

# New Jersey



## Assessors



MEMBER  
International Association  
of Assessing Officers

## Bulletin

Vol. 22, No. 2

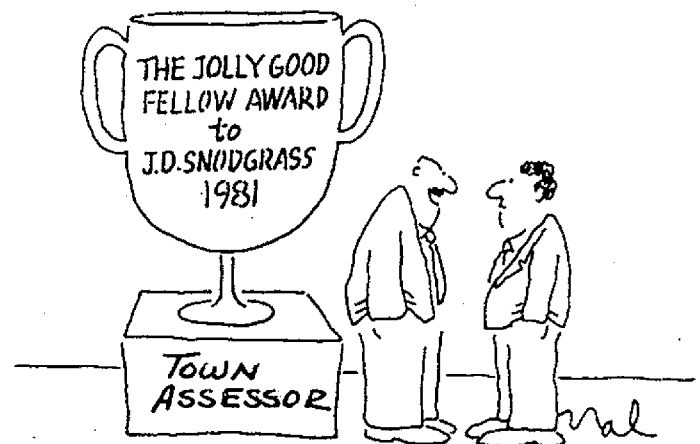
May 1983

### NEW JERSEY ASSESSORS LEGAL FUND GUIDELINES

1. Only paid-up members of the Association of Municipal Assessors of New Jersey are eligible for membership.
2. Assessors representing more than one taxing district must make application and pay dues for each district, or must specify to which district dues shall be applied prior to acceptance for membership.
3. Dues shall be \$10.00 per year for each district covered. Personal checks or money orders only will be accepted.
4. This fund shall operate on a fiscal year basis, July 1 to June 30th.
5. All applications for membership shall be approved by the FUND'S ADVISORY COMMITTEE.
6. There shall be a 90 day waiting period from the time initial applications are received until membership is approved.
7. The purpose of the LEGAL FUND is to assist an Assessor in defraying any legal expenses they may incur in defense of their Assessors position.
8. The maximum amount of money to be allocated for any case shall be \$1,000.00. The ADVISORY COMMITTEE shall have the power to exceed this amount only by a unanimous vote. No payments will be made until the case is completed.
9. To seek aid the Assessor-member must contact their County President or their Tri-County Representative.
10. Applicants shall have the privilege of selecting their own attorney, providing said attorney meets with the approval of the ADVISORY COMMITTEE. The committee has an attorney available that is familiar with the legal rights of the New Jersey Assessors.

11. At the conclusion of the case, the applicant shall turn over to the committee a full report and briefs of any legal proceedings.
12. Re-payment to the FUND must be made by all successful recipients if the recovery is over and above the legal costs expended, plus any loss of salary.
13. There shall be an annual meeting of the New Jersey Assessors Legal Fund. This annual meeting shall be held in June at the Rutgers University, during the Assessors Continuing Education Program.
14. Personal checks or money orders should be sent to the treasurer, made payable to the "NEW JERSEY ASSESSORS—LEGAL FUND".

The reason why worry kills more people than work is that more people worry than work.



"It's a little award I give myself every year just because I deserve it."

## MEMBERSHIP CONTEST

The Membership Committee has announced a New Membership Contest in order to gain additional members for the July 1, 1983 through June 30, 1984 dues period.

Prizes will be awarded at the Annual Meeting in November, 1983 for the single Assessor and the County Association which attains the highest number of points according to the following schedule:

	Points
Regular Member .....	5
Additional Regular Member .....	5
Associate Member .....	2
Affiliate Member .....	15
Ads for Bulletin .....	20
100% dues paid by July 1, 1983 .....	15
(County Association)	

The distribution of points to participants will be at the discretion and decision of the Membership Committee members. It is expected that good judgment will be used in approaching firms for affiliate membership and/or Bulletin ads so that no conflict of interest or question of ethics arises.

Copies of the application for point credit have been distributed to members and additional copies may be reproduced by copy machines as needed. Be sure to notify Joe Crane, Treasurer, for point credit through use of these applications.

The success of increasing our membership is dependent upon the efforts of each of us. Join in and good luck.

Dorothy L. Montag, Chairman  
Membership Committee

## ASSEMBLY, No. 3133

An act concerning filing fees paid in connection with an appeal from an assessment on real property and amending P. L. 1975, c. 361.

Be it enacted by the Senate and General Assembly of the State of New Jersey:

1. Section 2 of P.L. 1975, c. 361 (C. 54:3-27.2) is amended to read as follows:

2. In the event that a taxpayer is successful in an appeal from an assessment on real property, the respective taxing district shall refund any excess taxes paid, together with the interest thereon from the date of payment at a rate of 5% per annum and any filing fee paid by the taxpayer to the county board of taxation or any court in connection with the appeal, within 60 days of the date of final judgment.

2. This act shall take effect immediately.

### STATEMENT

This bill would require a taxing district to refund any filing fees paid by a taxpayer in connection with a successful appeal from an assessment on real property.

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## RECENT JUDICIAL DECISION

Wrightstown Borough vs. Louis E. Medved, Tax Court of New Jersey, Docket No. 03-40057A-81S, September 20, 1982.

