, defined by the Legislature, in any branch of the Armed Forces of the United States shall be entitled, annually, to a deduction from the amount of any tax bill for taxes on real and personal property, or both, in the sum of \$125.00 or if the amount of any such tax bill shall be less than \$125.00, to a cancellation thereof, which deduction or cancellation shall not be altered or repealed.

1981 ASSESSORS CONTINUING PROGRAM
RUTGERS UNIVERSITY
JUNE 22-25

New Jersey Financial Management Training/Technical Assistance Network

The FIMATA Network is a system designed to draw upon the experience and knowledge of persons active in New Jersey state and local government for the benefit of municipalities which are having financial management problems.

Municipalities having a financial management problem—in accounting, budgeting, treasury management, debt administration, tax assessments, tax collections, purchasing, data processing, or other financial areas—may contact the FIMATA Network by calling or writing the University at the number or address listed below.

A Need evaluator from the Network will discuss the problem with the municipal representative and may visit the municipality.

A brief report of the problem will be discussed with a Reference Panel which will attempt to identify some Resource Person in another municipality who has the appropriate expertise to be of assistance.

The Resource Person will be invited to meet with the municipal representatives and assist them in finding a solution to their problem. The FIMATA Network will support the first six hours of consulting time and all travel expenses.

Request for assistance will be accepted, within available resources, from municipal chief executives, municipal governing bodies (by majority vote), business administrators, chief financial officers, tax assessors, tax collectors, and purchasing officers.

The chief executive and the governing body of each municipality will be informed whenever a Resource Person is assigned to the municipality.

The FIMATA Network has been financed for the time being by a federal grant under the Intergovernmental Personnel Act.

There will be no charge to any municipality for the first six hours of consulting time. Any requests for further assistance are a matter for arrangement between the municipality and the Resource Person.

The FIMATA Network is administered through the Bureau of Government Research and the Department of Government Services of Rutgers, the State University of New Jersey but, in reality, it may be located in every municipality of the state. It operates with the cooperation of the New Jersey State League of Municipalities, the New Jersey Division of Local Government Services, and the New Jersey Division of Taxation.

Contact: FIMATA Network, Building 4053, Kilmer Campus, Rutgers University, New Brunswick, New Jersey 08903 (201) 932-3640.

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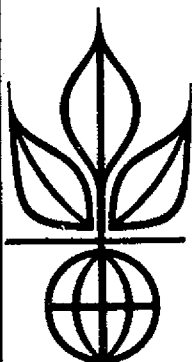
The 47th Annual Conference on Assessment Administration will be held October 18-21, 1981 in Louisville, Kentucky. IAAO has selected the celebrated Galt House as the headquarters hotel for the conference.

Situated on the shores of the Ohio River, the Galt House enjoys an atmosphere of cozy southern hospitality and individually decorated rooms. Most conference functions, with the exception of the Fellowship Luncheon and some social activities, will be held at the Galt House. The Fellowship Luncheon will be served at the nearby Hyatt Regency, which will also be used for conference housing. IAAO has negotiated favorable room rates for the Louisville Conference, so plan now to attend this important meeting which brings together assessors from all over the world.

Rates at the Galt House for either single or double accommodations will be \$40 per night while single or double rooms at the Hyatt will be \$52 per night. To take advantage of these special reduced rates, all conference attendees must make their room reservations through IAAO.

As usual, a full slate of educational and social events are being planned and IAAO will send complete conference information and registrations to all members in May.

1981 ASSESSORS CONTINUING PROGRAM
RUTGERS UNIVERSITY
JUNE 22-25



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SENATE, NO. 3093

An act concerning the notification of taxpayers in certain instances, and amending P.L. 1977, c. 284.

This bill would clarify the notification provisions of P.L. 1977, c. 284, which concerns the allowance of tax exemptions for home improvements. Under the current law, the municipality would be required to notify all owners of residential property in the municipality. This is unnecessary, since multiple dwellings were eliminated from the purview of that act by P.L. 1979, c. 233. Also, the ordinance authorizing these exemptions may be limited to certain areas of the municipality. Only owners of dwellings located in those areas should be required to be notified.

It's more important to know where you are going than to get there quickly.

