

New Jersey



Assessors

Bulletin



MEMBER
International Association
of Assessing Officers

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PRESIDENT'S MESSAGE



It is with great honor and privilege that I assume the office of President of the Association of Municipal Assessors of New Jersey.

I am aware of the responsibilities and problems of the office and I know it will not be easy to follow in the footsteps

of the past Presidents who have done so much for the Association of New Jersey.

Every President has goals. I have many, but the most important goal is co-operation. We must work with the legislature, the Division of Taxation, the League of Municipalities and other associations to protect the assessor and improve his image.

The association must look out for and protect the office of assessor. We must protect our members in the performance of their duties from outsiders looking for headlines.

The establishment of a Property Tax Study Commission needs the input of assessors. I will be appointing a committee to give recommendations to the study commission.

There will be some changes in committee chairmen and members. I feel the changes will give the association new blood and new life.

We must have an open line of communication in order to accomplish our goals. Please call me anytime with any suggestion you may have.

Stephen J. Kessler

LOOKING BACK

GLORIA A. CROSS, PAST PRESIDENT



While I prefer to look ahead there are times we must look back to examine what we have done to determine what we still need to do.

The past two years of my administration have been eventful years, full of vigorous anticipation of improving the

image and role of professionalism of the assessor.

Changes in the procedure of election of officers necessitated a change in the by-laws, with one major change; the election of the tri-county Vice President by their respective tri-county only. The by-laws as amended were printed and distributed to all dues paying members.

Educational programs for the Rutgers Conference and Atlantic City Conference were of top notch quality, utilizing the experts in the field of appraisal.

In 1982 we marked our 50th Anniversary as an association and in 1983 we witnessed the retirement of J. Henry Ditmars and Sidney Glaser.

Re-Certification was a game we played but never completed. Nevertheless, it is still an important issue that goes hand in hand with regionalization. Resolving these two issues will involve the collective cooperation of all the members of our association.

A sincere study of the legal fund was undertaken
(continued on next page)

(continued from page 1)

only to find that the aid administered by the fund is sometimes inequitable. The need for a self-insured-type program may be the answer. Cases involving assessor's legal rights and harassment by municipalities in the past year has risen significantly.

Association counsel Edward Rosenblum was vigorously involved in all the cases.

A meaningful case initiated by our Association was the action on Chapter 220, P.L. 1982 (C.O. Bill). Oral arguments were presented and is currently pending a decision from the Superior Court. For the first time our association in conjunction with the League of Municipalities filed suit against the Attorney General.

A strict line of communication was maintained by the State Association with the County Associations. New lines of communications were opened with other municipal organizations. Joint meetings were held with Code Enforcement officials, Tax Collectors, Finance officers, and Township Administrators.

We've come a long way, but we still have a long struggle ahead to resolve some of our unfinished business. The time has come to put petty political differences behind us and work for our common goal which is the right to perform our duties in a professional manner without duress from within or without our association.

I wish to take this opportunity to thank, Sam Tempkin, Sid Glaser, J. Henry Ditmars, John Baldwin and Edward Rosenblum for their diligent co-operation and for keeping me advised of all the important issues. Also, my Executive Board, County Presidents and Committee Chairmen, who really are the backbone and workers that make our association the most respected in the state.

To Steve Kessler, our new president, I wish success in the coming year and pledge my continued support.

Valuation and Discrimination of Garden Apartment Assessment—Brick Associates v. Township of Brick 4 NJ 510 (Tax Court of New Jersey, August 5, 1982). The Tax Court affirmed the County Tax Board's assessment of the garden apartment complex for the tax year 1978 because the presumption of the correctness of the county board judgment was not overcome by sufficient evidence. The building residual method in the income approach used by plaintiff's expert was rejected because there was no support or basis for the land value used.

TAX ASSESSOR CERTIFICATES

SEPTEMBER EXAM RESULTS

Eighteen persons qualified to become municipal tax assessors by passing an examination held on September 24, 1983.

Fifty-nine persons took the six-hour examination which was held simultaneously at three locations in the State.

Those who received passing grades are as follows:

BERGEN COUNTY: Frank A. Buono, Jr., Hackensack City; August R. Caiazzo, Wyckoff Township.

BURLINGTON COUNTY: Carol A. Kerr, Medford Township.

CAMDEN COUNTY: Benj. G. Vukicevich, Stratford Borough; Robert J. Frye, Stratford Borough.

CAPE MAY COUNTY: Linda E. Mazurie, Sea Isle City; Bertha K. Aspenberg, Upper Township.