Plaintiff, Wrightstown Borough, sought review by the Tax Court of a judgment by the Burlington County Board of Taxation which granted defendant, Louis E. Medved, a 100% exemption from local property taxes on his Wrightstown domicile for the tax year 1981.

The defendant is the surviving husband of a deceased disabled veteran. Mr. Medved applied for total tax exemption for his dwelling house under N.J.S.A. 54:4-3.30(b). On October 12, 1981, the assessor of Wrightstown disallowed the defendant's claim for a tax exemption, reasoning that this statute applied only to widows and not to widowers. The issue was appealed to the Burlington County Board of Taxation, where total tax exemption was granted to the widower of Mrs. Gertrude Medved.

In making its decision, the Tax Court addressed the most pertinent issue: the validity, or constitutionality of N.J.S.A. 54:4-3.30(b). Defendant claimed that he is entitled to relief under the Equal Protection Clause of the Fourteenth Amendment of the United States Constitution, and that the aforementioned statute must be interpreted to include all spouses of qualified disabled veterans, regardless of gender.

The Tax Court ruled that N.J.S.A. 54:4-3.30(b), as well as the 1954 amendment of the New Jersey Constitution (1947), Article VIII, Section I, Paragraph 3, which authorized the enactment of this statute, intended to grant a tax exemption solely to the widow of a disabled veteran. The court held that the language in N.J.S.A. 54:4-3.30(b) is clear and unambiguous. The provision seeks to cushion the financial loss that places a highly disproportionate burden upon widows because of past economic discriminations and, thus, meets the test devised by the United States Supreme Court to justify a gender-based benefit. The Tax Court defended the intent of the statute, maintained that the distinction between widow and widower is valid, and denied the exemption to the applicant.

Man's chief purpose is to live, not exist.

## LEGISLATIVE REPORT



The controversy that surrounds the enactment of Ch. 220, P.L. 1982 will continue to exist unless amendments are made which will eliminate, what I feel is, the unconstitutionality of the law itself. I am still receiving calls from assessors who cite different existing situations occurring in their district which

prevents them from fulfilling their statutorial duties because of this law. They cite instances where new residential properties are developed completely, except for a few optional items like finished driveways, carpeted or finished flooring, painted or wallpapered walls etc. Yet municipal services are available for these new units along with other properties whose taxes are being paid.

Waiting to be signed on the Governor's desk is A-3260 which makes Dec. 29th (the date when Ch. 220 was signed into law) the effective date of the Act. This Bill will permit the inclusion of any partial assessment made on a new residential construction as of Oct. 1st, 1982. It will also allow for the municipalities to include this new construction value under those provisions set forth in Ch. 68. The Assessors' Association welcomes this clarification of the effective date but the Association still does not accept the law as it stands. Assessors in areas where development of new residential units has already begun will be faced with numerous situations brought about by this law. Some of these situations are already mentioned herein. Comparable situations not receiving the benefits of Ch. 220 will surface as a discriminating factor. The Association can only ask that these and any other inequitable situations which surface because of Ch. 220 be brought to the attention of their governing bodies and ask their support in helping the Assessors Association in remedying this situation.

The Ch. 123 committee has been meeting on different occasions during the past few months. The intent of these meetings was to provide the legislature with recommendations that will make Ch. 123 the instrument in tax appeals that it was intended to be. It is a foregone conclusion that the greatest beneficiary of this law or any ratio law prior to the enactment of Ch. 123 is the Class 4 properties. It has been the opinion of many of the assessors that one of the areas requiring the most attention is the non-useable sales categories. Since this is the area that greatly influences the promulgation of the district ratio—it is this area which requires the greatest amount of updating. Bear in mind that these 27 categories have never been revised since 1958. Bear in mind also that these non-useable categories were to be used to help promulgate a sales ratio that was primarily to be used for school aid purposes. This ratio was never intended to be used as a barometer of value for tax appeal purposes.

The Governor has also conditionally vetoed S1612. This bill calls for the creation of a tax study commission to study the state tax structure.

George C. Harraka

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## Chapter 30 Laws of N.J. 1983

Approved 1/26/83

An act temporarily making permissive the implementation of a revaluation of real property in certain cities.

Be it enacted by the Senate and General Assembly of the State of New Jersey:

1. Notwithstanding any provisions of law or any judicial order to the contrary, no city of the first class having a population in excess of 300,000 shall be required to implement a revaluation of real property for the tax years 1983 to 1984, inclusive. The determination of a city not to implement a revaluation pursuant to this act shall not prevent the city from conducting and implementing any partial or complete reassessment of real property in the city during the time covered by the act.

2. This act shall take effect immediately.

### STATEMENT

The purpose of this bill is to temporarily prohibit the implementation of a revaluation of real property in a city of the first class having a population in excess of 300,000 during the tax years 1983 to 1984, inclusive.

## Letters to the Editor

We would like to provide an outlet for the assessors to voice their opinions.

Got a gripe? Got something nice to say?

Drop the Editor a line. Don't write a book but make it short and to the point.