All but a few states in the United States require that all classes of property be valued at some uniform standard throughout the state. These laws have been widely disobeyed in all states for years. Future violation may be reduced because a growing number of states have been changing their laws to allow valuation at less than full value. And in some cases different ratios of assessed value to full value are allowed or required for different classes of property.

Inflation is a major reason that assessed values are generally less than market values. Unless regular revaluation takes place, widespread inequity in assessment ratios will occur. This inequity generally favors those properties that have increased most rapidly in price.

Regardless of state-legislated standards, communities across the country have evolved their own policies for favoring one class of property owner over another. In most states, undeveloped agricultural land is most favorably treated. In the Southeast, Southwest, and West Coast regions, commercial and industrial property is favored over residential property. In the industrialized Mideast, the reverse is true. In the industrial Northeast there is little difference.

Robert H. Plattner
Assessors Journal

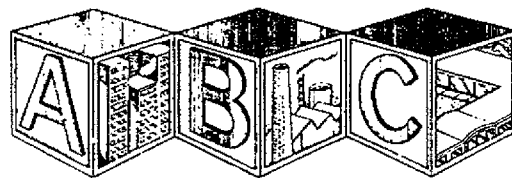
ASSEMBLY, NO. 2371

An Act concerning filing of copies of petitions of appeal to county board of taxation and filing of copies of complaint to the tax court and amending R.S. 54:2-40 and R.S. 54:3-21.

This bill provides that the assessor of any taxing district will receive, directly, a copy of all appeals to the county board of taxation affecting his district. The assessor would also receive copies of any appeal to the tax court from the judgment of the county board of taxation, as well as a copy of any judgment of the tax court affecting his district.

The assessor is the municipal official directly responsible for the assessment of real property. It is appropriate that the assessor receive, directly, all information relative to an appeal from an assessment.

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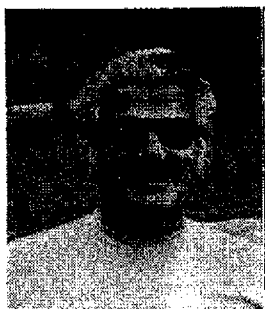
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LEGISLATIVE NEWS



Since the enactment of the Assessor's Certification and Tenure Bill (Ch. 44, P.L. 1967) no single proposed legislation contains more importance for the assessor than the recent filing of S-3131. This proposal is known as the Assessor's "Unification of Title" bill.

When Ch. 44 was signed into law, the assessors felt assured that they had finally gained recognition for their profession. They felt that the stigma of being a "political appointee" to a "nothing" job was finally being removed. The assessors moved in the direction of providing educational courses that furthered their professionalism. The struggle never ceased because the enactment of new property tax laws put further demands upon their office.

It seems rather ironic, that the intensity of the performance by the assessor is seldom recognized beyond the perimeters of his office. His performance and duties were always taken for granted by most members of governing bodies. During my tenure as chairman of the Legislative Committee and a representative of the Assessor's Association on various other committees, I've come to recognize the unconcern displayed by many officials. I will admit, however, the assessors received some benefit from the enactment of the 5% cap law. Because of this law, the companion law, Ch. 68, P.L. 1976 was enacted. Here the importance of the assessor was underscored since the assessor was supposed to make known to his municipality the ratable value of new improvements during the tax year. This new improvement value provided the municipality with additional capital not within the confines of the cap law. Again it seems ironic that an assessor's importance to his community had to become evident by virtue of an enactment of law. However, this recognition is not absolute.

During 1979, the Senate County and Municipal Government Committee, chaired by Senator Perskie, recommended the repeal of many state statutes that were considered antiquated. Unfortunately one of the statutes that were repealed is now causing havoc in some municipalities. It is these same municipalities that I had made reference to earlier as those not showing concern for the need of a professional in the Assessor's office.

The Assessor's Association is well aware of the shabby and callous treatment of the assessor by these municipalities. Steps have been taken to prevent this treatment from continuing by the enactment of S-3131 as sponsored by Senator Merlino with amendments. The proposal was reviewed by the Legislative Committee on April 8, 1981, and the amendments as recommended by Director Glaser were incorporated in the original proposal. The Legislative Committee also made plans to personally contact every

legislator and solicit their support.