GLOUCESTER COUNTY: Paula J. Etschman, Monroe Township.

HUDSON COUNTY: Barry J. Polayes, Hoboken City.

MERCER COUNTY: Edwin F. Kay, Trenton City.

MIDDLESEX COUNTY: Joseph J. Kupsch, Jr., Sayreville Borough; Geoffrey S. Fleming, Woodbridge Township.

OCEAN COUNTY: Dennis A. Raftery, Brick Township.

PASSAIC COUNTY: Clyde R. Sherrow, Jr., Clifton city.

SOMERSET COUNTY: Pamela B. Pinto, Bridgewater Township.

SUSSEX COUNTY: Jeffry C. McNeice, Town of Newton; Darlene H. Keeler, Sussex Borough.

UNION COUNTY: Timothy G. Hoffman, Westfield Town.

SENATE, NO. 3107

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

1. Notwithstanding any provisions of R. S. 54:3-2 to the contrary, a member of a county board of taxation who was appointed after the effective date of P. L. 1981, c. 192 and not later than one month following the effective date of P. L. 1981, c. 516, shall furnish proof that he has received certificates indicating satisfactory completion of training courses designate in section 4 of P.L. 1967, c. 44 (C. 54:1-35.28) or that he possesses an assessor's certificate issued pursuant to P. L. 1967, c. 44, by January 15, 1984.

2. This act shall take effect immediately.

LEGISLATIVE NEWS

On January 10th the 200th Legislature became history and immediately after the noon adjournment, the newly elected members of the 201st Legislature began their order of business.



Regarding Property Tax Laws, the record of the 200th Legislature was quite acceptable as far as changes in current tax laws are concerned. Excluding Ch. 220, P.L. 1982 which was the C. O. Occupancy law and Ch. 258 P.L. 1983, the deletion of County tax on abated property, property tax laws were not radically changed.

If I were permitted to offer some comments on the above newly enacted laws, I feel that if Municipal government interjected themselves more strongly in their efforts in opposing these certain types of legislation, passage of them would have been more difficult. Since both of these laws greatly effect the municipality's main source of revenue, their effort to prevent that loss of revenue should have been greater. I do know that the Assessor's Association, the League of Municipalities and some County Tax Board Associations came out strongly against one or both of these bills. But, to no avail.

However, some beneficial legislation did pass. The main one being S.J.R. 13 which became P.R. 3. This law calls for the formation of a Property Tax Commission to review all Property Tax and other tax laws with the intent of providing recommendations to the Governor and the legislature on how our tax laws can be made more equitable. In the past, at various assessor or legislative functions, conferences, or seminars, I have heard so many times, over and over, the many inequities in our property tax laws, rules and regulations. I've heard assessors say "we should do this, or we should do that" or "why aren't the regulations changed to read this way?". All these remarks are valid since they relate to certain individual taxing districts. What is indirectly being said here is that all taxing districts are alike where the current laws and rules and regulations can equitably prevail. Well, the P.R. 3 Commission will be the place where all these inequities can be presented for review. In the past I've urged Assessors to participate and, again in the future, I am urging the Assessor to participate. I do know that the President and the Executive Board of the Assessor's Association will be providing as much input as they can possibly gather. A good example of the difference in taxing districts is the recently enacted Mobile Home Law (Ch. 400, P.L. 1983).

This bill with its companion legislation was a

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new proposal altogether because the previously enacted law was too general and did not deal with certain specifics found in different municipalities because of their municipal ordinances.

This new law amends Ch. 385, P.L. 1981 and with Ch. 399 & 386 387-388, P.L. 1983, it is hoped that the law will equitably deal with the Mobile Home situation.

The new legislative committee for the Assessor's Association is in the process of being formed by the President. Upon completion, a reorganization meeting will be held to review the Association's future direction as far as Property Tax laws are concerned. I do feel that, because of the P.R. 3 Commission, this 201st Legislature will provide the availability for discussion of the many requests for certain changes in Property Tax Administration.