## IAAO NEWS

A new membership requirement approved by the Executive Board of the International Association of Assessing Officers specifies that no one shall be admitted or readmitted to membership in the association if the applicant has been convicted of a felony, or of any other crime reflecting upon the applicant's ability or willingness to comply with the requirements of the IAAO Code of Ethics and Standards of Professional Conduct. This tough new membership requirement will take effect immediately, and it is hoped that the new policy will ensure that individuals admitted to membership are a credit to the association, whose members are always in the public eye and frequently occupy positions of public trust within state and local government.

To enforce the new requirement for membership, all applicants for admission or readmission will be required to state on their membership applications whether they have been convicted of a felony or other crime described above. All applicants for admission or readmission will also be required to submit with their applications certified copies of court documents identifying any crime or crimes for which they have been convicted, thus supporting or refuting the statement they have made about convictions.

The International Association of Assessing Officers is a nonprofit educational organization dedicated to improving property tax assessment and administration. Founded in 1934, the association's membership consists of assessing officers, governmental agencies, and others interested in taxation and assessing.

For further information, write to James F. Gossett, Director of Publications and Association Counsel, IAAO, 1313 East 60th Street, Chicago, IL 60637-9990, or call 312/947-2053.

### Chapter 37 Laws of N.J. 1983

Approved 1/26/83

An act to amend "An act concerning the recording of deeds and other instruments and supplementing chapter 15 of Title 46 of the Revised Statutes," approved February 21, 1969 (P. L. 1968, c. 458).

Be it enacted by the Senate and General Assembly of the State of New Jersey:

1. Section 1 of P. L. 1968, c. 458 (C. 46:15-13) is amended to read as follows:

1. No deed or instrument of the nature or description set forth in R.S. 46:16-1 shall be recorded in the office of any county recording officer unless it shall contain the words "prepared by" followed by the name and signature of the person who prepared or drafted the instrument or another member of his firm or association. Such words and the name and signature of the person who prepared or drafted the instrument or member of his firm or association shall be entered on the first page of the instrument.

2. This act shall take effect 60 days following enactment.

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### ASSESSOR WANTED

**TAX ASSESSOR:** Town of Morristown, 16,600 population, 2.5 Square miles, 5,000 line items. Full time position. Must have CTA. Experience as municipal assessor preferred. Ability to negotiate and defend tax appeals required. Salary negotiable. Send resume by May 1, 1983 to Business Administrator, 110 South Street, Morristown, NJ 07960. Telephone (201) 538-4300. An affirmative action/equal opportunity employer.

### REVALUATIONS, REASSESSMENTS CONTINUE TO INCREASE

A study made of the number of revaluation and reassessment projects in New Jersey during the past sixteen years has shown the cyclical nature of their activity.

Since November 1978, when distribution of the Third Edition of the Real Property Appraisal Manual was begun, personnel from the Appraisal Section have updated residential cost schedules, provided additional cost data and sample demonstration appraisals to increase accuracy and facilitate the assessors' use of the manual.

As more districts begin to consider the advantages of using the new manual in spreading the tax burden equitably within their municipalities, the number of revaluations should continue to rise.

Based on a random sample of one hundred revaluations completed during 1981 and 1982 the average per line item cost was \$26.00. The cost varies, of course, depending upon the predominant type of property in each district.

## ASSEMBLY, No. 3155

An act providing for payment in lieu of taxes to municipalities by the State with respect to certain real property owned by the State, and supplementing Title 54 of the Revised Statutes.

### STATEMENT

This bill would provide for a State contribution in lieu of taxes to each municipality in which there are parcels of State-owned real property, including improvements. Lands subject to the provisions of P.L. 1977, c. 272 (C. 54:4-2.a et seq.), article 1 of chapter 8 of Title 13, or R.S. 54:4-6, or State forests, State parks, and riparian lands are not to be included in the computation of either the assessed value of State-owned parcels or the aggregate area of State-owned parcels.

The amount of the State's annual contribution to each municipality shall be arrived at according to the following formula, where TA means the total assessed valuation of all parcels of State-owned real property in the municipality, TR means the current tax rate for local municipal purposes, MB means the total amount appropriated in the municipal budget, and SMB means the total amount of those appropriations in the municipal budget from which the State-owned real property derives service benefits.

$$\frac{\text{TA} \times \text{TR} \times \frac{\text{SMB}}{\text{MB}}}{\text{SMB}} = \text{State contribution}$$

This bill provides that if the State contribution so calculated is less than \$500.00 no contribution shall be paid.

This bill also provides that if the amount actually appropriated in any calendar year is insufficient to fully fund the State contributions, the amount payable to each qualifying municipality shall be that percentage of its authorized contribution which is equal to that percentage of the total amount of authorized contributions actually appropriated for that year.

The purpose of the bill is to provide for a State contribution in lieu of taxes to certain municipalities wherein the State owns large parcels of tax-exempt land and which shall expend significant amounts in providing service benefits to these State properties without receiving any compensation in the form of tax revenues. This bill provides an equitable formula whereby the State would contribute to these municipalities to help offset these expenditures.

### "OOPS"

In the last issue of the Bulletin we accidentally omitted four names from the S.M.A. listing.