It behooves every assessor, who wish to maintain their tenure and their position as assessor, to join in and contact their legislator for support of this proposal. I am underscoring the importance of the need for enactment of this proposal as quickly as possible since some tenured assessors are now facing the possibility of losing their job because of the repeal of those antiquated laws previously mentioned.

Now some information about S-3131. Let me emphatically state that this bill is not, I repeat, not an instrument for a tenured assessor to lose this job. Far from it. This bill, if enacted, would solidify the tenure of the assessor since it would prevent the abolition of the assessor's title. It would remove the title of the Board of Assessors and replace them with title of Assessor or Deputy Assessor with no loss of salary or tenure. It (S-3131) would also guarantee that assessors would also be eligible for any increase in salary generally applicable to other municipal officers and employees. It would definitely establish the term for the Assessor and Deputy Assessor as being 4 years from first day of July next following his appointment.

The bill will also allow for an appointment in more than one municipality, provided it did not interfere with the discharge of his statutory duties.

The proposal also certifies that any complaint against an assessor be heard by the Director of the Division of Taxation and not by any courts.

In conclusion, some members of the Executive Board and the Legislative Committee will be meeting soon with Senator Perskie to review this proposal for release to the Senate and then on through the Legislature process. Again I want to emphasize—It is not going to be easy!! I want to iterate that there is not much sympathy being shown by some administrative officials for tenured municipal employees. Some assessors may recall the hard and desperate effort made by the assessors when trying for the enactment of Ch. 44, P.L. 1967. I firmly believe that more of an effort will have to be made by all before S-3131 is signed into law. If the maintaining of your tenure means anything to you, then I'm not asking, I'm pleading to you to join your associate members in having this proposal enacted into law.

George C. Harraka, Chm.

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IAAO Announces Formation of Intangibles Task Force

The International Association of Assessing Officers is creating a new task force on taxation of intangibles. Members and non-members of IAAO who are involved with the taxation of intangibles are invited to join the task force to exchange information relating to their special needs and interests. Special programs and meetings will be scheduled for the task force, and materials will be distributed from time to time as a service to the task force members. No initial fee will be charged for task force membership, but fees may be approved by the task force, depending upon the number of persons joining the task force and the number of activities in which the group chooses to engage.

Persons wishing to join the task force should contact the Research and Association Counsel at IAAO Headquarters, 1313 E. 60th Street, Chicago, IL 60637, (312) 947-2053.

Speculative land markets create distortions in valuation data that must be accounted for if "true" cash values are to be estimated. Most of these distortions are due for financing terms. In rising markets, income flows represented by financing arrangements should be discounted and added to cash payments at purchase to give the cash-equivalent purchase price. Falling markets feature high rates of default and few and aberrant market transactions. Defaults are not transactions but can give a strong indication of maximum value observed by those who default. Second-order defaults, by speculators to whom property had already been defaulted by someone else, are somewhat less reliable. Some market collapses are so severe that properties may be defaulted all the way back to the original owner.

Bruce Lindeman
Assessors Journal

Assembly Concurrent Resolution 3018

A Concurrent Resolution proposing an amendment to paragraphs 3 and 4 of Section I of Article VIII of the Constitution of the State of New Jersey.

This concurrent resolution proposes to amend the State Constitution to permit a person qualified for the \$50.00 veteran's deduction to also receive the deduction available to senior and disabled citizens.

It is unreasonable that by virtue of age or disability a veteran cannot continue to receive the \$50.00 deduction in addition to the senior and disabled citizen deduction. This amendment continues the \$50.00 deduction to be in addition to the senior and disabled citizen deduction. Therefore, in 1982 a veteran who becomes 65 years of age will be entitled to both the \$225.00 senior citizen deduction and continue to qualify for the \$50.00 veteran deduction.

Assessors and How They Came To Be

Massachusetts Bay Colony

April 1, 1634

"By decree of the King of England, the constable and four or more of the chief inhabitants of every town, to be chosen there at some meeting, with the advice of some one or assistants, shall make a survey of the houses, cornfields, mowing ground and other lands improved or enclosed, of every free inhabitant there and shall enter the values into the book to the nearest estimation for the purposes of the setting of the tax.