George C. Harraka, Chairman

Blighted Areas—When property is declared a blighted area pursuant to the Blighted Area Act, N.J.S.A. 40:55-21.1 et seq., there is no exemption from or abatement of real estate taxes; owner is responsible for taxes until the filing or the declaration of taking pursuant to N.J.S.A. 20:3-17. *Brick Stores, Inc. and Estate of Philip J. Levin v. Bridge-water Tp.-3 N.J. Tax 412 (Tax Court of New Jersey, June 22, 1982).*

SPECIAL PURPOSE PROPERTIES— REDEFINITION



Last month's column analyzed the precedent setting opinion of Judge Milmed of the Appellate Division in *First Real Estate Investment Trust v. Hasbrouck Heights*, 190 N.J. Super 85. In *Simmons Co. vs. City of Linden*, 190 N.J. Super 448, Judge Milmed's panel has again radically reshaped property tax law. The subject of the appeal was an industrial complex comprising 33 buildings having a gross area of 936,300 square feet located on approximately 40 acres of land erected over the period from the early 1900's to the late 1960's. The complex has been used by Simmons for the manufacture of mattresses since approximately 1917.

The appraisal expert who testified on behalf of the City opined that the highest and best use of the property was for a single user operation which would take maximum advantage of the entire property as a manufacturing and warehousing plant and the availability of processed steam. Of critical significance, however, neither expert characterized the property as special purpose in nature.

Notwithstanding, the Appellate Division held that "from all of the proofs it is obvious that the industrial complex at the site used as a mattress manufacturing center is special purpose in nature." p.450. As a result, the court relying on *The Anaconda Co. v. Perth Amboy*, 157 N.J. Super, 42, 46 (App. Div. 1978), concluded "that the only proper appraisal approach for evaluating it was the cost approach," at p. 450. The court also cited the *Appraisal of Real Estate* published by the American Institute of Real Estate Appraisers, 7 ed. 1978, which states at p. 264: "A significant use of the cost approach is in the valuation of public buildings or certain types of special use properties for which rental or sales market data is limited." The 8th edition of that same text, however, states at p. 237: "The architecture of special purpose buildings tends to limit them to a single use . . . special purpose structures include churches, synagogues, theatres, sports arenas and other types of auditoriums."

In essence, our Appellate Division has adopted in *Simmons* a hybrid "use value" theory which emphasizes the peculiar value of the subject facility to the Simmons Company utilized in its entirety as a mattress manufacturing facility.

"Many real properties have a use value and a market value. An old-fashioned factory still in use by the original firm, for example, may have con-

siderable use value to that firm, but only a nominal market value for another use." The *Appraisal of Real Estate* at p. 36.

Simply put, if a hypothetical purchaser existed for the Simmons facility, whose purpose was to utilize it in precisely the same manner as Simmons has, i.e. for the manufacture of mattresses, then at least in theory the use value and market value may coincide. If, on the other hand, an analysis of the marketplace reveals that this property, if exposed for sale, would most likely be relegated to an inferior use a multi-tenanted industrial facility, then its "market value" would be significantly lower than its "use value" to Simmons.

To the extent that the Appellate Division ruling has endorsed "use value" in the context of a real property tax appeal, this decision represents a radical transformation of real property tax law which, in all probability, will be the subject of further controversy. However, at present, those assessors faced with the difficult task of defending a tax appeal on an older industrial/manufacturing facility may find the Simmons case to be the only viable defense on the issue of valuation.

Edward G. Rosenblum

SENATE, NO. 3732

An act to amend "An act relating to the valuation and revaluation of real property for assessment purposes, providing for the establishment of standards to be used by, and qualifications of, persons engaged in such business and requiring review and approval of municipal contracts for such services," approved February 1, 1972 (P. L. 1971, c. 424).

Section 2 of P. L. 1971, c. 424 (C. 54:1-35.36) is amended to read as follows:

2. Any municipality proposing to contract for a valuation or revaluation of all or designated portions of the real property in the municipality shall submit the proposed contract to the Director of the Division of Taxation for his review and approval and accord with the standards for such work established by him and for a determination that the proposed contractor meets the prescribed qualifications. No proposed contract, however, shall be approved by the director unless it contains a provision that the contractor shall, upon completion of each property inspection, give to the owner of the property a copy of the information upon which the assessment calculations for the property will be made, or shall mail to the owner of the property a copy of that information within three days of the completion of the inspection of the property if the owner was not present when the inspection was completed. The director shall take action on the proposed contract within 30 days of its submission.

ASSEMBLY, NO. 4005

An act to provide for a State of New Jersey limited constitutional tax convention to consider proposals for the proper allocation of services between the State and its local units of government and for revision of the tax structure of State and local governments and to make legislative and constitutional recommendations, and making an appropriation therefor.