The following should have been included:

Bertram R. Brown	CTF 33
Samuel Katz	CTF 35
Robert J. Cantrell	CTF 37
William T. Lamb	CTF 38

Also, Olaf Forstvedt's name was misspelled. Sorry, Olaf.

## FROM TYPEWRITER TO MOD IV

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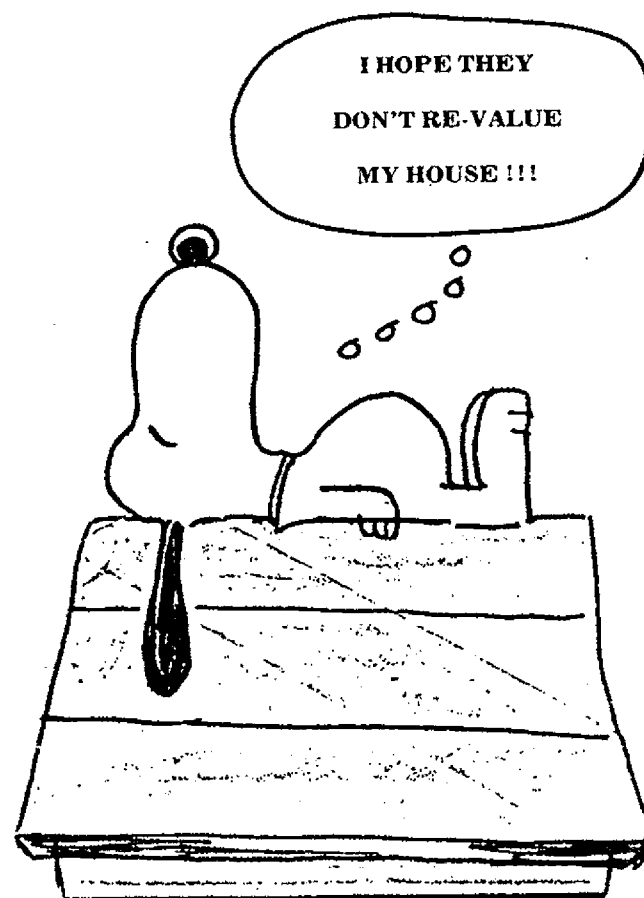
Paramus, New Jersey

201-843-5005

## Senate Concurrent Resolution No. 3011

A concurrent resolution proposing an amendment to paragraph 3 of Section 1 of Article VIII of the Constitution of the State of New Jersey.

At present, Article VIII, Section I, paragraph 3 entitles the widow of a veteran to receive a deduction from the amount of any tax bill for taxes on real or personal property in the sum of \$50.00 upon the death of the veteran so long as the widow remains unmarried and a resident of New Jersey. This legislation proposes an amendment to the State Constitution to extend this same benefit to the widower of a veteran so that all veterans' spouses shall receive a property tax deduction.



## EXECUTIVE MEETING APRIL 14, 1983

### CORRESPONDENCE

A letter was received from Emil E. Gombosi, Acting Chief, Sales Ratio/EDP Section, in reply to our letter of January 28, 1983. Mr. Gombosi stated that the manual for the New Jersey Property Tax System "MOD IV" has been completed and is presently at the printers for reproduction. He also stated that suggestions as to content and format received from tax assessors and other tax administrators have been included in the manual. The EDP Administrative Staff of the Local Property & Public Utility Branch is available to assist individual districts and also conduct "MOD IV" workshop sessions in cooperation with respective County Boards of Taxation.

### PRESIDENTIAL REPORT

President Cross reported that the New Jersey Supreme Court, Tax Court Committee is presently studying the Assessor's role in the Tax Court. President Cross has sent out definitions of market value which should be considered by each assessor and any comment they have should be sent to President Cross for her input.

### ATTORNEY'S REPORT

Whereas Mr. Rosenblum, Association Attorney, was unable to attend the meeting, the following was conveyed by President Cross:

1. The Assessor's Insurance is still under study by the Association Attorney and Lloyds of London.

2. Each County President received a decision in the case between Garrison Etal -vs- Estell Manor city. This decision awards full back pay to an assessor during the time he was wrongfully suspended from his position. County Presidents are to distribute a copy of this case to their assessors.

### COMMITTEE REPORTS

**VICE PRESIDENT IN CHARGE—ROBERT PASTOR**  
**TAX MAP REVISIONS COMMITTEE—Chairman,**  
Charles Shutt

Charles Shutt resigned as Chairman of the Tax Map Revisions Committee. William Birchall was appointed to this position.

**CONSTITUTION & BY-LAWS COMMITTEE—Chairman,**  
James Anderson

A proposed amendment to Article 8, Section 1, Dues, was presented by the committee and was unanimously approved by the Executive Board to be presented to the membership for vote at the June Conference. The amendment reads as follows:

#### Article 8, Section 1—Dues

Annual dues shall be payable by each member in advance. Annual dues shall be determined for the various classes of membership by the Executive Committee following the Budget Committee recommendations and with the approval of the majority of the members present at either

the semi-annual or annual meeting.  
annual meeting.