"For avoiding fraudulent conveyances and so that every free inhabitant may know what estate or interest other men may have in any houses, lands or other properties, it is ordered that the books on file be open for inspection by any interested party."

Thus, by order of the good King, the mode of the assessing of all properties for tax purposes was established in the New World and in reality, the method has changed little in the past 343 years. The constable, of course, is out of the picture and the four or more citizens are no longer elected, but appointed by the present political process. The advice of one or more assistants is still the rule, but today, their advice comes at a very high price in the form of professional consulting firms.

Believe it or not, even back in 1634, there was a process for appealing your assessments if you felt that they were unjust or not comparable to your fellow citizens with similar property. A review board would meet on a monthly basis to take your complaint into consideration and, if not satisfied at this level, you could continue your appeal as high as the Governor's Council.

As the old saying goes, nothing really changes, especially death and taxes.



Seminars can be fun.

**1981 ASSESSORS CONTINUING PROGRAM
RUTGERS UNIVERSITY
JUNE 22-25**

ASSEMBLY, NO. 3181

An act concerning the exemption of real property from taxation in certain cases, and amending P.L. 1975, c. 104.

This bill would permit municipalities to exempt from taxation the first \$15,000.00 of the true value of home improvements under P.L. 1975, c. 104. Currently, municipalities may exempt either \$4,000.00 or \$10,000.00 in true value. This bill adds a third option for municipalities under that law. The new \$15,000 figure brings the home improvement assistance provided under the 1975 act into line with the effects of inflation over the past 6 years. The expanded home improvements which owners could be expected to make in taking advantage of the act, will serve to improve and preserve residential neighborhoods and to stimulate employment and commerce in the area.

SENATE, NO. 3046

An Act concerning property devoted to cemetery maintenance and amending N.J. S. 8A:5-10.

The purpose of this bill is to specify when tax exemptions shall be granted to cemetery companies for land, structures, buildings and equipment used for maintenance purposes. Tax exemptions shall be granted when the property, buildings, structures, and equipment shall be tax exempt when they are located on land adjacent to the cemetery which is not larger than 10% of the dedicated land and within the same municipality as the cemetery.

Industrial real estate markets have the same basic characteristics as other real estate markets. The governing laws of probability are as applicable to predicting industrial real estate values as they are to predicting any other natural phenomena. The problem is one of perception. An industrial real estate appraiser has to perceive the elements of the valuation problem. He has to define what elements are readily predictable and what elements are more difficult to predict. To accomplish this, he has to utilize those tools of the profession that are most adaptable to the problem at hand. Statistical techniques such as the compilation of a plant profile can add greater perception.

The cost approach is another effective tool. It offers an orderly framework and helps the appraiser place the priorities in logical order. He is forced to confront the concept of depreciation and to analyze its causes. It is depreciation that lies at the core of the appraisal problem. It is the one volatile element of valuation that constantly is changing in response to changes in the environing forces. In the current environment of rapid inflation, changing technologies, and resource and capital shortages, the process of estimating depreciation provides the greatest challenge to the appraiser's ability to predict. It is on depreciation that he must concentrate his efforts.

Henry P. Lombardelli, MAI
The Appraisal Journal

ASSEMBLY, NO. 3019

An act concerning municipal officers and amending sections 40:81-11, 40:87-15, 40:125-3, 40:132-3, and 40:158-4 of the Revised Statutes, and P.L. 1980, c. 147.

This bill clarifies that municipal clerks, tax collectors and assessors shall serve uniform terms as specified in Title 40A of the New Jersey Statutes, regardless of the form of government in which they are serving. The terms for other municipal officers may vary depending on the form of government. This bill also clarifies that P.L. 1980, c. 147, providing for a uniform 3-year term for municipal clerks, did not extend the terms of clerks holding office on the effective date of that act (November 22, 1980), but rather applied only to those subsequently appointed to new terms. The bill also deletes references to the borough building inspector, marshal, and superintendent of highways, and "elected" tax collector—terms which are no longer relevant.