WHEREAS, All political power is inherent in the people, for whose benefit, protection and security government is instituted; and

WHEREAS, There is a need to periodically review which governmental services can most effectively and efficiently be performed by the State or the local units of government; and

WHEREAS, The present taxes on the State and local levels result in the raising of essential revenue in a manner which is inequitable to many of the State's citizens and business concerns; and

WHEREAS, A disproportionate part of the tax burden is being raised by real property taxation, creating a hardship on many homeowners; and

WHEREAS, The method of taxation has maximum impact on the lives of the people of New Jersey; and

WHEREAS, There is an obvious discrepancy between the various taxing districts in terms of their costs of government and their abilities to meet these costs; and

WHEREAS, The right to make a fundamental change in the State's tax structure properly belongs to the people in whom are inherent all political powers; and

WHEREAS, The people can be most effectively represented through the convening of a State tax convention which can make appropriate recommendations to the Governor and the Legislature; and

WHEREAS, The people, in the exercise of their sovereign power, may commit their delegates in a constituent assembly to a binding restriction on the scope and subject matter of a constitutional convention; now, therefore,

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

1. A constitutional convention, comprised of delegates elected from the several counties and others duly appointed as herein provided, shall convene at Rutgers, the State University, in New Brunswick or Piscataway on July 9, 1984, at 10 a.m., or as soon thereafter as a quorum shall be present.

2. The State tax convention shall consider proposals to revise and amend the provisions of the present Constitution relating to taxation and finance and the provisions of State law concerning the raising of

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revenue and the expenditure thereof and all other provisions necessary and proper thereto and shall prepare any revisions, amendments and changes to the present Constitution or existing State laws as may be necessary to carry out the purpose of the convention and shall submit the revisions, amendments and changes to the Governor and Legislature on or before September 15, 1984.

The purpose of this convention shall be to consider revisions in the existing tax structure that will provide relief to homeowners and to insure a more equitable distribution of the necessary tax burden among individuals as well as governmental subdivisions. Consideration shall also be given to present methods for distribution or expenditure of revenue to the extent that changes in present arrangements can contribute to a more equitable result for the citizens of this State and the governmental agencies which are responsible for serving them.

The constitutional convention shall consider revisions and amendments of the present Constitution relating to State taxation and finance and local taxation and finance, and shall provide for submission thereof at the general election to be held on November 6, 1984, for approval or for rejection by the legal voters, either as a whole or in any parts and with any alternatives as the convention may deem desirable.

Nothing is so good as it seems beforehand.

Association of Municipal Assessors of New Jersey

NEW JERSEY ASSESSORS BULLETIN

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ASSEMBLY, NO. 4024

An act concerning the revaluation of real property in certain municipalities and amending P.L. 1983, c. 202.

1. Section 1 of P.L. 1983, c. 202 is amended to read as follows:

1. Notwithstanding any provisions of law or any judicial order to the contrary, no city of the fourth class having a population in excess of 40,000, according to the latest federal decennial census, shall be required to implement a revaluation of real property for the 1983 and 1984 tax years. 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.

Senate Joint Resolution No. 3030

A joint resolution extending the period of time within which the Property Tax Assessment Study Commission, created by Joint Resolution No. 3 of 1983, shall report its findings and recommendations.

1. The period of time within which the Property Tax Assessment Study Commission, created by Joint Resolution No. 3 of 1983, shall report its finding and recommendations is extended to 18 months from the date of approval of Joint Resolution No. 3 of 1983.

2. This joint resolution shall take effect immediately and be retroactive to January 26, 1984.

STATEMENT

This joint resolution would provide the Property Tax Assessment Study Commission, created by Joint Resolution No. 3 of 1983, with an additional six months within which to report its findings and recommendations to the Governor and the Legislature.

SENATE, NO. 3438

An act concerning the administration of the oaths of office and allegiance and amending R. S. 41:2-10.

R.S. 41:2-10 is amended to read as follows:

41:2-10. The Chief Justice of the Supreme Court, any associate justice thereof, any judge of the Superior Court or judge of the tax court may administer the oaths of office and of allegiance to any person appointed to the office of Clerk of the Supreme Court, Clerk of the Superior Court, Secretary of State or Attorney General or to any other office as to which no other provision is made by law.

This act shall take effect immediately.

The purpose of this bill is to authorize a judge of the tax court to administer an oath of office or allegiance, or both, to a person appointed to the office of the Clerk of the Supreme or Superior Court, the Secretary of State, the Attorney General or any other office if the law does not otherwise provide for the administration of the required oaths for that office.

EDISON WINS APPEALS

When Edison's revaluation went into effect this year, homeowners complained that the industrial properties did not increase in proportion to their assessments.

The township then filed 82 tax appeals to the Middlesex County Board of Taxation in an effort to raise industrial assessments by about \$90 million.