A second proposed amendment to Article 5, Section 1, Committees, was presented by the committee and reads as follows:

#### Article 5, Section 1—Committees

The President shall appoint legal counsel to represent this Association. Said appointment must be confirmed by Executive Committee (New Amendment)

The above proposed amendment to Article 5, Section 1, Committees, was defeated by a role call vote.

**VICE PRESIDENT IN CHARGE—Charles Grayson**

**MEMBERSHIP COMMITTEE—Chairlady, Dorothy Montag**

At the Executive Board meeting held on January 27, 1983, flyers for the membership contest were given to each County President. Comments for the proposed membership contest were to be sent to Dorothy Montag. To date no comments have been received. Therefore, the Executive Board authorized Dorothy Montag to proceed with the contest as presented.

**PUBLIC RELATIONS AND SPEAKERS BUREAU—Chair-**  
lady, Grace Wolf

The Association will not have a booth at the Atlantic City Conference in November. The Committee will concern itself with publications only.

**VICE PRESIDENT IN CHARGE—James Andrea**

**ADUDIT & BUDGET COMMITTEE—Chairman, Francis**  
Zupko

The proposed budget for 7/1/83 to 6/30/84 was presented by Francis Zupko. Whereas the budget is predicated on anticipated \$35.00 dues and the increase in the dues has not yet been voted on by the membership, the budget was amended to anticipate income based on \$25.00 dues for regular members. (\$16,625 income amended to \$11,875). A new line would be added as additional revenue if the proposed increase in dues is passed. If the Association were to run in the red this year, it would have to use its reserve revenues. A motion was made by Charles Feminella to adopt the amended budget with the previously mentioned recommendation of establishing a new line. The motion was carried and the amended budget was unanimously adopted.

**ASSESSOR'S PLACEMENT COMMITTEE—Chairlady,**  
Dorothy Montag

Vacancies presently exist in the following Townships:

West Milford Township, Passaic County

Bloomfield Township, Essex County

Upper Township, Cape May County

**ATLANTIC CITY CONFERENCE COMMITTEE—Co-**  
chairmen, Charles Fouquet & Lawrence Henbest

The Atlantic City Conference Committee recommended that the Assessors have their base of operation at Harrah's  
(continued next page)

# APPLIED COMPUTER TECHNOLOGY

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## EXECUTIVE COMMITTEE *continued*

Marina Casino Hotel for the 1983 League of Municipalities Conference, as they did in 1982. This motion was unanimously carried.

**VICE PRESIDENT IN CHARGE**—Carolyn Landi  
**EDUCATION COMMITTEE**—Chairman, Joseph Crane

The June Conference for Assessing Officers will be held June 7 thru June 10, 1983.

The first Real Property Appraisal III Course will start on April 25, 1983 and will run for eight weeks, two nights a week. The first course was by invitation only in hope that some of the first persons taking the course will become instructors for future RPA III courses.

**VICE PRESIDENT IN CHARGE**—James Terhune  
**REASSESSMENT/REVALUATION COMMITTEE**—Chairman, Robert Edgar

It is requested that each County President discuss the proposed Reassessment Regulations with their assessors and refer their response to Robert Edgar, 50 Woodland Avenue, PO Box 90, Convent Station, NJ 07961.

**CHAPTER 123 COMMITTEE**—Chairman, Al Greene

A meeting of the Chapter 123 Committee was held for the purpose of providing the legislature with information that would result in the correction of those inequities arising from the use of Chapter 123 in tax appeals. The recommendations derived from the meeting will be put in Resolution form and forwarded to Senator Orechio for possible enactment.

**VICE PRESIDENT IN CHARGE**—Robert Ebert  
**RECERTIFICATION COMMITTEE**—Chairman, Robert Ebert

Robert Ebert presented a proposal for the Recertification Program. A copy of this proposal has been given to each County President for distribution throughout their counties. It is the Committee's wishes that this proposal be studied by all assessors so that we can act on this proposal during the June Conference.

**PRESIDENT IN CHARGE**—Gloria Cross  
**ASSESSOR'S ADVISORY COMMITTEE & LEGAL FUND**—Treasurer, Ralph Todd

A discussion ensued regarding the Assessor's Advisory Committee. It was determined that if an assessor should have a problem in regards to anything contrary to the present law, the problem should be referred to the Attorney General. This action could possibly save further problems and litigation.

**ASSESSOR'S ROLE IN TAX APPEALS**—Chairlady, Sheila O'Keefe

The committee has reviewed the following:

1. Rules governing the Courts of the State of NJ 1983.
2. Rules governing practice in the Tax Court of NJ.
3. New Jersey Administrative Code, Chapter 12A, County Board of Taxation Authority N.J.S.A. 54:3-14.
4. N.J.S.A. 54.
5. Handbook for New Jersey Assessors.
6. Township of Clinton/Vincent Maguire.

## CHAPTER 220—C.O. BILL

Assembly Bill 3260 was signed by the Governor and defines the effective date of Chapter 220 as 12/29/83. Only construction commenced after 12/29/83 is affected by Chapter 220.