ASSEMBLY, NO. 3170

An act concerning exemptions from the tax on real property, and supplementing chapter 4 of Title 54 of the Revised Statutes.

This bill permits a charitable or religious organization which meets all the requirements for a real property tax exemption, to receive an exemption despite its failure to file a timely application. The organization's right to receive a belated exemption would only last for 3 years from the last date on which a timely application for an exemption could have been filed.

Habit is like a rope. We weave a thread of it every day and at last, cannot break it.

TO ALL ASSESSORS

At the Open Executive Board Meeting to be held on June 23, 1981, 7:30 p.m. at the Rutgers Conference, there will be a discussion regarding mandatory attendance at the Assessors Educational program in order to retain the C.T.A. designation. We ask everyone to attend.

Kenneth H. Beck
Secretary

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EXECUTIVE BOARD MEETING



The Executive Board of the Association of Municipal Assessors of New Jersey held a meeting on Thursday, April 16, 1981 at the Squires Pub, West Long Branch, N.J.

The Assessor's Legal Fund Report was submitted by Louis Pisacane. Mr. Pisacane requested funds

for the payment of the transcript of the proceedings for the court hearing for Carlo Alongi. The vote was affirmative on this request. Mr. Pisacane also strongly urged the County Presidents to forward to their assessors the notice that was sent to them on 4/12/81 regarding dues for the Legal Fund.

SENATE BILL 3131—Ed Rosenblum explained the revisions being presented for Senate Bill 3131. This revised bill will be presented to the Legislature for adoption. Senate Bill 3131 will clarify the title of Assessor and Deputy Assessor and will eliminate the Board of Assessors. All rights presently accrued by assessors and board members under Chapter 44, Laws of 1967 will remain. The only dissenting group was Hudson County.

SOUTH RIVER-CARLO ALONGI—South River attempted to reduce the position of Tax Assessor from a full-time position to a part-time position and to reduce the salary for the position. They also wanted to remove the tenure status that had been achieved. Mr. Alongi appealed this decision through the Superior Court of New Jersey. Ed Rosenblum was the Attorney for the Plaintiff-Intervenor. The court decision was as follows:

1. The municipality has the right to reduce the number of hours required if they so desired.
2. However, they could not reduce the salary nor remove the tenure rights already acquired.

This is an unreported case as the decision was rendered from the bench. Lou Pisacane, Chairman of the Codification Committee, will request from the Legal Reporter a copy of the transcript of the proceedings of this case to be put in the Association files.

STATE REQUEST FOR COPY OF MASTER FILES—The State of New Jersey sent a notice to the Assessor of each Municipality requesting a magnetic tape containing a duplicate of their Master File for 1981. Ken Beck verified this request through the Local Property and Public Utility Branch on April 20, 1981.

I.A.A.O. CANDIDATES—Al Greene spoke on behalf of two candidates for the International Association of Assessing Officers:

- (1) Richard A. Chandler, CAE., MAI, Assessor, Richmond, Virginia is running for the Office of President.
- (2) Ian W. McClung, Regional Assessment Commissioner, Ontario Ministry of Revenue, Newmarket, Ontario, Canada, is running for the Office of Vice President.

Both names were unanimously accepted by the Executive Board and the support of New Jersey should go to these two candidates.

CHAPTER 123—Al Greene discussed Chapter 123 and its effects on the property tax shift from commercial to residential properties. There was a meeting with J. Henry Ditmars, Chief, Local Property & Public Utilities Branch; Sam Temkins; James Terhue; Margaret Jeffers and Al Greene in regard to this matter. A report will be submitted to the Association. It was the opinion of the Executive Board that we attempt to negate Chapter 123 as it is not satisfying the intent of eliminating discrimination. Instead it automatically shifts the tax burden from commercial to residential properties. This is especially true when apartment complexes or rent leveling housing are involved.

FREEZE ACT—At the previous Executive Board meeting it was requested that the County Presidents poll their assessors in regard to their opinion of the Freeze Act. The consensus of opinion of all reports filed was as follows:

- (1) The Freeze Act has outlived its usefulness.
- (2) It should not be used in regard to income producing properties.
- (3) The application of the Freeze Act should be referenced in any judgment as to whether it applies for a specific amount of time or whether it applies at all.