The Board's decisions netted the township an increase of \$52 million and the question now is whether Edison will go to the Tax Court to get additional ratables.

In most cases, the county board agreed with Edison that the appraisal firm allotted too much depreciation on the industrial buildings.



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SENATE, NO. 3666

An act concerning the requirement of ownership of dwelling houses by certain disabled veterans and amending P. L. 1948, c. 259.

1. Section 4 of P. L. 1948, c. 259 (C. 54:4-3.33) is amended to read as follows:

4. "Dwelling house," as used in this act, shall mean any one-family building or structure or any unit of a horizontal property regime established pursuant to the "Horizontal Property Act," P.L. 1963, C. 168 (C.46::8A-1 et seq.) or any unit of a condominium property established pursuant to the "Condominium Act," P.L. 1969, c. 257 (C. 46:8B-1 et seq.) owned and occupied by a claimant as his legal residence in this State, or where a multiple-family building or structure is owned by a claimant, then that portion thereof which is occupied by the claimant as his legal residence in this State, and includes any outhouses or appurtenances belonging thereto or usually enjoyed therewith. For the purposes of P.L. 1948, c. 259 (C. 54:4-3.30 et seq.), the requirement of ownership shall be satisfied by the holding of a beneficial interest in the dwelling house where legal title thereto is held by another who retains a security interest in the dwelling house.

2. This act shall take effect immediately.

STATEMENT

The purpose of this bill is to clarify the definition of "owner" in order to make clear that certain disabled veterans, who otherwise meet the requirements, are eligible to claim an exemption of their dwelling houses from taxation. Under such installment contract purchases as those arranged through the Veterans Administration, title is offered only when the entire indebtedness is paid in full.

SENIOR EXEMPTION FOR VETS

Assemblyman Thomas Paterniti (D-Mdlx) introduced a bill that would permit veterans to also

qualify for the \$250 annual deduction that is now available to Senior Citizens.

At present, veterans get a \$50 deduction but must give it up upon reaching age 65 if he qualifies for the larger amount.

Paterniti would allow the veteran to keep his \$50 deduction and also get the \$250 at age 65 if he met all the conditions that presently exist for homeowners, 65 years of age or older.

The State Constitution now says that the senior citizen or disabled person deduction not be granted to any other tax deduction.

A Constitutional amendment must be placed on the ballot and approved by the voters to make a change.

WHAT TAX IS FAIREST OF THEM ALL?

According to the Advisory Commission on Intergovernmental Relations, which conducted a survey on the subject in May 1983, taxpayers in the United States consider state income and sales taxes "fairer" than local property taxes or the federal income tax. When asked which tax was the worst—that is, the least fair—only 11 percent of respondents chose the state income tax and 13 percent chose the state sales tax. The federal income tax was chosen worst by 35 percent of the respondents, beating out the property tax, which was chosen by 26 percent of those responding.

While rated among the least fair taxes, the property tax posted a 4-percent increase in popularity over the 30-percent rating it received in a similar ACIR poll taken in May 1982. This was the greatest change in the current survey results when compared with the results of the 1982 survey, and the property tax rating for 1983 compares very favorably with the figures obtained in the first ACIR survey, taken in 1972. At that time, the local property tax was named the worst tax by 45 percent of the respondents and easily won the "least fair" tax title.

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ASSESSORS GENERAL MEETING NOVEMBER 16, 1983

PRESIDENTIAL REPORT



1. It was moved by John Gausz and seconded by Sheila O'Keefe to pay Edward Rosenblum \$1,500 for his services in the Hillsboro case. This case involved a referendum on the ballot to deny fourteen Department Heads, which included the Tax Assessor, a raise in salary when seventy-three other persons had been approved for raises. The case had been referred to the Tax Court, however, and since the referendum was defeated the case became mute and was abandoned. George Harraka questioned why the Attorney General did not defend us as prescribed in S.3131. It was explained by Mr. Rosenblum that this case was in a gray area because the assessor was not singled out as the only person not receiving a raise, therefore the Attorney General would not get involved.

2. President Cross instructed Francis Zupko and the Auditing Committee to audit the Treasurer's books. Mr. Zupko reported that this would be done prior to the next Executive Board meeting and a report will be submitted.

3. Recertification—At the last Executive Board meeting it was decided that President Cross and President-Elect Kessler would meet with the Director in regard to Recertification of Assessors. However, due to the shortness in time, this meeting was not held.