## NEW BUSINESS

1. It was recommended that any assessor who is receiving undue harassment has the right to file a complaint to the New Jersey Labor Board which implements fair labor practice laws.

2. Senate Bill 1561 was referred to the Association by Courtney Powell, President of the Middlesex County Assessor's Association. Mr. Powell stated that this is a bill to exempt municipalities from sharing part of the in lieu Fox-Lance tax money received with the rest of the county on special projects as they do at the present. This would therefore create an equalization or ratable loss. The Association will notify the League of Municipalities of this matter.

Kenneth H. Beck  
Secretary

The "buts" in life can be more gruesome and devastating than the "ifs."



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## **ONE MAN'S OPINION**



Senate Bill, Number 3156, was introduced by Senator John Caufield (D-Essex).

It says: "Notwithstanding any provisions of law or any judicial order to the contrary, no revaluation of real property shall be implemented in a municipality which has adopted the Mayor-Council Plan D form of

government, as provided in the "Optional Municipal Charter Law; P.L. 1950, C.210 (C.40:69A-1 et seq.), and which has a population of more than 45,000, but less than 130,000, according to the most recent decennial federal census, for the tax years 1983 to 1984, inclusive."

It appears obvious to me that this bill was introduced to benefit a specific community, which is agreeable, to an extent. In my opinion, legislators are sent to the capitol to protect the interests of their constituents.

However, there is the other side of the coin. The bill states that "no revaluation of real property shall be implemented."

Suppose a municipality has a ratio of 50 percent and wants a revaluation? The town cannot properly and uniformly correct this situation because of the bill.

Further, there is a point more harmful that would put an additional burden on the already overloaded homeowners.

In an instance where a municipality has a low ratio and the large taxpayers win appeals under Chapter 123, the refunds are borne by the rest of the community.

In these inflationary times, it is a rare case when, if corrective measures aren't taken, that the sales ratio doesn't drop between five and ten points from one year to another.

The same big taxpayers could come back the second year and take advantage of the decline in the ratio. Again, the homeowner must pick up the tab. Again, he is hit in the pocketbook.

I repeat, this bill was introduced for a purpose and perhaps it is needed but I think it should be reworded. Perhaps, the ratio should be frozen. Also, let a town have a revaluation if it wants it.

Remember, this is One Man's Opinion.

## **ASSEMBLY, No. 3156**

An act providing for payment in lieu of taxes to municipalities by counties with respect to certain real property owned by the counties, and supplementing Title 54 of the Revised Statutes.

### **STATEMENT**

This bill would provide for a county contribution in lieu of taxes to each municipality in which there are parcels of county-owned real property, including improvements. Educational institutions, county park lands or an institution within the scope of P. L. 1982, c. 36 (C. 54:4-5a et seq.) and P. L. 1982, c. 121 (C.54:4-5b) are not to be included in the computation of either the assessed value of county-owned parcels or the aggregate area of county-owned parcels.

The amount of a county's annual contribution to each municipality shall be arrived at according to the following formula, where TA means the total assessed valuation of all parcels of county-owned real property in the municipality, TR means the current tax rate for local municipal purposes, MB means the total amount of those appropriations in the municipal budget from which the county-owned real property derives service benefits:

$$TA \times TR \times \frac{CMB}{MB} = \text{county contribution}$$

This bill provides that if the county contribution so calculated is less than \$500.00, no contribution shall be paid.

The bill also provides that if the amount actually appropriated in any calendar year is insufficient to fully fund the county contributions, the amount payable to each qualifying municipality shall be that percentage of the total amount of authorized contributions actually appropriated for that year.

The purpose of the bill is to provide for a county contribution in lieu of taxes to certain municipalities wherein the county owns large parcels of tax-exempt land and which shall expend significant amounts in providing service benefits to these county properties without receiving any compensation in the form of tax revenues.

# **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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 Barbara Clark

## **ASSESSOR WANTED**

Tax Assessor, with C.T.A., wanted for Township of Berkeley Heights, Union County.

Population 12,500; Area 6.1 square miles; 4,000 line items.

Part time. Good benefits.

Send resume to James Ignault, Ass't Administrator, Township of Berkeley Heights, 29 Park Avenue, Berkeley Heights, N.J. 07922.

## **ASSEMBLY, No. 3067**

An act to amend "An Act concerning interests in real property and providing for the creation and regulation of condominiums," approved January 7, 1970 (P.L. 1969, c. 257).

Be it enacted by the Senate and General Assembly of the State of New Jersey:

Section 19 of P. L. 1969, c. 257 (C. 46:8B-19) is amended to read as follows:

Taxes, assessments and charges; valuation of units; exemptions or deductions. All property taxes, special assessments and other charges imposed by any taxing authority shall be separately assessed against and collected on each unit as a single parcel, and not on the condominium property as a whole. Such taxes, assessments and charges shall constitute a lien only upon the unit and upon no other portion of the condominium property. All laws authorizing exemptions from taxation or deductions from tax bills shall be applicable to each individual unit to the same extent they are applicable to other separate property.