There was a motion made by Robert Ebert and duly seconded that the Association go on record to abolish the Freeze Act and attempt to have a bill drawn in this regard. This was unanimously approved by the Executive Board.

COMMITTEE REPORTS:

County Board Commissioners and Tax Administrator—John Gausz made the following report: County Petition of Appeal Forms—Angela Symanski presented the new amended form as approved by the Director. After considerable discussion by the Committee, the appeal form and judgment form are to be recommended to the Director with just two amendments. The Judgment form should read "Memorandum of Judgment". The Appeal Form - Section I should include sales price and date of purchase.

Also, Deputy Attorney General Harry Haushalter stated that all tax map revisions and revaluations are now exempt from the Municipal Caps when approved by a 2/3 majority of the governing body as an "Emergency Appropriation" as per N.J.S.A. 40A:4-53 and N.J.S.A. 40A:4-54.

Reassessment Committee—Claire Young discussed the time and the place for the meeting that Marriott Haines has called in regard to reassessments. She felt that the meeting should be relocated to a more centralized location which would afford a greater number of assessors the opportunity to attend. The Secretary was instructed to send a letter to Mr. Haines requesting such a change.

Pipelines Committee—A meeting was held with the Pipelines Committee and the Local Property Tax Bureau in regard to Pipelines valuation. A new bill is to be introduced

(continued on next page)

MUNICIPAL REVALUATION / ASSESSMENT EQUALIZATION

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concerning this matter and may be ready for review at the Rutgers Conference.

Mobile Homes Committee—The Appraisal Section of the Local Property Tax Division has demonstration appraisals of mobile homes and assessors will be receiving them shortly.

Farmland Committee—It was noted that assessors are not properly processing the forms for the Farmland Assessment. If these forms are not completed properly they will be returned to the Assessor from the Local Property Tax Bureau to be done correctly. The assessors are urged to attend the Farmland session at the Rutgers Conference.

Carolyn Landi reported that there was a Farmland Committee meeting on March 23, 1981. It was the feeling of the Committee members that A.211 is not "dead" and they requested President Anderson go directly to Phil Alampi for written concurrence of A.211 and submission to Wayne Dumont.

50th Anniversary Committee—Any information which could be used for the 50th Anniversary celebration should be sent to Edward J. Burek, CTA, 100 Mt. Laurel Road, Mt. Laurel, N.J. 08054.

Education Committee—The annual Rutgers Conference will be held on June 22 thru June 25, 1981. County Presidents were requested to get a total number of assessors that may possibly be attending the Rutgers Conference this year.

Mandatory attendance at the Rutgers Conference, for the continuance of their C.T.A. was discussed. It was felt that since this affects so many assessors, this topic should be

discussed at the Open Executive Board Meeting at the Rutgers Conference, June 23rd at 7:30 p.m. The Secretary will contact Ray Bodnar and request that he include a notice in regard to this conference in the Rutgers Bulletin. Ken Beck contacted Ray Bodnar on 4/21/81 and was informed by him that the bulletin had already gone to the printers. Therefore, the Secretary requests that the County Presidents so advise their assessors of the discussion of this topic at the June Conference.

The two new courses, Real Property Appraisal III and Property Tax Administration II are still being worked on.

Budget Committee—Joe Crane presented the 1981-1982 Budget. It was moved and seconded that the budget be received and submitted to the Association membership at the Rutgers Conference for their approval.

Pinelands Committee—Walter Kosul, Chairman, requested that the Executive Board support a proposal that any revaluations or reassessments in Municipalities that are affected by Pinelands be postponed for two (2) years. It was moved by Charles Femminella and seconded by Al Greene that the Association support any legislation for this recommendation.

Mayor Lawrence Anzovino, Executive Director of the Mayors Association stated that the Mayor's Association was supportive of this recommendation. He also reported that Mayor Jack Hendrickson, Mayor of Eagleswood Township would probably be able to assist our Association in drawing up any legislation regarding this matter and submitting such legislation to the Pinelands Committee for action.

Kenneth H. Beck
Secretary

Association of Municipal Assessors of New Jersey

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