4. Edward Rosenblum elaborated on the Assessor's Insurance to the General Membership. He had previously reported on this at the last Executive Board meeting. He recommended that the first \$25,000 be paid by the Association and the Insurance Company would pick up the balance of the cost. The \$25,000 is a total amount to be paid by the Association for any number of cases within a one year period. Mr. Rosenblum recommended that this \$25,000 be raised by dues or a special assessment.

He also stated that the Association would have to maintain a \$25,000 balance in this account. (Example: If during one year \$10,000 was expended, the Association would have to raise \$10,000 for the next year). If this insurance program is further explored and implemented, it should be noted that there is a good chance that dues would be a different amount each year.

COMMITTEE REPORTS

ELECTION COMMITTEE—Chairwoman, Carolyn Landi

Carolyn Landi reported that the run-off election for Vice President in the Tri-County of Mercer, Middlesex, and Somerset was won by Thomas R. Lawrence, Assessor of Monroe Township.

There was no election required for the other two Vice-Presidential positions and the position of Sergeant-at-Arms, as there was no opposition for these positions.

EDUCATION COMMITTEE—Chairman, Joseph Crane

Planning for the Rutgers Conference is presently underway. The Real Property III Course will be given in the Spring of 1984.

LEGISLATIVE COMMITTEE—Co-chairmen—George Harraka & Stephen Kessler

Mr. Harraka reported that the Mobile Home Bill is on the Governor's desk for his signature, but there is a problem with a companion bill and if this problem cannot be resolved, the Mobile Home Bill will not be signed.

S.3714, Senator Lynch's bill, was signed into law by the Governor. This bill eliminates a Municipality from paying county taxes on any property that they have in their municipality that comes under the provisions of Fox-Lance and in doing so it shifts the tax burden to the other Municipalities. It should be noted that the State Association opposed this bill.

Edward Rosenblum reported on the Troy-Village vs. Springfield Township Case. In this case the Freeze Act applied to Condominium Conversions; i.e. a Garden Apartment appealed and was granted a reduction and then converted to a condominium complex and the freeze was granted to the

(continued on next page)

condominium complex. In order to reverse the Freeze Act, the Municipality would have to file an appeal, prior to August 15th of the Tax Year, to have the County Tax Board lift the Freeze.

S. JR13 was signed into law, which provides for a commission to review the New Jersey Tax Laws.

At 11:45 a.m., President Cross called for a recess of the Executive Board Meeting so that members could attend the S.M.A. Luncheon. The Guest Speaker for the luncheon was John Baldwin, Director of the Division of Taxation.

After the S.M.A. Luncheon, the Executive Board Meeting was reconvened and the following officers were sworn in by President Cross:

Robert Ebert—Vice-President for the Tri-County of Essex, Union & Morris

Joyce Jones—Vice-President for the Tri-County of Monmouth, Ocean & Burlington

Thomas Lawrence—Vice-President for the Tri-County of Somerset, Mercer & Middlesex

Walter Kosul—Sergeant-at-Arms

The new Association President, Stephen Kessler, was sworn in by Mayor Dominick Maiese, Mayor of Winslow Township. Gloria Cross then presented Mr. Kessler with the President's Gavel.

The following awards and certificates were presented:

PRESIDENTIAL CITATIONS—Presented by Gloria Cross

Kenneth H. Beck, Tax Assessor, Dover Township, Ocean County

Robert Ebert, Tax Assessor, Glen Ridge Boro, Essex County

Lawrence Henbest, Deputy Tax Assessor, Dover Township, Ocean County

Raymond Bodnar, Chairman, Department of Government Services

Tom Hellekson, President, Vital Computer Resources

Joyce Jones, Tax Assessor, Manchester Township, Ocean County

Thomas McCullum, Tax Assessor, Springfield Township, Union County

Carolyn Landi, Tax Assessor, Wyckoff Township, Bergen County

Joseph Crane, Tax Assessor, Deptford Township & Clayton Boro, Gloucester County

Samuel Befarah, Tax Assessor, Asbury Park City, Monmouth County

James Anderson, Tax Assessor, Pt. Pleasant and Pt. Pleasant Boro, Ocean County

Charles Fouquet, Tax Assessor, Parsippany-Troy Hills Township, Morris County

APPRECIATION PLAQUE—Presented by Gloria Cross

Edward Rosenblum, Association Attorney

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PAST OFFICERS PLAQUES—Presented by Gloria Cross

Charles Grayson—Vice-President—Assessor, Montgomery Township, Somerset County

Charles Fouquet—Sgt.-at-Arms—Assessor, Parsippany-Troy Hills Township, Morris County