The total of the assessments for tax purposes against the aggregate of all units constituting the condominium property shall not exceed the assessment which would otherwise have been made against such condominium property as a single parcel had it not been submitted to P. L. 1969, c. 257 (C. 46:8B-1 et seq.)

This act shall take effect immediately.

## **RENT CONTROL**

Apartment house investment returns depend on the ability of rents to increase in line with increases in operating expenses such as fuel costs, maintenance, and taxes. If rents do not increase, returns from investments in apartment houses drop and even become negative. This has a twofold effect: first, landlords take steps to dilute the impact of controls by reducing maintenance expenditures; second, conversion of apartment units to condominium units will be perceived as a way out of rent controls by many hard-pressed landlords.

In any case, it is important for owners to assess adequately the impact of rent control on their investments. Rent control can detract significantly from the profitability of a residential investment. We presently have a situation in Los Angeles in which properties are being bought at high multiples and held during a period of negative cash flow for the first two or three years. The rationale of this, of course, is the belief that rentals will increase sufficiently in future years to justify the investment and that appreciation at the time of sale will be substantial, also justifying the investment. But if rent controls are instituted by local government, rentals may not increase at the anticipated rate; and when multiples drop as they have in other cities, the sell-off may not provide the anticipated appreciation. Therefore, the risk of this governmental action must be weighed in the investment decision.

Harold A. Davidson  
 The Appraisal Journal

## **WANTED**

**ASSISTANT ASSESSOR**—Township of Middletown, 65,000 population; 44 square miles; 22,000 line items. Fulltime position. Must have C.T.A. Salary \$14,658-\$20,252. Send resume to Herbert E. Bradshaw, Township Administrator, 1 Kings Highway, Middletown, NJ 07748.

## Revaluation Firms Must Comply With Statutes, Regulations

In response to a request from the Division of Taxation for advice, the Office of the Attorney General has advised that employment by a municipality of an outside firm or individual to assist an assessor in reassessing all or a portion of properties within a municipality constitutes a revaluation which must be implemented in accordance with statutory and regulatory standards. Under a revaluation arrangement or in the context of municipal reassessment, the appraisal firm would be required to correctly revise property values in accordance with the "fair value" concept of the Local Property Tax Law, according to the Attorney General's written opinion.

"It is clear," the opinion states, "that the Legislature intended that the revaluation standards be complied with irrespective of the technical arrangement under which a municipality employs an outside appraisal firm." The opinion concludes: "You are advised that the employment by a municipality of an individual or firm to assist an assessor in reassessing all or a portion of property within a municipality constitutes a valuation or a revaluation of property within the meaning of N.J.S.A. 54:35.35 and 35.36. Such employment, thus, requires full compliance with the revaluation standards adopted under N.J.A.C. 18:12-4.1 et seq."

The man who desires to improve a human being must begin by appreciating him.

## ASSEMBLY, No. 3249

Be it enacted by the Senate and General Assembly of the State of New Jersey:

1. State aid for education paid to local school districts pursuant to section 18 of P. L. 1975, c. 212 (C. 18A:7A-18) shall not be reduced in any one year as the result of a revaluation to an amount less than the amount determined by multiplying the amount of State aid for education received by the district in the prebudget year by the result obtained by dividing the number of pupils in resident enrollment in the district in the prebudget year by the number of pupils in resident enrollment in the district in the year prior to the prebudget year.

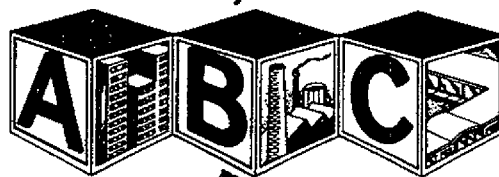
2. This act shall take effect immediately and apply to the 1983-84 school year and thereafter.

### STATEMENT

This bill provides that no school district will receive less State aid in any one year as the result of a revaluation than a percentage of the previous year's State aid equal to the percentage of decline in student enrollment in the district.

This will prevent any sudden major reduction in school aid in a single year as the result of a revaluation with the resultant significant impact on local property taxes. It also has the advantage of having any decrease in State aid entitlement directly related to student enrollment.

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## SENATE, No. 3181

An act concerning taxation.

Be it enacted by the Senate and General Assembly of the State of New Jersey:

1. For the purpose of calculating State aid to education pursuant to section 18 of P.L. 1975, c.212(C. 18A:7A-18) for the 1983-1984 school year and apportioning the amount to be raised by taxation for school purposes in each constituent district of a regional school district, the Director of the Division of Taxation shall correct the 1982 certified equalized valuation table for a township provided that:

a. The township is a constituent district of an all purpose regional school district consisting of two constituent districts located in different counties; and,

b. On or before October 4, 1982 a county board of taxation has rendered a judgment to correct assessments imposed by error in the township.

The correction in the certified equalized valuation table shall be made in accordance with that judgment.

2. This act shall take effect immediately.

### STATEMENT

This bill requires the Director of the Division of Taxation to correct the 1982 Certification Table of Equalized Valuations in the event that a county board of taxation has certified that the original assessment was erroneous.

The correction would be for the purposes of determining State aid to education and the apportionment of costs in an all purpose regional school district.