PRESIDENTIAL GAVEL—Presented by Gloria Cross

Stephen Kessler, Tax Assessor, Winslow Township, Camden County

NORMAN HARVEY AWARD—Presented by Joyce Jones

Claire Maxwell Young, Tax Assessor, Tenafly Boro, Bergen County

RUSSELL T. WILSON AWARD—Presented by Lois Wieboldt

Joseph Crane, Tax Assessor, Deptford Township and Clayton Boro, Gloucester County

PAST PRESIDENT PLAQUE—Presented by Stephen Kessler

Gloria Cross, Tax Assessor, Mt. Olive Township, Morris County

The meeting was adjourned at 2:30 p.m.

Kenneth H. Beck, CTA, SMA Secretary

Karcher Presents Property Tax Reform



Assembly Speaker Alan Karcher (D-Mdix) has targeted property tax reform as his top priority.

Under his plan, any homeowner with an annual income of under \$60,000 would not pay over 5% of his income for property taxes.

Families in this category would continue to get a homestead rebate but those with incomes above \$60,000 would get no homestead rebate and, also, face an increase in state income taxes.

The rates for the income tax would be 4.5% for taxpayers earning \$60,000 to \$80,000, 5.5% for those earning \$80,000 to \$100,000 and 6.5% for over \$100,000.

Assessors' Collector's and County Tax Board Administrator's Liaison Committee

The meeting of October 25, 1983 was held at Director John Baldwin's office with the following in attendance:

Samuel Temkin, Superintendent, Division of Taxation

Barry Clark, Assistant Director, Division of Local Services

John Florentino, Supervising Program, Development Specialist, Division of Local Services

Doloris R. Lindsay, Administrator, Gloucester County Board of Taxation

Bill Birchall, Assessor's Association

Joan B. Wescott, Burlington County Collectors

Joyce Wendelen, Tax Collector's Association

Dorothy Montag, Assessor's Association

Randolph Brokaw, Assessor's Association

Joe Rauch, Collector's & Treasurer's Association

Sam Temkin informed the committee members of pending legislation. Assembly Bill No. 738 which provides for the homestead rebate to be credited to the taxpayer's property tax bill could save over one million dollars in administration and mailing costs but would affect municipalities with a loss of approximately fourteen million dollars in federal revenue sharing. Other pending bills represent relief for the late filings by allowing retroactive and/or partial rebate amounts.

At this time, legislation of mobile homes which imposes fees for the trailers within trailer parks and real property taxation for those on privately owned lots is represented by four bills awaiting the Governor's signature.

Sam Temkin suggested that the items covered at our meetings should be brought to the attention of our subcommittee which is studying Title 54. As an example, the statutes call for no changes to be made to the tax duplicate after County Tax Board approval but the tax collector has the responsibility to forward bills to the current owner. Therefore, it is felt that the tax duplicate should be updated with the latest owner's name, address and bank code.

Joe Rauch confirmed that apportionment as a result of subdivision is possible but failure of tax payment on one parcel results in a tax lien being placed on the entire line item of the tax duplicate. As a result of a reduction due to a final judgment, the assessment may not be changed, only the amount of taxes collected.

A discussion of administrative changes as a result of added assessments and its effect on
(continued on next page)

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If you were a dissatisfied taxpayer, would it be worth your while to file an appeal to your respective County Tax Board?

In 1982 there were 25,947 appeals filed in the State of New Jersey and 55% or 14,252 were approved so, according to those numbers, you have better than a 50-50 chance of getting a reduction.

The best place to file would have been Cape May County where, of the 625 appeals, 615 or about 98%, were approved for a reduction of \$6,015,721. on assessments.

On the other side of the coin, Union County had 808 appeals and only 186 were approved, for a percentage of about 23%.

LIAISON COMMITTEE REPORT

preliminary billing led to the subject of the use of computers and the need to review Title 54 for possible changes in the statutory dates.

Barry Clark confirmed that there is only one employee with the bank code information in his department; however, there is no objection to return phone calls to the municipality when a phone number is given due to the initial unavailability of that employee.

In regard to the Credits and Debits as a result of appeal judgments, the tax collector, the official who is in charge and has the knowledge of the refund amounts, should report said amounts to the County Board of Taxation for adjustment in the apportionment of County taxes. The method of reporting will be studied further.

Randy Brokaw questioned access to the tax list information as it exists on computers. Sam Temkin stated that the Attorney General's office has determined that the tax lists are public information and only the County Boards of Taxation or a municipality which has its own computer system can give permission for release of the information contained thereon.

It was noted that not all of the appointments to the Property Tax Commission have been made.

To provide uniformity throughout the State, handbooks for the County Boards of Taxation have been distributed to each board. An amendment to the County Board rules cite that if the first three quarter taxes are not paid, the appeal may be heard but no judgment can be rendered until payment of taxes is made. In order to dismiss an appeal for non-payment of taxes, the municipality must make a motion for dismissal.

In the future, there may be legislation requiring a municipality to supply the County Board of Taxation with a copy of its tax map. There was a discussion concerning regulations whereby the assessor may be required to supply the petitioner with a copy of the property record card and other pertinent information such as appraisals in addition to the current regulation to permit review of the property record card one week prior to the hearing. Further, the instructions on the petition of appeal may be revised so that they are easier to understand.

The next meeting will be scheduled for the end of January.

Respectfully submitted,
Dorothy L. Montag
AMANJ Chairman

Not only is a rocking chair a pretty safe means of getting back and forth, there are also no back-seat drivers.

SENATE, NO. 3762

An act concerning certain State payments, amending P.L. 1968, c. 60, and amending and supplementing P.L. 1977, c. 272.

STATEMENT

Current law exempts the South Jersey Port Corporation as an instrumentality of the State of New Jersey from the payment of taxes. Unlike other parts of the State Government, however, the corporation is directed to enter into tax agreements with the municipalities and the county in which it is located and to make payments directly to these entities in lieu of taxes. This bill deletes the provision requiring the corporation to make tax agreements and payments and provides that the corporation shall come under the State's general in lieu of tax payments program embodied in P.L. 1977, c. 272 (C. 54:4-2.2a et seq.). The bill also provides that the municipalities in question shall not receive less than the amount they would receive under the tax agreements.

Because the revenues of the corporation have generally not been sufficient to meet its tax agreement payments, the State under P.L. 1968, c. 60 (C.12:11A-1 et seq.) has supplied most of the funding for the tax payments made by the corporation. Under this bill, rather than making the payment indirectly the State would be making the payment directly. This bill would also end the unusual situation in which the South Jersey Port Corporation is one of the few port corporations in the country required to make in lieu of tax payments to the localities in which it is situated.

SENATE, NO. 3667


An act concerning the use of property exempt from taxation by profit-making entities and amending R.S. 54:4-3.6.

STATEMENT

This bill would permit portions of tax-exempt buildings used by nonprofit organizations to be leased to profit-making persons, which do not have tax-exempt status. The portion of the building so leased would then be subject to taxation while the remaining portion would still be tax exempt.

Currently only colleges, schools, academies and seminaries are permitted to lease a portion of their property while maintaining a tax-exempt status for the property under certain circumstances as provided in P.L. 1983, c. 204 (C. 54:4-3.6d).

Christmas means most when people forget themselves and remember others. It means most people give with no thought of receiving.



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Daytona Beach, Boston to Host Personal Property Seminars

The International Association of Assessing Officer's 2nd Annual Seminar on the Valuation of Personal Property will be conducted April 5-6, 1984, in Daytona Beach, Florida and June 28-29, 1984, in Boston, Massachusetts.

These two day seminars are designed to be valuable for both the unseasoned personal property appraiser and those having extensive, comprehensive experience. The first day of each seminar will focus on fundamental aspects of personal property appraisal and assessment while the second day will be devoted to presentations by recognized experts on specific types of personal property. Among the areas to be addressed are: "Obsolescence and Industrial Machinery," "Valuation of Utility Personal Property," "Computers and Business Personal Property," and "Trends in The Valuation of Transportation Equipment."

The Daytona Beach seminar will be conducted at the Inn at Indigo Lakes, a sports resort with golf, tennis, and other amenities. The Boston seminar will be conducted at the Copley Plaza Hotel near the Back Bay and Beacon Hill areas. Special discount sleeping room rates have been secured at both hotels.

The tuition, per seminar, is \$165 for Personal Property Section members, \$175 for IAAO members, and \$200 for nonmembers. This fee includes all seminar material and a wine and cheese reception. Nonmembers who join IAAO can attend at the member tuition; a special membership dues offer, at \$45, is available until January 1, 1984.

To register, please write the IAAO Personal Property Section, 1313 East 60th Street, Chicago, Illinois 60637 or call (312) 947-2056.

For further information, please contact Dean McQuown, Director of Research and Technical Services at the above address.

Association of Municipal Assessors of New Jersey

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