## FISCAL NOTE TO ASSEMBLY, No. 672

DATED: SEPTEMBER 9, 1982

Assembly Bill No. 672, of 1982, would provide that municipalities may offer tax incentives to stimulate conversions of certain unutilized buildings, unutilized school buildings now included along with industrial properties, to viable multiple dwelling use. These buildings must be located in areas designated by the municipality.

The Department of Community Affairs indicates that (a) this bill will have no impact on State funds, and (b) that no fiscal estimate is determinable.

If such a conversion project would have been undertaken due to the incentive of property tax abatement/exemption, the municipality would be sacrificing "fair share" taxation in return for social or community benefits that might have resulted anyway. If no incentive meant no conversion project, there is no true loss, and no promise of future tax base enhancement as well as social and community benefits.

On the basis that the property tax is a residual tax, cost considerations must relate to the resulting distribution of the tax burden and the equity thereof caused by exempting the project from taxation, and how those results compare to social and community benefits derived from the project.

The Treasury's Division of Budget and Accounting notes that there may be some impact on revenues to local governments. Initially, there may be a loss, but continued development in these areas may ultimately create additional property tax revenues.

The Office of Legislative Services concurs.

In compliance with written request received, there is hereby submitted a fiscal estimate for the above bill, pursuant to P.L. 1980, c. 67

## P.L. 1981, CHAPTER 539

Approved 1/12/82

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

Be it enacted by the Senate and General Assembly of the State of New Jersey:

1. The governing body of each municipality, by resolution, or ordinance, may, upon a showing of good cause as to why a timely claim was not filed, return all taxes collected on property owned by one or more associations or corporations organized exclusively for charitable or religious purposes, which would have been exempt pursuant to R. S. 54:4-3.6 had timely claim been made therefor; provided, however, that no refund shall be made if more than 3 years have passed since the last date for filing a timely application. No interest shall be paid by the municipality on any refund made pursuant to this section.

2. This act shall take effect immediately.

## Local Property Tax—Veterans Organization—Exemption

Where Veterans of Foreign Wars Organization leased a portion of exempt building used by it to three commercial pursuits, tax court held that the veterans' exemption statute, N.J.S.A. 54:4-3.5, permitted veterans' organizations to lease portions of the property, but the leased portion of the property was not entitled to exemption. The portion of the property used for veterans purposes continued to be exempt.

IAAO's Research and Technical Services Department announces the publication and distribution to subscribers of the second issue of the second volume of its Assessor's Data Exchange (ADE).

In its second year ADE continues to provide reports of sales and new construction of the business properties that most assessors must appraise. These are the commercial buildings, industrial buildings, warehouses, shopping centers, parcels of vacant land, and income-producing residences that are common across the United States and Canada, but that are rarely sold. ADE provides a desk-top file of comparable sales and costs of construction for these properties.

The new issue of ADE reflects the state of the real estate market, with reports of auction sales of property by bankrupt and troubled companies, and of property that sells for less than its appraised value. The ADE statistical section has a sharper, cleaner appearance which IAAO's new computer printer makes possible.

The new newsletter is entirely devoted to construction costs, with reports for office buildings, special-purpose buildings, multifamily residences, wastewater treatment plants, libraries, and a railroad bridge. These real property improvements were chosen in response to inquiries from subscribers.

ADE puts valuable information in the hands of its subscribing assessors, appraisers, and brokers at low cost. For details, call Bob Clatanoff at (312) 947-2054, or write to him at IAAO, 1313 E. 60th Street, Chicago, IL 60637.

It is not really much more difficult to appraise large industrial plants than many smaller industrial properties, but the former do require concentration on the factors that must be recognized as different, or at least different to a degree, because of size alone. Size is a factor of not only the property itself, but also may be related to the locational characteristics. Although important in all market value studies, it becomes even more important because of the narrow market for large plants to hypothesize the most likely type or types of buyers and make a careful analysis of value factors from their standpoint. However, it takes both a buyer and a seller to make a market transaction. A careful analysis of the seller and his alternatives, including demolition, thus also is important.

John P. Dolman The Appraisal Journal

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### **John Baldwin Appointed Acting Director as of March 1**

John R. Baldwin, Assistant Director, Processing and Administration, Division of Taxation, has been appointed Acting Director of the Division as of March 1, 1983.

Mr. Baldwin began his career in New Jersey government in 1960 with the Local Property Tax Bureau. In 1966, he was one of a few tax officials asked to organize the Sales Tax Bureau. He also had a key role in implementing the State's Income Tax and Homestead Rebate programs in 1976. In 1978 he became Assistant Director of the Division of Taxation, and has been responsible for the Division's budget and administrative functions.

We wish Mr. Baldwin much continued success.

### **SENATE, No. 3107**

An act concerning certain members of county boards of taxation and supplementing chapter 3 of Title 54 of the Revised Statutes.

This bill provides that those county tax board members, who were appointed after the effective date of the law extending the time for proof of tax assessment training for certain members, but before the law "grandfathering" certain board members based on long term service, have until January 15, 1984, to provide proof of training required by law.

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